

**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, 2017**

**Comprehensive Annual
Financial Report**

of the

**High Point Regional
High School District**

Sussex, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

**High Point Regional High School
For the Fiscal Year Ended June 30, 2017**

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INTRODUCTORY SECTION

HIGH POINT REGIONAL HIGH SCHOOL

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www.hpregional.org

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Superintendent
Phone 973-875-3170
sripley@hpregional.org

Jim Minkewicz
Business Administrator/Board Secretary
Phone 973-875-7205
jminkewicz@hpregional.org

October 24, 2017

The Honorable President and Members of
The Board of Education of
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, 2017, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the New Jersey's OMB Circular 15-08, *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 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 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, Township of Wantage, and Township of Montague. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2016-2017 fiscal year with an average daily enrollment of 910 students, which is an decrease of 73 students from the previous year's average daily enrollment.

The Honorable President and Members of
the Board of Education
High Point Regional High School District
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October 24, 2017

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 in 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: High Point Regional High School has now fully institutionalized an educational vision and culture that is student-centered and focused on achievement and student wellbeing. A research-based Multi-Tiered System of Supports (MTSS) and a robust Response-to-Intervention (RTI) program identify and provide interventions to at-risk students; this has resulted in higher student-achievement, higher pass rates, and higher graduation rates. We have focused on equity and access in our curriculum by removing restrictions to our most rigorous courses; we now offer 30 tested Advanced Placement (AP) classes. High Point remains one of the very few NJ schools offering AP Capstone; this demonstrates our commitment to providing a world-class academic experience to the children of our community. High Point's faculty is completing the alignment and integration all of our courses to the New Jersey Student Learning Standards (NJSLs) through Professional Learning Communities (PLC's) to map the standards-based curriculum using Understanding by Design (UbD) format utilizing Rubicon Atlas. High Point has institutionalized our Bring-Your-Own-Device (BYOD) campus vision through our commitment to maintaining a state-of-the-art technology infrastructure. This has enabled us to utilize the full complement of Google Applications for Education so as to foster an academic vision based upon constructivism and connectivism.

During the 2017-18 school year, we will continue to build upon our stated academic vision and the aforementioned initiatives with the following: daily PLC planning time among educational professionals so as to utilize data to inform instruction; a literacy initiative in which pre and post test data is utilized to bring every student to grade level literacy; continued efforts to institutionalize Positive Behavioral Interventions and Supports (PBIS) and Restorative Practices (RP) to inspire a student culture of restoration of relationships and proactive supports to ensure student well-being and academic success; a more systematic approach to providing students pathways to career success upon graduation; a continued focus on fiscal responsibility so as to ensure property tax relief.

High Point will continue our focus on fostering educator self-reflection in the observation process; this is fostered through our observation process in which teachers self-evaluate through reflection and a post-observation with an administrator. All of our teachers utilize self-evaluation through the former pilot process of recording lessons; we believe educators who operate as reflective practitioners increase student achievement and wellbeing.

In our efforts to improve student culture we have implemented a progressive vision of student discipline focused on supports and restoration, rather than suspension and correction. This has resulted in a more than 40% reduction in student suspensions over the past three years, as well as significant reductions in student failures, student drop-outs, instances of HIB, and instances in which students have tested positive for substance use while at High Point.

High Point is now in our second year of a modified block schedule. Our vision and purpose for such a change was to further institutionalize our student-centered and research based academic vision. This schedule also provides more in-depth academic instruction as well as providing daily, embedded, professional development through PLC meetings.

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 a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as 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, 2017.

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.

The Honorable President and Members of
the Board of Education
High Point Regional High School District
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October 24, 2017

9) OTHER INFORMATION:

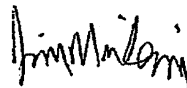
State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the 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 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,

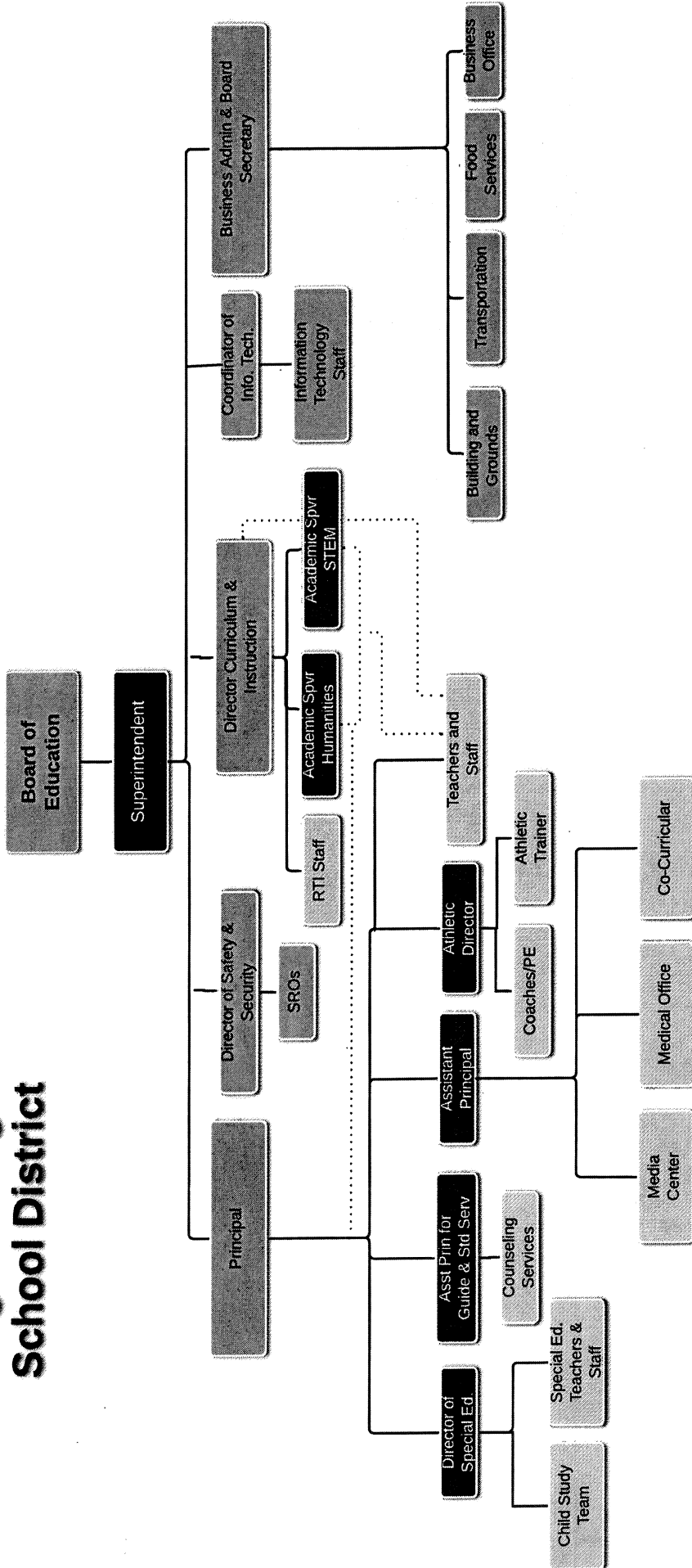


Scott D. Ripley
Superintendent and Chief School Administrator



Jim Minkewicz
Business Administrator/Board Secretary

High Point Regional High School District



**HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2017**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Kyle Vealey, President	Wantage Township	2019
Deborah Anderson, Vice-President	Branchville Township	2018
Christine Keller	Wantage Township	2019
William Kehoe	Wantage Township	2019
Todd Miller	Lafayette Township	2018
Tom Antcliff	Borough of Sussex	2017
Charlie Rolon, Jr.	Frankford Township	2017
Michael Voitcu	Frankford Township	2018
Wayne Dunn	Wantage Township	2017

Other Officers

Scott D. Ripley	Superintendent / Chief School Administrator
Jim Minkewicz	Business Administrator / Board Secretary
Michelle LaStarza	Treasurer

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

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
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Mount Arlington, NJ 07856
and
Lawrence Business Park
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Newton, NJ 07860

Attorney

Busch Law Group LLC
450 Main Street
Metuchen, NJ 08840

Official Depository

Sussex Bank
399 Route 23
Franklin, NJ 07416

Architect

HQW Architects, LLC
124 Main Street
Newton, NJ 07860

FINANCIAL SECTION

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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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.

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, 2017, 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, the pension schedules in Exhibits L-1 through L-4 and the related notes and the budgetary comparison information in Exhibits C-1 through C-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 and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are 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 24, 2017 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 24, 2017
Mount Arlington, New Jersey

NISIVOC CIA 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, 2017
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, 2017. 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, despite the decrease in the governmental-type activities net position of \$853,081.
- Net position of the District's business-type activity – food service program and other enterprise funds – decreased by \$106,666 over the previous year.
- The overall revenue of the District totaled \$32,679,360 which was an increase of \$2,306,570 compared to the prior year.
- The overall expenses of the District totaled \$33,639,107 which was an increase of \$3,024,365 compared to the prior year.

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 service, adult school, school store and transportation 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

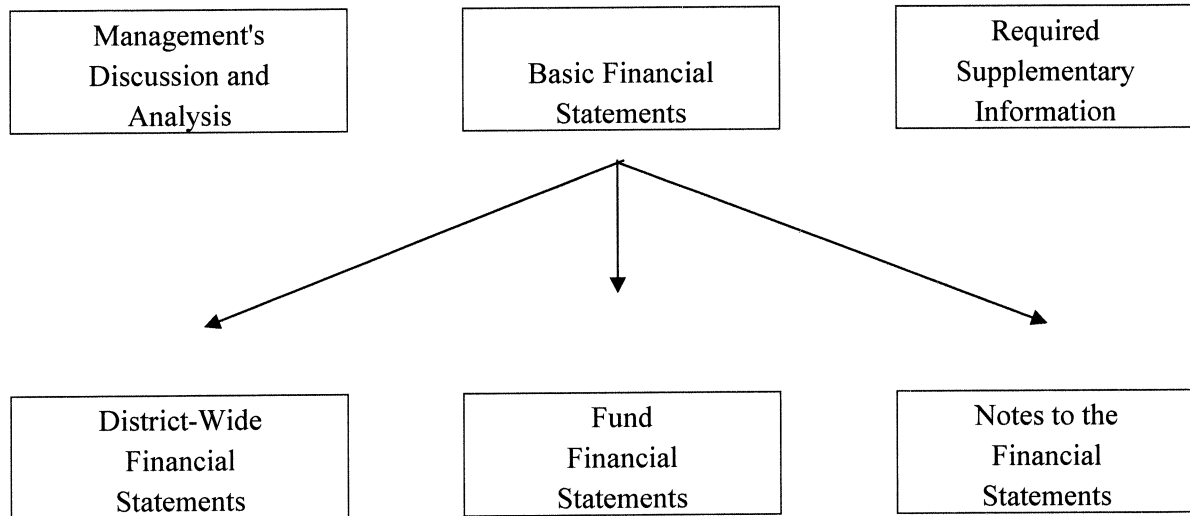


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents 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"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
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, deferred inflows and outflows 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, deferred inflows and outflows and liabilities – is 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 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		Percentage Change
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	
Current and							
Other Assets	\$ 2,241,931	\$ 2,211,043	\$ 411,324	\$ 314,667	\$ 2,653,255	\$ 2,525,710	-4.81%
Capital Assets, Net	8,042,420	7,936,053	26,607	30,588	8,069,027	7,966,641	-1.27%
Total Assets	10,284,351	10,147,096	437,931	345,255	10,722,282	10,492,351	-2.14%
Deferred Outflows							
of Resources	2,062,933	3,414,117			2,062,933	3,414,117	65.50%
Other Liabilities	317,413	321,638	2,399	16,389	319,812	338,027	5.70%
Long-term							
Liabilities	9,737,012	11,632,068			9,737,012	11,632,068	19.46%
Total							
Liabilities	10,054,425	11,953,706	2,399	16,389	10,056,824	11,970,095	19.02%
Deferred Inflows							
of Resources	121,854	289,583			121,854	289,583	137.65%
Net Investment							
in Capital							
Assets	6,944,055	6,922,542	26,607	30,588	6,970,662	6,953,130	-0.25%
Restricted	1,955,513	1,802,272			1,955,513	1,802,272	-7.84%
Unrestricted/							
(Deficit)	(6,728,563)	(7,406,890)	408,925	298,278	(6,319,638)	(7,108,612)	-12.48%
Total Net							
Position	\$ 2,171,005	\$ 1,317,924	\$ 435,532	\$ 328,866	\$ 2,606,537	\$ 1,646,790	-36.82%

Changes in Net Position. The District's *combined* net position was \$1,646,790 on June 30, 2017, \$959,747 less than it was the year before. (See Figure A-3). The depreciation factored into the net position of the District as a decrease is \$535,487. The net position of the governmental activities and business-type activities decreased \$853,081 and \$106,666, respectively (See Figure A-4).

Figure A-4**Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		% Change
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	
Revenue:							
Program Revenue:							
Charges for Services	\$ 999,366	\$ 895,190	\$1,379,666	\$1,348,672	\$2,379,032	\$ 2,243,862	-5.68%
Operating Grants & Contributions	12,079,638	14,245,327	81,189	74,522	12,160,827	14,319,849	17.75%
Capital Grants & Contributions		628,906				628,906	100.00%
General Revenue:							
Property Taxes	15,807,663	15,401,826			15,807,663	15,401,826	-2.57%
Other	25,136	79,449	132	5,468	25,268	84,917	236.07%
Total Revenue	28,911,803	31,250,698	1,460,987	1,428,662	30,372,790	32,679,360	7.59%
Expenses:							
Instruction	17,839,514	19,910,123			17,839,514	19,910,123	11.61%
Pupil and Instruction Services	4,752,568	5,151,581			4,752,568	5,151,581	8.40%
Administrative and Business	2,005,846	2,111,418			2,005,846	2,111,418	5.26%
Maintenance and Operations	2,538,115	2,983,794			2,538,115	2,983,794	17.56%
Transportation	1,799,896	1,911,202			1,799,896	1,911,202	6.18%
Other	30,364	35,661	1,648,439	1,535,328	1,678,803	1,570,989	-6.42%
Total Expenses	28,966,303	32,103,779	1,648,439	1,535,328	30,614,742	33,639,107	9.88%
Increase/(Decrease) in Net Position	\$ (54,500)	\$ (853,081)	\$ (187,452)	\$ (106,666)	\$ (241,952)	\$ (959,747)	-296.67%

Revenue Sources. The District's total revenue for the 2016/2017 school year was \$32,679,360. (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$15,401,826 of the total, or 47.13 percent. (See Figure A-5). Another 43.82 percent came from state and federal aid for specific programs, capital grants 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, \$2,757,635 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 2017**

	Amount	Percentage
Sources of Income:		
Property Taxes	\$ 15,401,826	47.13%
Federal and State Categorical Grants	14,319,849	43.82%
Charges for Services	2,243,862	6.87%
Capital Grants	628,906	1.92%
Other	84,917	0.26%
Total Revenue	\$ 32,679,360	100.00%

Expenses. The total cost of all programs and services was \$33,639,107. The District's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (80.19 percent). (See

Figure A-6
Expenses for Fiscal Year 2017

	<u>Amount</u>	<u>Percentage</u>
Expense Category:		
Instruction	\$ 19,910,123	59.19%
Pupil and Instruction Services	5,151,581	15.31%
Administrative and Business	2,111,418	6.28%
Maintenance and Operations	2,983,794	8.87%
Transportation	1,911,202	5.68%
Other	1,570,989	4.67%
Total Expenses	<u>\$ 33,639,107</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>2015/16</u>	<u>2016/17</u>	<u>2015/16</u>	<u>2016/17</u>
Instruction	\$ 17,839,514	\$19,910,123	\$ 6,732,849	\$ 6,736,005
Pupil and Instruction Services	4,752,568	5,151,581	3,753,202	4,256,391
Administrative and Business	2,005,846	2,111,418	1,798,900	1,804,274
Maintenance and Operations	2,538,115	2,983,794	2,538,115	2,354,888
Transportation	1,799,896	1,911,202	1,033,869	1,147,137
Other	30,364	35,661	30,364	35,661
	<u>\$ 28,966,303</u>	<u>\$ 32,103,779</u>	<u>\$ 15,887,299</u>	<u>\$16,334,356</u>

- The cost of all governmental activities this year was \$28.97 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$12.08 million).
- Most of the District’s costs (\$15.81 million), however, were financed by District taxpayers.

- The federal and state governments subsidized certain programs with grants and contributions (\$12.08 million).
- Most of the District’s costs (\$15.81 million), however, were financed by District taxpayers.

Business-Type Activities

Net position from the District’s business-type activities decreased by \$106,666. (Refer to Figure A-4). Factors contributing to these results included:

- Food services expenses exceeded revenue by \$41,018, accounting for part of the decrease in the net position of the business-type activities.
- Other enterprise funds expenses exceeded revenue by \$65,648 accounting for part of the decrease 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. 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.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were made up of changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

Capital Asset and Long-term Liabilities

**Figure A-8
Capital Assets (Net of Depreciation)**

	Government Activities		Business-Type Activities		Total School District		Percentage
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	Change 2016/17
Land	\$ 50,000	\$ 50,000			\$ 50,000	\$ 50,000	0.00%
Construction in Progress	2,130,709				2,130,709		-100.00%
Land, Building and Site Improvements	4,831,472	7,019,578			4,831,472	7,019,578	45.29%
Furniture, Machinery, and Equipment	1,030,239	866,475	\$ 26,607	\$ 30,588	1,056,846	897,063	-15.12%
Total Capital Assets - (Net of Depreciation)	<u>\$ 8,042,420</u>	<u>\$ 7,936,053</u>	<u>\$ 26,607</u>	<u>\$ 30,588</u>	<u>\$ 8,069,027</u>	<u>\$ 7,966,641</u>	-1.27%

During the year the District purchased equipment for maintenance and grounds, athletic equipment and security equipment amounting to \$51,001 and building improvements of \$376,712, along with transferring the completed construction project in the governmental-type activities of \$2,130,709 and an adjustment \$5,388 in the business-type activities. The depreciation factored into the governmental-type activities totaled \$534,080 and into the business-type activities totaled \$1,407. (More detailed information about the District’s capital assets is presented in Note 6 to the financial statements.)

Long-term Liabilities

At year-end, the District had no general obligation bonds outstanding at year end 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

Outstanding Long-Term Liabilities

	Total School District		Percentage
	2015/16	2016/17	Change
Capital Lease	\$ 1,098,365	\$ 1,013,511	-7.73%
Net Pension Liability	7,578,902	9,473,067	24.99%
Other Long Term Liabilities	1,059,745	1,145,490	8.09%
	<u>\$ 9,737,012</u>	<u>\$ 11,632,068</u>	19.46%

- The District continued to pay down its energy savings capital lease, retiring \$84,854.
- The District had a net increase in the net pension liability of \$1,894,165.
- The District's other long term liabilities consist of accrued compensated absences which increased by \$85,745, due to vesting of sick and vacation time exceeding payouts for accumulated compensated absences.

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.
- High Point Regional High School District's budget for 2017-18 was significantly reduced to accommodate the significant drop in student enrollment over the past decade; High Point currently has 922 students, which is a reduction from over 1,400 ten years ago. The tax levy was reduced by more than one million, or 7.28%. This reduction was manifest to a large degree through support staff reductions, with limited classroom instructional impact.
- 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 maintain the physical plant of the School; this may require a financial commitment for the 18-19 budget which may compromise our determination to reduce costs.
- The District continues our send-receive relationship with Montague that has affected enrollment in the District and increased tuition revenue, thereby helping to reduce the tax impact on constituents and reduce overall pupil costs.
- The District was subject to a reduction of \$128,913 in the amount of state aid awarded for the 2017-18 fiscal year which resulted in the District having to budget additional fund balance into the 2017-18 budget.

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

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

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 386,789	\$ 34,131	\$ 420,920
Receivables from State Government	316,380	124	316,504
Receivables from Federal Government		3,220	3,220
Receivables from Other Governments	147,118	265,104	412,222
Inventory		12,088	12,088
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	1,002,994		1,002,994
Maintenance Reserve Account - Cash and Cash Equivalents	357,762		357,762
Capital Assets:			
Land	50,000		50,000
Depreciable Buildings and Building Improvements, Site and Land Improvements, Machinery and Equipment	7,886,053	30,588	7,916,641
Total Assets	<u>10,147,096</u>	<u>345,255</u>	<u>10,492,351</u>
DEFERRED OUTFLOW OF RESOURCES			
Changes in Assumptions - Pension	1,962,314		1,962,314
Difference Between Expected and Actual Experience - Pensions	176,170		176,170
Changes in Proportions - Pensions	614,416		614,416
Net Difference between Projected and Actual Investment Earnings - Pensions	361,217		361,217
District Contribution Subsequent to Measurement Date - Pensions	300,000		300,000
Total Deferred Outflows of Resources	<u>3,414,117</u>		<u>3,414,117</u>
LIABILITIES			
Accounts Payable	315,751		315,751
Accounts Payable - Cash Deficit		12,233	12,233
Unearned Revenue		4,156	4,156
Interfund Payable	5,887		5,887
Noncurrent Liabilities:			
Due Within One Year	86,744		86,744
Due Beyond One Year	11,545,324		11,545,324
Total Liabilities	<u>11,953,706</u>	<u>16,389</u>	<u>11,970,095</u>
DEFERRED INFLOWS OF RESOURCES:			
Changes in Proportions - Pensions	289,583		289,583
Total Deferred Inflows of Resources	<u>289,583</u>		<u>289,583</u>
NET POSITION			
Net Investment in Capital Assets	6,922,542	30,588	6,953,130
Restricted for:			
Capital Projects	1,002,994		1,002,994
Debt Service Fund	2		2
Maintenance Reserve	357,762		357,762
Excess Surplus	441,514		441,514
Unrestricted/(Deficit)	(7,406,890)	298,278	(7,108,612)
Total Net Position	<u>\$ 1,317,924</u>	<u>\$ 328,866</u>	<u>\$ 1,646,790</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, 2017

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 15,029,523		\$ 11,784,552		\$ (3,244,971)		\$ (3,244,971)
Special Education	3,470,736		1,389,566		(2,081,170)		(2,081,170)
Other Special Instruction	1,108,329				(1,108,329)		(1,108,329)
Other Instruction	301,535				(301,535)		(301,535)
Support services:							
Tuition	1,087,347	\$ 895,190			(192,157)		(192,157)
Student & Instruction Related Services	4,064,234				(4,064,234)		(4,064,234)
General Administrative Services	485,017				(485,017)		(485,017)
School Administrative Services	1,157,618		307,144		(850,474)		(850,474)
Central Services	438,096				(438,096)		(438,096)
Administrative Technology Information	30,687				(30,687)		(30,687)
Plant Operations and Maintenance	2,983,794			\$ 628,906	(2,354,888)		(2,354,888)
Pupil Transportation	1,911,202		764,065		(1,147,137)		(1,147,137)
Capital Outlay	35,661				(35,661)		(35,661)
Total Governmental Activities	32,103,779	895,190	14,245,327	628,906	(16,334,356)	\$ -0-	(16,334,356)

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Positions			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business Type Activities:							
Food Service	\$ 430,342	\$ 309,357	\$ 74,522		\$ (46,463)	\$ (46,463)	
Adult School	6,103	7,090			987	987	
School Store	20,898	16,650			(4,248)	(4,248)	
Transportation Services	1,077,985	1,015,575			(62,410)	(62,410)	
Total Business-Type Activities	1,535,328	1,348,672	74,522		(112,134)	(112,134)	
Total Primary Government	\$ 33,639,107	\$ 2,243,862	\$ 14,319,849	\$ 628,906	\$ (16,334,356)	(112,134)	(16,446,490)

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes, Net	15,401,826	15,401,826
Unrestricted Federal Aid	11,617	11,617
Interest Earnings	2,618	80
Miscellaneous Income	65,214	65,214
Total General Revenues	15,481,275	80
Capital Assets Adjustment		5,388
Change in Net Position	(853,081)	(106,666)
Net Position - Beginning	2,171,005	435,532
Net Position - Ending	\$ 1,317,924	\$ 328,866
		\$ 1,646,790

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

FUND FINANCIAL STATEMENTS

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

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 386,787		\$ 2	\$ 386,789
Receivables From State Government	316,380			316,380
Receivables From Other Governments	147,118			147,118
Restricted Cash and Cash Equivalents	1,360,756			1,360,756
Total Assets	\$ 2,211,041	\$ -0-	\$ 2	\$ 2,211,043
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable - Vendors	\$ 15,751			\$ 15,751
Interfund Payable	5,887			5,887
Total Liabilities	21,638			21,638
Fund Balances:				
Restricted for:				
Capital Reserve Account	1,002,994			1,002,994
Maintenance Reserve Account	357,762			357,762
Excess Surplus - Designated				
For Subsequent Year's Expenditures	441,514			441,514
Debt Service Fund			\$ 2	2
Assigned to:				
Year-end Encumbrances	265,316			265,316
Additional Assigned Fund Balance for Subsequent Year's Expenditures - 7/1/17 - 8/1/17	121,817			121,817
Total Fund Balances	2,189,403		2	2,189,405
Total Liabilities and Fund Balances	\$ 2,211,041	\$ -0-	\$ 2	

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 \$22,779,112 and the accumulated depreciation is \$14,843,059.	\$ 7,936,053
Other 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.	(2,159,001)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(9,473,067)
Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Deferred Outflows:	
Changes in Assumptions - Pensions	1,962,314
Difference Between Expected and Actual Experience - Pensions	176,170
Changes in Proportions - Pensions	614,416
Net Difference between Expected and Actual Investment Earnings - Pensions	361,217
Deferred Inflows:	
Changes in Proportions - Pensions	(289,583)
Net Position of Governmental Activities	\$ 1,317,924

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, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 15,401,826				\$ 15,401,826
Tuition from Other LEAs within State	800,194				800,194
Tuition from Individuals	94,996				94,996
Unrestricted Miscellaneous	67,832				67,832
Total - Local Sources	16,364,848				16,364,848
State Sources	9,425,708		\$ 628,906		10,054,614
Federal Sources	11,617	\$ 348,937			360,554
Total Revenue	25,802,173	348,937	628,906		26,780,016
EXPENDITURES:					
Current:					
Regular Instruction	7,104,146	135,539			7,239,685
Special Education Instruction	1,613,100	213,398			1,826,498
Other Special Instruction	1,007,388				1,007,388
Support Services and Undistributed Costs:					
Tuition	1,087,347				1,087,347
Student & Instruction Related Services	2,993,720				2,993,720
General Administrative Services	409,997				409,997
School Administrative Services	646,730				646,730

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	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	\$ 321,226				\$ 321,226
Administrative Information Technology	30,687				30,687
Plant Operations and Maintenance	2,626,618				2,626,618
Pupil Transportation	1,746,071				1,746,071
Unallocated Benefits	6,399,939				6,399,939
Capital Outlay	463,374				463,374
Total Expenditures	<u>26,450,343</u>	<u>\$ 348,937</u>			<u>26,799,280</u>
Excess/(Deficiency) of Revenue over/(under) Expenditures	(648,170)		628,906		(19,264)
OTHER FINANCING SOURCES/(USES):					
Transfers In	180,685				180,685
Transfers Out			(180,685)		(180,685)
Total Other Financing Sources/(Uses)	<u>180,685</u>		<u>(180,685)</u>		
Net Change in Fund Balances	(467,485)		448,221		(19,264)
Fund Balance/(Deficit) - July 1	<u>2,656,888</u>		<u>\$ (448,221)</u>	<u>\$ 2</u>	<u>2,208,669</u>
Fund Balance - June 30	<u>\$ 2,189,403</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 2</u>	<u>\$ 2,189,405</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, 2017

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (19,264)

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

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

Depreciation expense	\$ (534,080)
Capital outlays	427,713
	(106,367)

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 (+).

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	(1,894,165)
Deferred Outflows:	
Changes in Assumptions	1,148,401
Difference Between Expected and Actual Experience	(4,636)
Changes in Proportion	(169,647)
Net difference between Projected and Actual Investment Earnings on Pension Plan Investments	483,071
Deferred Inflows:	
Change in Proportions	(289,583)
	84,854
	\$ (853,081)

Repayment of capital leases 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.

Change in Net Position of Governmental Activities (Exhibit A-2)

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Major Funds		
	Food Service Fund	Transportation Services	Non-Major Funds
			Totals
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 11,268		\$ 34,131
Accounts Receivable:			
State	124		124
Federal	3,220		3,220
Intergovernmental - Other		\$ 265,104	265,104
Inventories	7,903		12,088
Total Current Assets	22,515	265,104	314,667
Non-Current Assets:			
Capital Assets	44,417		44,417
Less: Accumulated Depreciation	(13,829)		(13,829)
Total Non-Current Assets	30,588		30,588
Total Assets	53,103	265,104	345,255
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable - Cash Deficit		12,233	12,233
Unearned Revenue - Prepaid Sales	2,444		2,444
Unearned Revenue - Donated Commodities	1,712		1,712
Total Current Liabilities	4,156	12,233	16,389
<u>NET POSITION:</u>			
Investment in Capital Assets	30,588		30,588
Unrestricted	18,359	252,871	298,278
Total Net Position	\$ 48,947	\$ 252,871	\$ 328,866

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

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

	Major Funds		Non-Major Funds	Totals
	Food Service Fund	Transportation Services		
Operating Revenue:				
Local Sources:				
Daily Sales - Reimbursable Programs	\$ 186,902			\$ 186,902
Daily Sales - Non Reimbursable Programs	122,455			122,455
Program Fees		\$ 1,015,575	\$ 23,740	1,039,315
Total Operating Revenue	309,357	1,015,575	23,740	1,348,672
Operating Expenses:				
Cost of Sales - Reimbursable Programs	95,201		27,001	122,202
Cost of Sales - Non Reimbursable Programs	91,467			91,467
Salaries & Payroll Taxes	155,218			155,218
Employee Benefits	13,045			13,045
Other Purchased Services		1,077,985		1,077,985
Management Fee	15,990			15,990
Purchased Professional and Technical Services	2,392			2,392
Depreciation Expense	1,407			1,407
Other Miscellaneous Expenses	55,622			55,622
Total Operating Expenses	430,342	1,077,985	27,001	1,535,328
Operating (Loss)	(120,985)	(62,410)	(3,261)	(186,656)

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

	Major Funds		Non-Major	Totals
	Food Service Fund	Transportation Services	Funds	
Non-Operating Revenue:				
State Sources:				
State School Lunch Program	\$ 2,275			\$ 2,275
Federal Sources:				
National School Lunch Program	57,871			57,871
Food Distribution Program	14,376			14,376
Local Sources:				
Interest Income	57		23	80
	74,579		23	74,602
Total Non-Operating Revenue				
Net Income/(Loss) before Other Items	(46,406)	\$ (62,410)	(3,238)	(112,054)
Capital Asset Adjustment	5,388			5,388
Change in Net Position	(41,018)	(62,410)	(3,238)	(106,666)
Net Position - Beginning of Year	89,965	315,281	30,286	435,532
Net Position - End of Year	\$ 48,947	\$ 252,871	\$ 27,048	\$ 328,866

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Major Funds			Totals
	Food Service Fund	Transportation Services	Non-Major Funds	
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 311,802	\$ 929,224	\$ 23,740	\$ 1,264,766
Payments to Employees	(155,218)			(155,218)
Payments for Benefits	(13,045)			(13,045)
Payments to Food Service Vendor	(15,990)			(15,990)
Payments to Suppliers	(232,418)	(1,077,985)	(22,515)	(1,332,918)
Net Cash Provided by/(Used for) Operating Activities	(104,869)	(148,761)	1,225	(252,405)
Cash Flows from Noncapital Financing Activities:				
Cash Received from Federal and State Sources	58,773			58,773
Net Cash Provided by Noncapital Financing Activities	58,773			58,773
Cash Flows from Investing Activities:				
Investment Income	57		23	80
Net Cash Flows Provided by Investing Activities:	57		23	80
Net Increase/(Decrease) in Cash and Cash Equivalents	(46,039)	(148,761)	1,248	(193,552)
Cash and Cash Equivalents, July 1	57,307	136,528	21,615	215,450
Cash and Cash Equivalents/(Deficit), June 30	\$ 11,268	\$ (12,233)	\$ 22,863	\$ 21,898

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Major Funds		Non-Major Funds	Totals
	Food Service Fund	Transportation Services		
Reconciliation of Operating (Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Operating (Loss)	\$ (120,985)	\$ (62,410)	\$ (3,261)	\$ (186,656)
Adjustment to Reconcile Operating (Loss) to Cash Provided by/ (Used for) Operating Activities:				
Federal Food Distribution Program	14,376			14,376
Depreciation	1,407			1,407
Changes in Assets and Liabilities:				
(Increase) in Intergovernmental Accounts Receivable - Other		(86,351)		(86,351)
(Increase) Decrease in Inventory	(1,409)		4,486	3,077
Increase in Prepaid Sales	2,444			2,444
(Decrease) in Interfund Payable	(15)			(15)
(Decrease) in Unearned Revenue	(687)			(687)
Net Cash Provided by/(Used for) Operating Activities	\$ (104,869)	\$ (148,761)	\$ 1,225	\$ (252,405)

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 \$13,689 and utilized commodities valued at \$14,376.

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	<u>Agency</u>	<u>Private Purpose Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 158,546	\$ 48,341	\$ 35,111
Interfunds Receivable	<u>5,887</u>		
Total Assets	<u>164,433</u>	<u>48,341</u>	<u>35,111</u>
<u>LIABILITIES:</u>			
Net Salaries and Wages	4,684		
Payroll Deductions and Withholdings	77,651		
Due to Student Groups	<u>82,098</u>		
Total Liabilities	<u>164,433</u>		
<u>NET POSITION:</u>			
Held in Trust for Unemployment Claims			35,111
Restricted For Scholarships		<u>48,341</u>	
Total Net Position	<u>\$ -0-</u>	<u>\$ 48,341</u>	<u>\$ 35,111</u>

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

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

	Unemployment Compensation Trust	Scholarship Trust	Totals
ADDITIONS:			
Contributions:			
Donations	_____	\$ 10,680	\$ 10,680
Total Contributions	_____	10,680	10,680
Investment Earnings:			
Interest	\$ 70	55	125
Net Investment Earnings	70	55	125
Total Additions	70	10,735	10,805
DEDUCTIONS:			
Scholarships Awarded	_____	27,014	27,014
Total Deductions	_____	27,014	27,014
Change in Net Position	70	(16,279)	(16,209)
Net Position - Beginning of the Year	35,041	64,620	99,661
Net Position - End of the Year	<u>\$ 35,111</u>	<u>\$ 48,341</u>	<u>\$ 83,452</u>

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, 2017

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 ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. 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, 2017
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

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

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

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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 Funds account 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.

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 an 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, 2017

(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, 2017 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.

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants receivable. These grants are recognized on the budgetary basis in full at the time of the award, but are recognized on the GAAP basis as they are expended and requested for reimbursement.

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	\$25,793,497	\$ 348,937
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	638,644	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(629,968)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$25,802,173	\$ 348,937

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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	\$26,450,343	\$ 348,937
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$26,450,343	\$ 348,937
		Capital Projects Fund
Actual Amounts (Budgetary Basis) "Revenue and Other Financing Sources" from the Summary Schedule of Revenues, Expenditures and Changes in Fund Balance SDA Grants Revenue Recognized on GAAP Basis		\$ -0- 628,906
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		\$ 628,906

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.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

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

E. Cash and Cash Equivalents and Investments: (Cont'd)

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.

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, 2017.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

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

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:

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

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

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 governmental activities, business-type activities, or enterprise funds. Bond premiums 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 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.

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, 2017.

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.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

N. Compensated Absences: (Cont'd)

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.

P. Fund Balance Appropriated:

General Fund: Of the \$2,189,403 General Fund balance at June 30, 2017, \$1,002,994 is restricted in the capital reserve account, \$357,762 is restricted in the maintenance reserve, \$441,514 is restricted for prior year excess surplus in accordance with N.J.S.A. 18A:7F (S1701), and has been appropriated and included in anticipated revenue for the fiscal year ended June 30, 2018, \$265,316 is assigned for year end encumbrances, and \$121,817 is additional assigned fund balance for subsequent year's expenditures as a result of the reduction of 2017-2018 state aid which has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2018. The assigned fund balance is \$6,376 less than the actual assigned fund balance due to the final two state aid payments, which are not recognized on a GAAP basis until the fiscal year ended June 30, 2018. Additionally, there is \$623,592 of unassigned fund balance which is not reported on a GAAP basis due to the final two state aid payments.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2017 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 had excess surplus at June 30, 2017, as noted above.

The District's fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$629,968, (\$623,592 in unassigned fund balance, and \$6,376 in fund balance assigned for year end encumbrances) 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.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

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

Q. Deficit Net Position:

The \$7,406,890 deficit in unrestricted net position for the governmental activities at June 30, 2017 resulted primarily from the inclusion of the net pension liability \$9,473,067, and \$1,145,490 in compensated absences payable. This deficit does not indicate that the District is facing financial difficulties and is permitted practice under generally accepted accounting principles.

R. Net Position:

Net Position 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 had deferred outflows of resources at June 30, 2017 for the changes in assumptions, the difference between expected and actual experience for pensions, the district contribution subsequent to measurement date for pensions, the net difference between projected and actual investment earnings on pension plan investments, and changes in proportion for pensions.

The District had a deferred inflow of resources at June 30, 2017 for the changes in proportion in pension.

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.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

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, 2017 on the GAAP Basis.

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 and designated for subsequent years expenditures in the General Fund at June 30, 2017.

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.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

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

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.

W. Pensions:

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

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.

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.

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 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 two pages.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

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

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;
- (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 Local Government Services in the Department of Community Affairs for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52-18A-90.4); or

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

- (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 section 1 of P.L. 1970, c.236 (C.17:9-41);

As of June 30, 2017, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents Capital and Maintenance Reserve Accounts</u>	<u>Total</u>
Checking and Savings Accounts	\$ 662,918	\$ 1,360,756	\$ 2,023,674
	<u>\$ 662,918</u>	<u>\$ 1,360,756</u>	<u>\$ 2,023,674</u>

During the period ended June 30, 2017, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents at June 30, 2017, was \$2,023,674 and the bank balance was \$2,090,465.

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.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

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

Beginning Balance, July 1, 2016	\$ 729,682
Increased by:	
Increase per Board Resolution - June 20, 2017	332,627
Unexpended Balance of Capital Projects	180,685
	1,242,994
Decreased by:	
Budgeted Withdrawal	(240,000)
Ending Balance, June 30, 2017	\$1,002,994

The June 30, 2017 LRFP balance of local support costs of uncompleted capital projects at June 30, 2017 is equal to or greater than \$1,002,994. Withdrawals from the capital reserve account were for use in DOE approved facilities projects, consistent with the District's LRFP.

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. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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

Beginning Balance, July 1, 2016	\$ 627,762
Decreased by:	
Budgeted Withdrawal	(270,000)
Ending Balance, June 30, 2017	\$ 357,762

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2017 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 50,000			\$ 50,000
Construction in Progress	2,130,709		\$ (2,130,709)	50,000
Total Capital Assets Not Being Depreciated	2,180,709		(2,130,709)	50,000
Capital Assets Being Depreciated:				
Land Improvements	536,917			536,917
Buildings, Building Improvements and Site Improvements	14,027,237	\$ 376,712	2,130,709	16,534,658
Machinery and Equipment	5,606,536	51,001		5,657,537
Total Capital Assets Being Depreciated	20,170,690	427,713		22,729,112
Governmental Activities Capital Assets	22,351,399	427,713		22,779,112
Less Accumulated Depreciation for:				
Land Improvements	(536,917)			(536,917)
Buildings, Building Improvements and Site Improvements	(9,195,765)	(319,315)		(9,515,080)
Machinery and Equipment	(4,576,297)	(214,765)		(4,791,062)
	(14,308,979)	(534,080)		(14,843,059)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 8,042,420	\$ (106,367)	\$ -0-	\$ 7,936,053
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 39,029		\$ 5,388	\$ 44,417
Less Accumulated Depreciation	(12,422)	\$ (1,407)		(13,829)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 26,607	\$ (1,407)	\$ 5,388	\$ 30,588

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

The District had one uncompleted project as of June 30, 2017 which was related to the HVAC upgrades in the auditorium and gym, and the boiler replacement.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 228,586
Special Education Instruction	29,908
Other Special Instruction	100,941
General Administrative Services	12,818
School Administrative Services	16,557
Plant Operation and Maintenance	56,078
Pupil Transportation	89,192
	<u>89,192</u>
Total Depreciation Expense	<u>\$ 534,080</u>

NOTE 7. TRANSFER TO CAPITAL OUTLAY

During the year ended June 30, 2017, the District made transfers to capital outlay accounts in the amount of \$53,443 for equipment which did not require county superintendent approval.

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2017, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2016	Accrued	Retired	Balance 6/30/2017	Due Within One Year
Capital Leases Payable	\$ 1,098,365		\$ 84,854	\$ 1,013,511	\$ 86,744
Net Pension Liability	7,578,902	\$1,894,165		9,473,067	
Compensated Absences Payable	1,059,745	85,745		1,145,490	
	<u>\$ 9,737,012</u>	<u>\$1,979,910</u>	<u>\$ 84,854</u>	<u>\$11,632,068</u>	<u>\$ 86,744</u>

A. Serial Bonds Payable:

The District had no serial bonds payable at June 30, 2017.

B. Capital Leases Payable:

The District is leasing equipment under an energy savings improvement program totaling \$1,327,620 of which \$314,109 had been amortized as of June 30, 2017. 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, 2017.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

B. Capital Leases Payable: (Cont'd)

Year	Amount
2018	\$ 108,715
2019	108,715
2020	108,715
2021	108,715
2022	108,715
2023-2027	543,575
2028	54,358
	1,141,508
Less: Amount representing interest	(127,997)
Present value of net minimum lease payments	\$ 1,013,511

The General Fund will be used to liquidate the capital lease. The current portion of capital leases payable is \$186,744, and the long-term portion is \$926,767.

C. Bonds and Notes Authorized but not Issued:

The District had no bonds and notes authorized but not issued at June 30, 2017.

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 \$-0- and is separated from the long-term liability balance of compensated absences of \$1,145,490. 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, 2017, no liability existed for compensated absences in the Enterprise Funds.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2017 is \$-0- and the long-term portion is \$9,473,067. See Note 9 for further information on the PERS.

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 Public Employee's Retirement System (PERS) of New Jersey; or the Teachers' Pension and Annuity Fund (TPAF); or the Defined Contribution Retirement Program (DCRP).

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$289,113 for fiscal year 2017.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

The employee contribution rate was 7.20% effective July 1, 2016. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the District reported a liability of \$9,473,067 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the District's proportion was 0.032%, which was an increase of 0.001% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized pension expense of \$904,414. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	6.44	\$ 119,078	
	2015	5.72	486,581	
	2016	5.57	1,356,655	
			<u>1,962,314</u>	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	6.44	(178,441)	
	2015	5.72	114,165	
	2016	5.57	425,493	
			<u>361,217</u>	
Difference Between Expected and Actual Experience	2015	5.72	135,000	
	2016	5.57	41,170	
			<u>176,170</u>	
Changes in Proportion	2014	5.00	204,880	
	2015	5.00	409,536	
	2016	5.00		\$ 289,583
			<u>614,416</u>	<u>289,583</u>
Contribution Subsequent to Measurement Date	2016	1.00	300,000	
			<u>300,000</u>	
			<u>\$ 3,414,117</u>	<u>\$ 289,583</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	-Total
2017	\$ 562,785
2018	562,785
2019	652,005
2020	547,780
2021	174,346
	\$ 2,499,701

Actuarial Assumptions

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

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.65%

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd) Long Term Expected Rate of Return

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

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

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2016 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2016		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's proportionate share of the Net Pension Liability	\$ 11,608,138	\$ 9,473,067	\$ 7,710,381

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2017, the State of New Jersey contributed \$1,068,556 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$5,539,238.

The employee contribution rate was 7.20% effective July 1, 2016. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the State's proportionate share of the net pension liability associated with the District was \$73,722,735. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the District's proportion was 0.094%, which was an increase of 0.003% from its proportion measured as of June 30, 2015.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>73,722,735</u>
Total	<u>\$ 73,722,735</u>

For the fiscal year ended June 30, 2017, the State recognized pension expense on behalf of the District in the amount of \$5,539,238 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2017 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 1,691,524,165	
	2015	8.3	4,488,602,746	
	2016	8.3	9,522,623,964	
			<u>15,702,750,875</u>	
Difference Between Expected and Actual Experience	2014	8.5		\$ 16,110,615
	2015	8.3	277,221,464	
	2016	8.3		118,421,979
			<u>277,221,464</u>	<u>134,532,594</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.0	(870,618,286)	
	2015	5.0	577,926,182	
	2016	5.0	1,727,420,767	
			<u>1,434,728,663</u>	
		<u>\$ 17,414,701,002</u>	<u>\$ 134,532,594</u>	

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Fiscal Year Ending June 30,	Total
2017	\$ 2,538,535,636
2018	2,538,535,636
2019	2,973,844,781
2020	2,781,202,718
2021	2,349,347,527
Thereafter	4,098,702,110
	\$ 17,280,168,408

Actuarial Assumptions

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

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

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

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

Long Term Expected Rate of Return

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

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

Discount Rate – TPAF

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2016 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (Cont'd)

	June 30, 2016		
	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
Total Net Pension Liability	\$ 88,041,421	\$ 73,722,735	\$ 62,029,680

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. 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.

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 the DCRP. 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.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. 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 for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$4,012 for the fiscal year ended June 30, 2017. Employee contributions to DCRP amounted to \$2,186 for the fiscal year ended June 30, 2017.

NOTE 10. POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 of Public Laws 1990 required the TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. 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, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 10. POST-RETIREMENT BENEFITS (Cont'd)

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publically available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at <http://www.nj.gov/treasury/pensions/pdf/financial2015combined.pdf>.

The State's on behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$922,609, \$893,429 and \$786,876 for 2017, 2016 and 2015, respectively.

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 Fund 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, 2017 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, 2016 is as follows:

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

	School Alliance Insurance Fund
Total Assets	\$ 38,579,014
Net Position	\$ 9,463,015
Total Revenue	\$ 41,445,355
Total Expenses	\$ 39,153,730
Change in Net Position	\$ 2,291,625
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

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>District Contribution</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017		\$ 70			\$ 35,111
2015-2016	\$ 34,515	71	\$ 17,481	\$ 51,996	35,041
2014-2015	43,914	69	32,398	76,312	34,970

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the fund financial statements at June 30, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		\$ 5,887
Payroll Agency Fund	\$ 5,887	
	\$ 5,887	\$ 5,887

The interfund payable in the General Fund is due to liabilities which were paid by the Payroll Agency Account for which funds have not yet been transferred by the General Fund.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 13. ACCOUNTS PAYABLE

Payables as of June 30, 2017, were:

	General Fund	District Contribution Subsequent to Measurement Date	Total Governmental Activities	Total Business Type-Activities
Vendors	\$ 15,751		\$ 15,751	
Cash Deficit				\$ 12,233
State of New Jersey		\$ 300,000	300,000	
	<u>\$ 15,751</u>	<u>\$ 300,000</u>	<u>\$ 315,751</u>	<u>\$ 12,233</u>

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	Syracusa 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 municipalities and are remitted to the regional school district on predetermined, agreed-upon schedules.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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.

Encumbrances

At June 30, 2017, there were encumbrances as detailed below in the governmental funds.

<u>General Fund</u>	<u>Total Governmental Funds</u>
\$ 265,316	\$ 265,316
<u>\$ 265,316</u>	<u>\$ 265,316</u>

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
District's proportion of the net pension liability	0.0304907081%	0.0337620405%	0.0337620405%
District's proportionate share of the net pension liability	\$ 5,708,697	\$ 7,578,902	\$ 7,578,902
District's covered employee payroll	\$ 2,183,844	\$ 2,228,210	\$ 2,154,231
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	261.41%	340.13%	351.81%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
Contractually required contribution	\$ 251,361	\$ 290,263	\$ 289,113
Contributions in relation to the contractually required contribution	<u>(251,361)</u>	<u>(290,263)</u>	<u>(289,113)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 2,085,631	\$ 2,183,844	\$ 2,228,210
Contributions as a percentage of covered employee payroll	12.05%	13.29%	12.98%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT
ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
State's proportion of the net pension liability attributable to the District	0.0961169728%	0.0916826155%	0.0937156978%
State's proportionate share of the net pension liability attributable to the District	\$ 51,371,394	\$ 57,947,328	\$ 73,722,735
District's covered employee payroll	\$ 9,297,024	\$ 10,011,720	\$ 9,881,376
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	552.56%	578.79%	746.08%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
Contractually required contribution	\$ 2,764,263	\$ 3,538,208	\$ 5,539,238
Contributions in relation to the contractually required contribution	(495,670)	(750,324)	(1,068,556)
Contribution deficiency/(excess)	<u>\$ 2,268,593</u>	<u>\$ 2,787,884</u>	<u>\$ 4,470,682</u>
District's covered employee payroll	\$ 9,297,024	\$ 10,011,720	\$ 9,881,376
Contributions as a percentage of covered employee payroll	5.33%	7.49%	10.81%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.90% as of June 30, 2015 to 3.98% as of June 30, 2016. The municipal bond rate changed from 3.80% to 2.85%. The long-term expected rate of return on pension plan investments changed from 7.90% to 7.65%.

The inflation rate changed from 3.04% as of June 30, 2015 to 3.08% as of June 30, 2016. The salary increases changed from 2.15% - 4.40% for 2012 – 2021 to 1.65%-4.15% through 2026 and from 3.15%-5.40% thereafter to 2.65%-5.15% thereafter.

The mortality rates in the July 1, 2014 actuarial valuation were based on the following:

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees.

The mortality rates in the July 1, 2015 actuarial valuation were based on the following:

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

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.13% as of June 30, 2015 to 3.22% as of June 30, 2016. The municipal bond rate changed from 3.80% to 2.85%. The long-term expected rate of return on pension plan investments changed from 7.90% to 7.65%.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

B. TEACHERS PENSION AND ANNUITY FUND (Cont'd)

Changes of Assumptions (Cont'd)

The mortality rates in the July 1, 2014 actuarial valuation were based on the following:

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The mortality rates in the July 1, 2015 actuarial valuation were based on the following:

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

BUDGETARY COMPARISON SCHEDULES

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 15,401,826		\$ 15,401,826	\$ 15,401,826	
Tuition from Other LEAs within State	1,087,056		1,087,056	800,194	\$ (286,862)
Tuition from Individuals				94,996	94,996
Unrestricted Miscellaneous	50,000		50,000	67,832	17,832
Total - Local Sources	16,538,882		16,538,882	16,364,848	(174,034)
State Sources:					
School Choice Aid	31,416		31,416	31,416	
Transportation Aid	748,822		748,822	748,822	
Special Education Aid	606,486		606,486	606,486	
Equalization Aid	4,284,622		4,284,622	4,284,622	
Security Aid	86,130		86,130	86,130	
Adjustment Aid	623,958		623,958	623,958	
PARCC Readiness Aid	9,510		9,510	9,510	
Per Pupil Growth Aid	9,510		9,510	9,510	
Professional Learning Commission Aid	9,190		9,190	9,190	
Extraordinary Aid	100,000		100,000	234,510	134,510
Non-public Transportation Aid				15,243	15,243
TPAF Pension Contributions (Non-Budgeted)				1,068,556	1,068,556
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				922,609	922,609
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				38,716	38,716
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				1,185	1,185
TPAF Social Security Contributions (Reimbursed - Non-Budgeted)				726,569	726,569
Total State Sources	6,509,644		6,509,644	9,417,032	2,907,388
Federal Sources:					
Medicaid Assistance Program	15,371		15,371	11,617	(3,754)
Total Federal Sources	15,371		15,371	11,617	(3,754)
TOTAL REVENUES	23,063,897		23,063,897	25,793,497	2,729,600

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 6,524,203	\$ (165,569)	\$ 6,358,634	\$ 6,342,498	\$ 16,136
Regular Programs - Home Instruction:					
Salaries of Teachers	20,000	(3,380)	16,620	16,620	
Purchased Professional/Educational Services	5,000	13,000	18,000	18,000	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	30,000	10,620	40,620	40,619	1
Purchased Professional/Educational Services	21,710	(11,699)	10,011	8,826	1,185
Other Purchased Services (400-500 series)	71,880	(9,383)	62,497	55,783	6,714
General Supplies	590,636	7,456	598,092	538,568	59,524
Textbooks	87,370	(26,463)	60,907	60,031	876
Other Objects	11,880	13,535	25,415	23,201	2,214
Total Regular Programs - Instruction	<u>7,362,679</u>	<u>(171,883)</u>	<u>7,190,796</u>	<u>7,104,146</u>	<u>86,650</u>
Special Education - Instruction:					
Cognitive - Mild:					
Salaries of Teachers	75,500	3,791	79,291	78,918	373
Purchased Professional/Educational Services	450	(450)			
General Supplies	8,015	(500)	7,515	7,186	329
Total Cognitive- Mild	<u>83,965</u>	<u>2,841</u>	<u>86,806</u>	<u>86,104</u>	<u>702</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Learning and/or Language Disabilities:					
Salaries of Teachers	\$ 74,559	\$ 20,208	\$ 94,767	\$ 94,767	
General Supplies	1,000	380	1,380	1,339	\$ 41
Textbooks	500	(500)			
Total Learning and/or Language Disabilities	76,059	20,088	96,147	96,106	41
Multiple Disabilities:					
Salaries of Teachers	54,385	6,932	61,317	61,317	
Other Salaries for Instruction	141,386	30,645	172,031	172,030	1
Purchased Professional / Educational Services	1,600	(600)	1,000	1,000	1,000
General Supplies	5,990	3,443	9,433	7,001	2,432
Total Multiple Disabilities	203,361	40,420	243,781	240,348	3,433
Resource Room/Resource Center:					
Salaries of Teachers	1,254,794	(169,055)	1,085,739	1,085,738	1
Other Salaries for Instruction	97,526	1,506	99,032	93,386	5,646
General Supplies	19,000	(6,842)	12,158	11,418	740
Textbooks	1,645	(1,645)			
Total Resource Room/Resource Center	1,372,965	(176,036)	1,196,929	1,190,542	6,387
Total Special Education Instruction	1,736,350	(112,687)	1,623,663	1,613,100	10,563

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Bilingual Education - Instruction:					
Salaries	\$ 9,609	\$ (9,609)			
Supplies and Materials	1,500		\$ 1,500		\$ 1,500
Total Bilingual Education - Instruction	<u>11,109</u>	<u>(9,609)</u>	<u>1,500</u>		<u>1,500</u>
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	194,514	16,576	211,090	\$ 211,089	1
Supplies and Materials	38,290	(8,343)	29,947	29,846	101
Other Objects	22,090	7,848	29,938	26,190	3,748
Total School-Sponsored Cocurricular Activities - Instruction	<u>254,894</u>	<u>16,081</u>	<u>270,975</u>	<u>267,125</u>	<u>3,850</u>
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	550,530	9,310	559,840	552,583	7,257
Other Purchased Services	10,000	6,628	16,628	16,628	
Supplies and Materials	57,185	6,656	63,841	59,842	3,999
Other Objects	85,462	8,001	93,463	91,210	2,253
Transfer to Cover Deficit	15,000	7,000	22,000	20,000	2,000
Total School-Sponsored Cocurricular Athletics - Instruction	<u>718,177</u>	<u>37,595</u>	<u>755,772</u>	<u>740,263</u>	<u>15,509</u>
Total Instruction	<u>10,083,209</u>	<u>(240,503)</u>	<u>9,842,706</u>	<u>9,724,634</u>	<u>118,072</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Special	\$ 4,165	\$ 23,771	\$ 27,936	\$ 15,464	\$ 12,472
Tuition - State Facilities		37,365	37,365	35,465	1,900
Tuition to County Vocational School District - Regular	428,400	(4,843)	423,557	412,656	10,901
Tuition to Private Schools for the Disabled Within State	857,710	(265,468)	592,242	520,996	71,246
Tuition to Private Schools for the Disabled & Other LEAs Out of State	10,963	114,105	125,068	102,766	22,302
Total Undistributed Expenditures - Instruction	1,301,238	(95,070)	1,206,168	1,087,347	118,821
Health Services:					
Salaries	145,715	89	145,804	145,803	1
Purchased Professional/Technical Services	20,000	877	20,877	19,876	1,001
Supplies and Materials	3,000	2,350	5,350	5,150	200
Total Health Services	168,715	3,316	172,031	170,829	1,202
Speech, OT, PT and Related Services:					
Salaries	85,721	191,627	277,348	264,439	12,909
Purchased Professional/Educational Services		14,001	14,001	14,001	
Supplies and Materials	1,200		1,200	845	355
Total Speech, OT, PT and Related Services	86,921	205,628	292,549	279,285	13,264

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Other Support Services - Students - Extra Services:					
Salaries	\$ 175,338	\$ 31,034	\$ 206,372	\$ 204,191	\$ 2,181
Total Other Support Services - Students - Extra Services	175,338	31,034	206,372	204,191	2,181
Guidance:					
Salaries of Other Professional Staff	637,625	13,092	650,717	650,717	
Salaries of Secretaries and Clerical Assistants	99,315	616	99,931	99,931	
Other Purchased Services (400-500 Services)	1,000	221	1,221	1,221	
Supplies and Materials	9,209	(58)	9,151	5,809	3,342
Other Objects	2,711		2,711	397	2,314
Total Guidance	749,860	13,871	763,731	758,075	5,656
Child Study Teams:					
Salaries of Other Professional Staff	399,858	7,743	407,601	407,566	35
Salaries of Secretarial and Clerical Assistants	44,935		44,935	43,063	1,872
Purchased Professional/Educational Services	84,440	4,703	89,143	65,110	24,033
Supplies and Materials	5,220		5,220	2,493	2,727
Other Objects	720		720	689	31
Total Child Study Teams	535,173	12,446	547,619	518,921	28,698
Improvement of Instructional Services:					
Salary of Supervisor of Instruction	325,760	5,179	330,939	330,939	
Salaries of Secretarial and Clerical Assistants	131,383	750	132,133	132,133	
Supplies and Materials	500		500	183	317
Other Objects	18,210		18,210	10,913	7,297
Total Improvement of Instructional Services	475,853	5,929	481,782	474,168	7,614

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Educational Media Services/School Library:					
Salaries	\$ 123,525		\$ 123,525	\$ 122,891	\$ 634
Salaries of Technology Coordinators	250,726	\$ 4,887	255,613	255,525	88
Other Purchased Services (400-500 series)	192,680	(2,049)	190,631	174,722	15,909
Supplies and Materials	10,000	2,137	12,137	9,279	2,858
Total Educational Media Services/School Library	576,931	4,975	581,906	562,417	19,489
Instructional Staff Training Services:					
Other Purchased Services	38,002	(10,070)	27,932	25,834	2,098
Total Instructional Staff Training Services	38,002	(10,070)	27,932	25,834	2,098
Support Services - General Administration:					
Salaries	239,454	7,914	247,368	242,361	5,007
Legal Services	37,440	71,930	109,370	44,370	65,000
Audit Fees	20,000	5,430	25,430	24,410	1,020
Architectural/Engineering Services	1,000	11,353	12,353	12,352	1
Other Purchased Professional Services	6,000	30,000	36,000	17,592	18,408
Communications/Telephones	34,500	(31,588)	2,912	(4,135)	7,047
Board of Education Other Purchased Services	4,000	1,500	5,500	5,433	67
Other Purchased Services (400-500 series)	38,497	2,926	41,423	40,565	858
General Supplies	4,310	306	4,616	3,708	908
BOE In-House Training/Meeting Supplies	1,500	202	1,702	1,702	
Miscellaneous Expenditures	8,100	3,330	11,430	10,388	1,042
BOE Membership Dues and Fees	11,250	1	11,251	11,251	
Total Support Services - General Administration	406,051	103,304	509,355	409,997	99,358

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 347,668	\$ 8,791	\$ 356,459	\$ 356,459	\$ 1
Salaries of Other Professional Staff	86,648	2,023	88,671	88,670	2,336
Salaries of Secretarial and Clerical Assistants	179,137	6,730	185,867	183,531	4,366
Other Purchased Services (400-500 Services)	2,058	5,539	7,597	3,231	9,793
Supplies and Materials	9,500	13,856	23,356	13,563	3,075
Other Objects	1,500	2,851	4,351	1,276	19,571
Total Support Services - School Administration	626,511	39,790	666,301	646,730	
Central Services:					
Salaries	278,898	58,036	336,934	295,989	40,945
Purchased Professional Services	24,325	385	24,710	18,713	5,997
Purchased Technical Services	7,000	(3,000)	4,000	720	3,280
Other Purchased Services (400-500 Services)	2,000	58	2,058	1,345	713
Supplies and Materials	5,000		5,000	2,858	2,142
Miscellaneous Expenditures	1,500	101	1,601	1,601	
Total Central Services	318,723	55,580	374,303	321,226	53,077
Administrative Information Technology:					
Purchased Technical Services	57,000	(25,000)	32,000	30,687	1,313
Total Administrative Information Technology	57,000	(25,000)	32,000	30,687	1,313
Required Maintenance of School Facilities:					
Salaries	239,379	(26,339)	213,040	212,763	277
Cleaning, Repair and Maintenance Services	810,672	(39,163)	771,509	567,770	203,739
General Supplies	36,956	8,200	45,156	40,271	4,885
Other Objects	120		120	120	
Total Required Maintenance of School Facilities	1,087,127	(57,302)	1,029,825	820,804	209,021

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services:					
Salaries	\$ 463,286	\$ 51,226	\$ 514,512	\$ 511,547	\$ 2,965
Purchased Professional/Technical Services	20,000		20,000	11,126	8,874
Cleaning, Repair and Maintenance Services	103,300	(9,120)	94,180	75,617	18,563
Lease Purchase Payments - Energy Savings Improvement Program	108,715		108,715	108,715	4,154
Other Purchased Property Services (400-500 series)	70,050	3,360	73,410	69,256	2,195
Insurance	170,000	6,940	176,940	176,940	3,411
General Supplies	104,547	11,333	115,880	113,685	2,216
Energy (Electricity)	250,534	(12,663)	237,871	234,460	2,045
Energy (Natural Gas)	2,500	(52,210)	2,500	284	
Energy (Oil)	180,000		127,790	125,745	
Total Custodial Services	1,472,932	(1,134)	1,471,798	1,427,375	44,423
Care & Upkeep of Grounds:					
Salaries	153,272	4,160	157,432	157,431	1
Purchased Professional and Technical Services	20,000	10,230	30,230	30,222	8
Other Purchaed Services	13,325	3,016	16,341	16,090	251
General Supplies	30,895	(516)	30,379	24,076	6,303
Total Care & Upkeep of Grounds	217,492	16,890	234,382	227,819	6,563
Security:					
Salaries	131,292	10,313	141,605	139,105	2,500
Purchased Professional and Technical Services	14,324	(600)	13,724	6,249	7,475
Cleaning, Repair and Maintenance Services	3,087		3,087	1,128	1,959
General Supplies	5,927	1,362	7,289	3,981	3,308
Other Objects	1,500	(800)	700	157	543
Total Security	156,130	10,275	166,405	150,620	15,785

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Student Transportation Services	\$ 259,297	\$ 32,432	\$ 291,729	\$ 291,607	\$ 122
Salaries of Non-Instructional Aides	65,000	12,793	77,793	77,792	1
Cleaning, Repair & Maintenance Services	5,000	(1,222)	3,778	3,300	478
Rental Payments - School Buses	640,000	(85,457)	554,543	553,636	907
Contracted Services (Between Home & School) - Vendors	205,500	(60,308)	145,192	135,808	9,384
Contracted Services (Other than Between Home & School) - Vendors	255,130	1,575	256,705	256,705	
Contracted Services (Between Home & School) - Joint Agreements	287,000	107,256	394,256	353,140	41,116
Contracted Services (Special Education Students) - Joint Agreements	12,000		12,000	7,602	4,398
Contracted Services- Aid in Lieu Payments - Non-Public Schools	12,200	369	12,569	12,569	
Miscellaneous Purchased Services	1,000		1,000	466	534
General Supplies	83,000	(30,866)	52,134	52,133	1
Transportation Supplies	1,750		1,750	1,313	437
Other Objects					
Total Transportation Services	1,826,877	(23,428)	1,803,449	1,746,071	57,378
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	330,000	(43,000)	287,000	286,433	567
Other Retirement Contributions - PERS	300,000	(10,886)	289,114	289,113	1
Unemployment Compensation	55,146	2,280	57,426	42,426	15,000
Workmen's Compensation	172,000	11,577	183,577	183,577	
Health Benefits	2,793,711	(21,067)	2,772,644	2,741,291	31,353
Tuition Reimbursement	71,652	17,882	89,534	89,534	
Other Employee Benefits	19,264	(4,207)	15,057	9,930	5,127
Total Unallocated Benefits - Employee Benefits	3,741,773	(47,421)	3,694,352	3,642,304	52,048

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
On-Behalf Contributions:					
TPAF Pension Contributions (Non-Budgeted)				\$ 1,068,556	\$ (1,068,556)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				922,609	(922,609)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				38,716	(38,716)
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				1,185	(1,185)
TPAF Social Security Contributions (Reimbursed - Non-Budgeted)				726,569	(726,569)
Total On-Behalf Contributions				<u>2,757,635</u>	<u>(2,757,635)</u>
Total Personal Services - Employee Benefits	\$ 3,741,773	\$ (47,421)	\$ 3,694,352	6,399,939	(2,705,587)
Total Undistributed Expenses	14,018,647	243,613	14,262,260	16,262,335	(2,000,075)
TOTAL CURRENT EXPENSE	<u>24,101,856</u>	<u>3,110</u>	<u>24,104,966</u>	<u>25,986,969</u>	<u>(1,882,003)</u>
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures - Athletic	31,164	21,747	52,911	50,470	2,441
Undistributed Expenditures - Instruction		19,430	19,430	19,430	
Undistributed Expenditures - Custodial Services		12,266	12,266	12,266	
Total Equipment	<u>31,164</u>	<u>53,443</u>	<u>84,607</u>	<u>82,166</u>	<u>2,441</u>
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	15,000		15,000	15,000	
Other Purchased Professional and Technical Services	140,112		140,112	140,112	
Construction Services	225,000		225,000	221,600	3,400
Assessment for Debt Service on SDA Funding	4,496		4,496	4,496	
Total Facilities Acquisition and Construction Services	<u>384,608</u>		<u>384,608</u>	<u>381,208</u>	<u>3,400</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
TOTAL CAPITAL OUTLAY	\$ 415,772	\$ 53,443	\$ 469,215	\$ 463,374	\$ 5,841
TOTAL EXPENDITURES	24,517,628	56,553	24,574,181	26,450,343	(1,876,162)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,453,731)	(56,553)	(1,510,284)	(656,846)	853,438
Other Financing Sources:					
Transfer from Capital Projects Fund				180,685	180,685
Total Other Financing Sources				180,685	180,685
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1,453,731)	(56,553)	(1,510,284)	(476,161)	1,034,123
Fund Balance, July 1	3,295,532		3,295,532	3,295,532	
Fund Balance, June 30	<u>\$ 1,841,801</u>	<u>\$ (56,553)</u>	<u>\$ 1,785,248</u>	<u>\$ 2,819,371</u>	<u>\$ 1,034,123</u>

Recapitulation:

Restricted:	\$ 1,002,994
Capital Reserve	357,762
Maintenance Reserve	441,514
Excess Surplus - For Subsequent Year's Expenditures	265,316
Assigned:	128,193
Year-end Encumbrances	623,592
Additional Assigned Fund Balance for Subsequent Year's Expenditures - 7/1/17 - 8/1/17	2,819,371
Unassigned	<u>(629,968)</u>
	<u>\$ 2,189,403</u>

Reconciliation to Governmental Funds Statements (GAAP):
Last Two State Aid Payments not recognized on GAAP basis
Fund Balance per Governmental Funds (GAAP)

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 1,000		\$ 1,000		
Federal Sources	293,500	\$ 55,437	348,937	\$ 348,937	\$ (1,000)
Total Revenues	294,500	55,437	349,937	348,937	(1,000)
EXPENDITURES:					
Instruction:					
Other Salaries for Instruction	25,000		25,000	25,000	
Purchased Professional/Educational Services	5,000		5,000	5,000	
Other Purchased Services	190,000	26,556	216,556	216,556	
General Supplies	39,000	22,310	61,310	60,310	1,000
Miscellaneous Expenditures	10,000	8,000	18,000	18,000	
Total Instruction	269,000	56,866	325,866	324,866	1,000
Support Services:					
Purchased Professional/Technical Services	25,500	10,000	5,124	5,124	
Other Purchased Services		11,697	17,595	17,595	
Supplies and Materials		1,352	1,352	1,352	
Total Support Services	25,500	23,049	24,071	24,071	
Total Expenditures	\$ 294,500	\$ 79,915	\$ 349,937	\$ 348,937	\$ 1,000

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
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	\$ 25,793,497	\$ 348,937
Differences - Budget to GAAP:		
Prior Year State Aid Payments Not Recognized for Budgetary Purposes, Recognized for GAAP Statements	638,644	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(629,968)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 25,802,173	\$ 348,937
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 26,450,343	\$ 348,937
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 26,450,343	\$ 348,937

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, 2017 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)l. 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, 2017
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, 2017

	No Child Left Behind		IDEA Part B
	Title I	Title II A	Basic -
REVENUE:			
Federal Sources	\$ 74,158	\$ 20,124	\$ 213,398
Total Revenue	\$ 74,158	\$ 20,124	\$ 213,398
EXPENDITURES:			
Instruction:			
Other Salaries for Instruction	\$ 25,000		
Purchased Professional/Educational Services	5,000		
Other Purchased Services	3,158		\$ 213,398
General Supplies	23,000		
Miscellaneous Expenditures	18,000		
Total Instruction	74,158		213,398
Support Services:			
Purchased Professional/Technical Services		\$ 5,124	
Other Purchased Services		15,000	
Supplies and Materials			
Total Support Services		20,124	
Total Expenditures	\$ 74,158	\$ 20,124	\$ 213,398

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

	Perkins Vocational Education	Race to the Top	Total
REVENUE:			
Federal Sources	\$ 35,257	\$ 6,000	\$ 348,937
Total Revenue	<u>\$ 35,257</u>	<u>\$ 6,000</u>	<u>\$ 348,937</u>
EXPENDITURES:			
Instruction:			
Other Salaries for Instruction			\$ 25,000
Purchased Professional/Educational Services			5,000
Other Purchased Services			216,556
General Supplies	\$ 31,310	\$ 6,000	60,310
Miscellaneous Expenditures			18,000
Total Instruction	<u>31,310</u>	<u>6,000</u>	<u>324,866</u>
Support Services:			
Purchased Professional/Technical Services			5,124
Other Purchased Services	2,595		17,595
Supplies and Materials	1,352		1,352
Total Support Services	<u>3,947</u>		<u>24,071</u>
Total Expenditures	<u>\$ 35,257</u>	<u>\$ 6,000</u>	<u>\$ 348,937</u>

CAPITAL PROJECTS FUND

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, 2017

Other Financing Uses:	
Cancellation of of - SDA Grant	\$ (71,154)
Transfer to Capital Reserve	<u>(180,685)</u>
Total Other Financing Uses	<u>(251,839)</u>
(Deficit) of Revenue and Other Financing Sources	
Under Expenditures	(251,839)
Fund Balance - Beginning of Year	<u>\$ 251,839</u>
Fund Balance - End of Year	<u><u>\$ -0-</u></u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HVAC UPGRADES AUDITORIUM AND GYM AND BOILER REPLACEMENT - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 700,060	\$ (71,154)	\$ 628,906	\$ 628,906
Transfer From Capital Reserve	1,050,090	(180,685)	869,405	869,405
Total Revenue and Other Financing Sources	1,750,150	(251,839)	1,498,311	1,498,311
Expenditures:				
Other Purchased Professional and Technical Services	53,568		53,568	53,568
Construction Services	1,444,743		1,444,743	1,444,743
Total Expenditures	1,498,311	-	1,498,311	1,498,311
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 251,839	\$ (251,839)	\$ -0-	\$ -0-

Additional Project Information:

Project Number:	2165-030-14-1001, 1002, 1003
Grant Date	12/18/2014
Original Authorized Cost	\$ 1,750,150
Cancellation of SDA Grant	\$ (71,154)
Cancellation of Capital Reserve	(180,685)
Revised Authorized Cost	\$ 1,498,311
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100.00%
Original Target Completion Date	9/30/2015
Revised Target Completion Date	6/30/2017

PROPRIETARY FUNDS

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
<u>ASSETS:</u>					
Current Assets:					
Cash and Cash Equivalents	\$ 11,268		\$ 9,043	\$ 13,820	\$ 34,131
Accounts Receivable:					
State	124				124
Federal	3,220				3,220
Intergovernmental - Other		\$ 265,104		4,185	265,104
Inventories	7,903				12,088
Total Current Assets	22,515	265,104	9,043	18,005	314,667
Non-Current Assets:					
Capital Assets	44,417				44,417
Less: Accumulated Depreciation	(13,829)				(13,829)
Total Non-Current Assets	30,588				30,588
Total Assets	53,103	265,104	9,043	18,005	345,255
<u>LIABILITIES:</u>					
Current Liabilities:					
Accounts Payable - Cash Deficit		12,233			12,233
Unearned Revenue - Prepaid Sales	2,444				2,444
Unearned Revenue - Donated Commodities	1,712				1,712
Total Current Liabilities	4,156	12,233			16,389
<u>NET POSITION:</u>					
Investment in Capital Assets	30,588				30,588
Unrestricted	18,359	252,871	9,043	18,005	298,278
Total Net Position	\$ 48,947	\$ 252,871	\$ 9,043	\$ 18,005	\$ 328,866

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
Operating Revenue:					
Local Sources:					
Daily Sales - Reimbursable Programs	\$ 186,902				\$ 186,902
Daily Sales - Non Reimbursable Programs	122,455				122,455
Program Fees		\$ 1,015,575	\$ 7,090	\$ 16,650	1,039,315
Total Operating Revenue	309,357	1,015,575	7,090	16,650	1,348,672
Operating Expenses:					
Cost of Sales - Reimbursable Programs	95,201		6,103	20,898	122,202
Cost of Sales - Non Reimbursable Programs	91,467				91,467
Salaries & Payroll Taxes	155,218				155,218
Employee Benefits	13,045				13,045
Other Purchased Services		1,077,985			1,077,985
Management Fee	15,990				15,990
Professional and Technical Services	2,392				2,392
Depreciation Expense	1,407				1,407
Other Miscellaneous Expenses	55,622				55,622
Total Operating Expenses	430,342	1,077,985	6,103	20,898	1,535,328
Operating Income/(Loss)	(120,985)	(62,410)	987	(4,248)	(186,656)

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
Non-Operating Revenue:					
State Sources:					
State School Lunch Program	\$ 2,275				\$ 2,275
Federal Sources:					
National School Lunch Program	57,871				57,871
Food Distribution Program	14,376				14,376
Local Sources:					
Interest Income	57		9	14	80
			\$	\$	
Total Non-Operating Revenue	74,579		9	14	74,602
Net Income/(Loss) before Other Items	(46,406)	\$ (62,410)	996	(4,234)	(112,054)
Capital Asset Adjustment	5,388				5,388
Change in Net Position	(41,018)	(62,410)	996	(4,234)	(106,666)
Net Position - Beginning of Year	89,965	315,281	8,047	22,239	435,532
Net Position - End of Year	\$ 48,947	\$ 252,871	\$ 9,043	\$ 18,005	\$ 328,866

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

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 311,801	\$ 929,224	\$ 7,090	\$ 16,650	\$ 1,264,765
Payments to Employees	(155,218)				(155,218)
Payments for Benefits	(13,045)				(13,045)
Payments to Food Service Vendor	(15,990)				(15,990)
Payments to Suppliers	(232,417)	(1,077,985)	(6,103)	(16,412)	(1,332,917)
Net Cash Provided by/(Used for) Operating Activities	(104,869)	(148,761)	987	238	(252,405)
Cash Flows from Noncapital Financing Activities:					
Cash Received from Federal and State Sources	58,773				58,773
Net Cash Provided by Noncapital Financing Activities	58,773				58,773
Cash Flows from Investing Activities:					
Investment Income	57		9	14	80
Net Cash Flows Provided by Investing Activities:	57		9	14	80
Net Increase/(Decrease) in Cash and Cash Equivalents	(46,039)	(148,761)	996	252	(193,552)
Cash and Cash Equivalents, July 1	57,307	136,528	8,047	13,568	215,450
Cash and Cash Equivalents/(Deficit), June 30	\$ 11,268	\$ (12,233)	\$ 9,043	\$ 13,820	\$ 21,898

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

	Major Funds		Non-Major Funds		Totals
	Food Service	Transportation	Adult	School	
	Fund	Services	School	Store	
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:					
Operating Income / (Loss)	\$ (120,985)	\$ (62,410)	\$ 987	\$ (4,248)	\$ (186,656)
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by (Used for) Operating Activities:					
Federal Food Distribution Program	14,376				14,376
Depreciation	1,407				1,407
Changes in Assets and Liabilities:					
(Increase) in Accounts Receivable		(86,351)			(86,351)
(Increase)/Decrease in Inventory	(1,409)			4,486	3,077
Increase in Unearned Revenue - Prepaid Sales	2,444				2,444
(Decrease) in Interfund Payable	(15)				(15)
(Decrease) in Unearned Revenue - Donated Commodities	(687)				(687)
Net Cash Provided by/(Used for) Operating Activities	\$ (104,869)	\$ (148,761)	\$ 987	\$ 238	\$ (252,405)

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 \$13,689 and utilized commodities valued at \$14,376.

FIDUCIARY FUNDS

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

	<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	\$ 76,448	\$ 82,098	\$ 158,546	\$ 48,341	\$ 35,111
Interfund Receivable - General Fund	5,887		5,887		
Total Assets	82,335	82,098	164,433	48,341	35,111
<u>LIABILITIES:</u>					
Net Salaries and Wages	4,684		4,684		
Payroll Deductions and Withholdings Due to Student Groups	77,651	82,098	77,651 82,098		
Total Liabilities	82,335	82,098	164,433		
<u>NET POSITION:</u>					
Held in Trust for Unemployment Claims Restricted For Scholarships				48,341	35,111
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ 48,341	\$ 35,111

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

	Unemployment Compensation Trust	Scholarship Trust	Totals
ADDITIONS:			
Contributions:			
Donations		\$ 10,680	10,680
Total Contributions		10,680	10,680
Investment Earnings:			
Interest	\$ 70	55	125
Net Investment Earnings	70	55	125
Total Additions	70	10,735	10,805
DEDUCTIONS:			
Scholarships Awarded		27,014	27,014
Total Deductions		27,014	27,014
Change in Net Position	70	(16,279)	(16,209)
Net Position - Beginning of the Year	35,041	64,620	99,661
Net Position - End of the Year	\$ 35,111	\$ 48,341	\$ 83,452

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 97,182	\$ 431,159	\$ 446,243	\$ 82,098
Total Assets	<u>\$ 97,182</u>	<u>\$ 431,159</u>	<u>\$ 446,243</u>	<u>\$ 82,098</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 97,182	\$ 431,159	\$ 446,243	\$ 82,098
Total Liabilities	<u>\$ 97,182</u>	<u>\$ 431,159</u>	<u>\$ 446,243</u>	<u>\$ 82,098</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY

	<u>Balance</u> <u>June 30, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
High School Activities Fund	\$ 96,006	\$ 360,107	\$ 375,702	\$ 80,411
High School Athletic Fund	<u>1,176</u>	<u>71,052</u>	<u>70,541</u>	<u>1,687</u>
Total	<u>\$ 97,182</u>	<u>\$ 431,159</u>	<u>\$ 446,243</u>	<u>\$ 82,098</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 135,894	\$ 15,325,336	\$ 15,384,782	\$ 76,448
Interfund Receivable - General Fund	8,287		2,400	5,887
Total Assets	<u>\$ 144,181</u>	<u>\$ 15,325,336</u>	<u>\$ 15,387,182</u>	<u>\$ 82,335</u>
 <u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 141,897	\$ 7,126,551	\$ 7,190,797	\$ 77,651
Net Salaries and Wages	2,284	8,198,785	8,196,385	4,684
Total Liabilities	<u>\$ 144,181</u>	<u>\$ 15,325,336</u>	<u>\$ 15,387,182</u>	<u>\$ 82,335</u>

LONG-TERM DEBT

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOT APPLICABLE

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2016</u>	<u>Matured</u>	<u>Balance June 30, 2017</u>
Energy Savings Equipment Lease	1.075%	\$ 1,327,620	\$ 1,098,365	\$ 84,854	\$ 1,013,511
			<u>\$ 1,098,365</u>	<u>\$ 84,854</u>	<u>\$ 1,013,511</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Fund Balance, July 1	\$ 2		\$ 2	\$ 2	
Fund Balance, June 30	\$ 2	\$ -0-	\$ 2	\$ 2	\$ -0-
<u>Recapitulation:</u>					
Restricted Fund Balance			\$ 2	\$ 2	

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

	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the School's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the School's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity 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.	J-10 thru J-13
Demographic and Economic Information 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.	J-14 thru J-15
Operating Information 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.	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.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net Investment in Capital Assets	\$ 1,305,021	\$ 2,240,718	\$ 3,132,986	\$ 3,083,158	\$ 3,765,813	\$ 4,538,503	\$ 5,122,169	\$ 6,435,416	\$ 6,944,055	\$ 6,922,542
Restricted	1,930,537	1,333,204	1,506,827	2,927,342	3,676,073	3,349,049	3,251,378	2,704,749	1,955,513	1,802,272
Unrestricted/(Deficit)	(634,020)	(799,567)	(493,281)	(942,067)	(799,750)	18,546	(6,004,806)	(6,914,660)	(6,728,563)	(7,274,911)
Total Governmental Activities Net Position	\$ 2,601,537	\$ 2,774,355	\$ 4,146,531	\$ 5,068,433	\$ 6,642,136	\$ 7,906,098	\$ 2,368,741	\$ 2,225,505	\$ 2,171,005	\$ 1,449,903
Business-Type Activities										
Investment in Capital Assets	\$ 3,102	\$ 2,773	\$ 2,444	\$ 2,115	\$ 9,928	\$ 9,599	\$ 27,265	\$ 26,936	\$ 26,607	\$ 30,588
Unrestricted	349,496	446,863	203,492	393,104	570,374	609,457	632,853	596,048	408,925	298,278
Total Business-Type Activities Net Position	\$ 352,598	\$ 449,637	\$ 205,936	\$ 395,219	\$ 580,302	\$ 619,056	\$ 660,118	\$ 622,984	\$ 435,532	\$ 328,866
District-Wide										
Net Investment in Capital Assets	\$ 1,308,123	\$ 2,243,491	\$ 3,135,430	\$ 3,085,273	\$ 3,775,742	\$ 4,548,102	\$ 5,149,434	\$ 6,462,352	\$ 6,970,662	\$ 6,953,130
Restricted	1,930,537	1,333,204	1,506,827	2,927,342	3,676,073	3,349,049	3,251,378	2,704,749	1,955,513	1,802,272
Unrestricted/(Deficit)	(284,524)	(352,704)	(289,789)	(548,963)	(229,376)	628,003	(5,371,953)	(6,318,612)	(6,319,638)	(6,976,633)
Total District Net Position	\$ 2,954,135	\$ 3,223,992	\$ 4,352,468	\$ 5,463,652	\$ 7,222,438	\$ 8,525,154	\$ 3,028,859	\$ 2,848,489	\$ 2,606,537	\$ 1,778,769

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	\$ 10,602,330	\$ 10,002,953	\$ 10,228,209	\$ 9,962,143	\$ 9,757,739	\$ 10,509,989	\$ 10,363,494	\$ 11,520,175	\$ 12,906,396	\$ 15,029,523
Special Education	2,675,870	2,639,808	2,836,455	2,807,547	2,584,545	2,250,799	2,034,921	2,832,984	3,605,207	3,470,736
Other Special Education	1,089,539	1,029,344	1,211,036	1,022,488	1,302,373	1,221,996	1,339,062	1,452,353	1,184,478	1,108,329
Other Instruction						266,655	261,685		1,209,433	301,535
Support Services:										
Tuition	941,129	1,028,915	1,142,185	802,083	993,890	943,288	1,249,788	1,258,017	1,052,244	1,087,347
Student & Instruction Related Services	2,553,014	2,740,300	2,924,563	3,070,090	2,919,348	3,242,318	3,528,804	3,975,858	3,700,324	4,064,234
School Administrative Services	1,687,942	1,457,388	1,224,505	1,003,071	997,092	627,069	560,774	619,516	522,149	485,017
General Administrative Services	861,766	1,052,939	991,431	965,708	1,094,206	1,185,882	1,037,768	1,172,827	1,028,969	1,157,618
Central Services						433,361	444,486	454,485	415,685	438,096
Administrative Information Technology						34,705	59,367	45,554	39,043	30,687
Plant Operations And Maintenance	2,391,713	2,393,655	2,205,602	2,313,752	2,545,109	2,587,116	2,808,908	2,569,793	2,538,115	2,983,794
Pupil Transportation	1,716,166	1,838,793	1,811,235	1,758,682	1,900,940	1,742,693	1,972,685	1,936,193	1,799,896	1,911,202
Interest On Long-Term Debt	227,453	166,236	99,806	41,447	34,497	26,893	18,834	9,875	396	
Capital Outlay							4,496	36,399	29,968	35,661
Total Governmental Activities Expenses	24,746,922	24,350,331	24,675,026	23,747,011	24,129,740	25,072,764	25,680,576	27,884,029	28,966,303	32,103,779
Business-type activities:										
Food Service	668,040	676,182	661,866	435,747	414,208	354,256	360,017	409,611	470,378	430,342
Transportation Services	1,137,385	1,247,102	1,284,756	848,346	710,089	692,528	760,481	23,000	27,594	1,077,985
Adult School	18,589	19,361	14,625	13,579	14,422	6,490	11,328	17,777	15,698	6,103
School Store	9,223	17,673	18,187	9,577	20,220	17,047	15,933	769,623	1,134,769	20,898
Total Business-Type Activities Expense	1,833,237	1,960,318	1,979,434	1,307,250	1,158,940	1,070,321	1,147,759	1,220,011	1,648,439	1,535,328
Total District Expenses	26,580,159	26,310,649	26,654,460	25,054,261	25,288,681	26,143,085	26,828,335	29,104,040	30,614,742	33,639,107
Program Revenues										
Governmental Activities:										
Charges For Services:										
Tuition	122,384	181,664	257,246	391,128	121,196	251,295	286,804	678,827	999,366	895,190
Operating Grants and Contributions	4,371,432	3,189,797	3,983,715	3,664,876	3,643,043	9,180,093	8,672,786	11,162,696	12,079,638	14,245,327
Capital Grants and Contributions										628,906
Total Governmental Activities Program Revenues	4,493,816	3,371,461	4,240,961	4,056,004	3,764,239	9,431,388	8,959,590	11,841,523	13,079,004	15,769,423

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,									
	2007	2008	2009	2010	2011	2013	2014	2015	2016	2017
Business-Type Activities:										
Charges for services	\$ 520,851	\$ 490,480	\$ 453,503	\$ 398,427	\$ 380,396	\$ 303,406	\$ 316,329	\$ 306,413	\$ 359,346	\$ 309,357
Food Service	1,200,040	1,324,032	1,039,439	1,008,974	862,803	718,763	772,975	770,362	998,543	1,015,575
Transportation Services	22,707	24,206	12,908	13,839	14,358	9,466	13,269	10,383	6,590	7,090
Adult School	11,905	24,919	20,454	13,868	21,319	16,732	20,064	14,422	15,187	16,650
School Store										
Operating Grants and Contributions	48,134	59,486	64,103	60,873	64,749	60,536	65,996	81,112	81,189	74,522
Food Service	1,803,637	1,923,123	1,590,407	1,495,980	1,343,625	1,108,903	1,188,633	1,182,692	1,460,855	1,423,194
Total Business Type Activities Program Revenues	6,297,453	5,294,584	5,831,368	5,551,984	5,107,864	10,540,291	10,148,223	13,024,215	14,539,859	17,192,617
Total District Program Revenues										
Net (Expense)/Revenue	(20,253,106)	(20,978,870)	(20,434,065)	(19,691,007)	(20,365,501)	(15,641,376)	(16,720,986)	(16,042,506)	(15,887,299)	(16,334,356)
Governmental Activities	(29,600)	(37,195)	(389,027)	188,731	184,684	38,582	40,874	(37,319)	(187,584)	(112,134)
Business-Type Activities	(20,282,706)	(21,016,065)	(20,823,092)	(19,502,276)	(20,180,816)	(15,602,794)	(16,680,112)	(16,079,825)	(16,074,883)	(16,446,490)
Total District-Wide Net Expense										
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	14,096,779	14,370,733	14,891,072	15,566,621	15,849,073	16,055,482	15,878,434	15,612,914	15,612,914	15,401,826
Property Taxes Levied for Debt Service, Net	1,008,199	653,042	707,266	152,922	158,197	195,391	192,538	194,000	194,749	11,214
Federal and State Aid not Restricted	5,385,930	6,222,790	6,282,192	4,789,978	5,544,997	336,971				11,617
Investment Earnings	70,214	10,363	5,054	14,583	11,309	1,487	1,480	738	2,721	2,618
Miscellaneous Income	10,545	61,495	66,796	88,804	375,628	258,499	559,503	91,618	11,201	65,214
Transfers	(87,865)	(133,869)	(146,139)							
Total Governmental Activities	20,483,802	21,184,553	21,806,242	20,612,908	21,939,204	16,847,830	16,631,955	15,899,270	15,832,799	15,481,275
Business-Type Activities:										
Investment Earnings	3,240	364	148	552	399	173	188	185	132	80
Transfers	87,865	133,869	145,179							5,388
Total Business-Type Activities	91,105	134,233	145,327	552	399	173	188	185	132	5,468
Total District-Wide	20,574,907	21,318,787	21,951,569	20,613,460	21,939,603	16,848,003	16,632,143	15,899,455	15,832,931	15,486,743
Change in Net Position										
Governmental Activities	230,696	205,683	1,372,176	921,901	1,573,703	1,206,454	(89,031)	(143,236)	(54,500)	(853,081)
Business-Type Activities	61,505	97,038	(243,700)	189,282	185,084	38,755	41,062	(37,134)	(187,452)	(106,666)
Total District	\$ 292,201	\$ 302,722	\$ 1,128,476	\$ 1,111,184	\$ 1,758,787	\$ 1,245,209	\$ (47,969)	\$ (180,370)	\$ (241,952)	\$ (959,747)

Source: School District Financial Reports

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

	June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Restricted	\$ 1,969,620	\$ 1,455,796	\$ 1,528,622	\$ 2,962,466	\$ 3,562,871	\$ 3,349,047	\$ 3,251,375	\$ 2,704,746	\$ 1,955,511	\$ 1,802,270
Assigned	210,562	(46,296)	368,669	5,816	549,477	800,235	326,794	6,752	701,377	387,133
Total General Fund	\$ 2,180,181	\$ 1,409,500	\$ 1,897,291	\$ 2,968,283	\$ 4,112,348	\$ 4,149,282	\$ 3,578,169	\$ 2,711,498	\$ 2,656,888	\$ 2,189,403
All Other Governmental Funds										
Restricted/(Deficit)				\$ (35,126)	\$ (277,152)					
Restricted for:										
Debt Service Fund	\$ 746	\$ 210	\$ 1	2	2	2	3	3	2	2
Unassigned/(Deficit)								(326,178)	(448,221)	
Total All Other Governmental Funds/(Deficit)	\$ 746	\$ 210	\$ 1	\$ (35,124)	\$ (277,150)	\$ 2	\$ 3	\$ 3	\$ (448,219)	\$ 2
Total Fund Balances	\$ 2,180,927	\$ 1,409,710	\$ 1,897,292	\$ 2,933,158	\$ 3,835,198	\$ 4,149,284	\$ 3,578,172	\$ 2,711,501	\$ 2,208,669	\$ 2,189,405

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax Levy	\$ 14,910,973	\$ 15,190,011	\$ 15,698,144	\$ 15,760,990	\$ 16,041,767	\$ 16,250,873	\$ 16,070,972	\$ 15,806,914	\$ 15,807,663	\$ 15,401,826
Tuition Charges	122,384	181,664	257,246	391,128	121,196	244,795	286,804	678,827	999,366	895,190
Transportation Fees										
Interest Earnings	70,214	10,363	5,054	14,583	11,309	1,487	1,480	738	2,721	2,618
Miscellaneous	10,545	61,495	66,796	88,804	375,628	258,506	563,483	91,738	11,201	65,214
State Sources	9,493,409	8,902,768	8,811,725	7,742,169	8,630,774	9,138,769	8,345,837	8,563,950	8,942,705	10,054,614
Federal Sources	457,958	343,584	1,354,376	671,239	522,770	384,789	322,969	330,033	360,265	360,554
Total Revenue	25,065,483	24,689,883	26,193,341	24,668,912	25,703,443	26,279,219	25,591,545	25,472,200	26,123,921	26,780,016
Expenditures										
Instruction										
Regular Instruction	7,577,393	7,397,730	7,491,466	7,112,746	6,817,954	7,311,105	7,292,041	7,333,948	7,141,892	7,239,685
Special Education Instruction	1,965,227	1,989,827	2,163,466	2,101,949	1,908,798	1,597,565	1,402,857	1,840,101	2,120,461	1,826,498
Other Special Instruction	875,108	844,295	935,778	768,774	1,075,835	818,387	942,888	942,668	983,365	1,007,388
Other Instruction						187,956	183,917			
Support Services:										
Tuition	941,129	1,028,915	1,142,185	802,083	993,890	943,288	1,249,788	1,258,017	1,052,244	1,087,347
Student & Instruction Related Services	1,842,978	2,037,174	2,168,259	2,219,622	2,130,560	2,371,675	2,628,171	2,642,584	2,858,031	2,993,720
School Administrative Services	1,148,388	1,103,429	1,004,472	768,124	698,819	505,865	450,452	412,650	459,224	409,997
General Administrative Services	768,926	830,762	807,010	734,328	869,775	813,807	729,378	731,483	633,283	646,730
Central Services						311,186	326,503	297,317	325,871	321,226
Administrative Information Technology						34,705	45,760	45,554	39,043	30,687
Plant Operations And Maintenance	2,033,228	2,053,621	1,847,831	1,930,891	2,148,725	2,003,759	2,458,425	2,033,876	2,275,447	2,626,618
Pupil Transportation	1,588,424	1,696,158	1,681,199	1,639,920	1,703,444	1,661,839	1,772,029	1,698,644	1,645,355	1,746,071
Employee Benefits	5,320,316	4,710,551	4,811,209	5,025,687	5,198,872	6,066,534	5,600,421	5,611,377	5,771,626	6,399,939
Capital Outlay	250,804	347,060	282,603	334,553	1,062,037	2,469,691	887,490	1,622,830	799,983	463,374
Debt Service:										
Principal	1,000,000	1,070,000	1,115,000	150,000	155,000	165,000	170,000	180,000	190,000	
Interest And Other Charges	235,442	174,930	109,144	44,369	37,694	30,391	22,537	14,000	4,750	
Total Expenditures	25,547,363	25,284,451	25,559,621	23,633,046	24,801,404	27,292,753	26,162,657	26,665,049	26,300,575	26,799,280
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(481,880)	(594,567)	633,720	1,035,866	902,039	(1,013,534)	(571,112)	(1,192,849)	(176,654)	(19,264)

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other Financing Sources (Uses)										
Capital Leases (non-budgeted)						\$ 1,327,620				
Transfers In	\$ 15,203	\$ 48				59,819		\$ 1,050,090		
Transfers Out	(103,068)	(133,917)	\$ (146,139)			(59,819)		(1,050,090)		
Total Other Financing Sources (Uses)	(87,865)	(133,869)	(146,139)	-	\$ -0-	\$ 1,327,620	-	\$ -0-	-0-	-0-
Net Change In Fund Balances	\$ (569,745)	\$ (728,436)	\$ 487,582	\$ 1,035,866	\$ 902,039	\$ 314,086	\$ (571,112)	\$ (1,192,849)	\$ (176,654)	\$ (19,264)
Debt Service As A Percentage Of Noncapital Expenditures	4.88%	4.99%	4.84%	0.83%	0.81%	0.79%	0.76%	0.77%	0.76%	0.00%

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		Building Use	Student Operated Cafeteria	Miscellaneous	Total
				Fees					
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
2014	286,804	5,274	505,204	32,897		10,412		7,196	847,787
2015	678,827	3,741	1,242	52,153		13,134		22,086	771,183
2016	999,366	2,721						9,201	1,011,288
2017	895,190	2,618	10,091			413		54,710	963,022

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		Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
	Land	Other										
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	71,376,400	418,300	57,609,100	1,388,000	133,251,650	206,820	133,458,470	0.606	148,310,732		
2014	2,333,050	71,358,600	423,800	57,285,300	1,388,000	132,788,750	213,947	133,002,697	0.583	139,687,493		
2015	2,254,350	71,333,600	423,800	57,167,000	1,388,000	132,566,750	247,390	132,814,140	0.582	127,085,808		
2016	1,905,150	71,432,300	440,500	52,639,200	1,388,000	127,805,150	220,899	128,026,049	0.429	125,626,181		
Frankford Township												
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	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	72,998,200	60,275,700	5,529,600	880,200	721,747,200	2,033,198	723,780,398	0.706	792,810,574	
2014	17,333,200	565,528,300	73,949,400	59,828,300	5,529,600	880,200	723,049,000	1,811,215	724,860,215	0.701	845,128,593	
2015	17,180,700	570,042,100	74,134,500	59,064,500	5,529,600	841,700	726,793,100	2,183,338	728,976,438	0.601	825,685,795	
2016	16,952,900	577,131,100	69,657,800	59,222,500	5,529,600	841,700	729,335,600	2,049,219	731,384,819	0.612	824,978,449	
Lafayette Township												
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	442,305,012	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	47,116,300	41,217,100	15,337,800	333,540,900	539,095	334,079,995	0.701	355,384,286		
2014	6,746,400	219,287,600	49,051,500	41,203,100	15,337,800	331,626,400	494,830	332,121,230	0.693	373,817,248		
2015	6,404,000	218,935,700	48,747,500	35,992,900	15,339,900	325,420,000	597,858	326,017,858	0.524	352,383,165		
2016	6,715,300	220,130,800	47,955,900	39,293,100	14,459,900	328,555,000	588,015	329,143,015	0.542	348,586,224		

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 ^b	Estimated Actual (County Equalized Value)
	\$											
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	640,100		25,708,300	721,600	16,707,400	127,162,800	662,927	127,825,727	0.592	132,158,837
2014	1,804,600	80,772,200	661,600		25,254,600	787,300	16,324,700	125,605,000	835,798	126,440,798	0.627	121,535,784
2015	1,838,400	80,688,700	661,600		24,735,400	787,300	16,190,200	124,901,600	1,107,571	126,009,171	0.653	124,451,895
2016	1,791,200	80,820,200	661,600		24,657,400	787,300	14,503,400	123,221,100	-	123,221,100	0.567	124,413,054
<u>Wantage Township</u>												
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	150,677,900		114,525,205	961,300	5,822,300	1,379,386,858	3,447,661	1,382,834,519	0.514	1,212,594,551
2014	* 30,572,600	899,760,106	141,239,200		116,927,091	1,541,400	11,621,250	1,201,661,647	3,383,457	1,205,045,104	0.580	1,199,517,862
2015	30,651,700	899,500,006	141,212,300		116,927,091	1,541,400	11,621,250	1,201,453,747	3,805,642	1,205,259,389	0.637	1,200,996,055
2016	29,938,700	898,143,806	142,153,800		116,639,030	1,541,400	11,621,200	1,200,037,936	-	1,200,037,936	0.657	1,185,651,429

* Revaluation or Reassessment 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								Total Direct and Overlapping Tax Rate
Direct Rate				Overlapping Rates				
Year Ended December 31,	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County		
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		0.942	0.550	2.098	
2014	0.575	0.007	0.582		0.953	0.548	2.083	
2015	0.576	0.007	0.583		0.865	0.491	1.939	
2016	0.429		0.429	\$ 0.169	1.006	0.493	2.097	

Frankford Township								Total Direct and Overlapping Tax Rate
Direct Rate				Overlapping Rates				
Year Ended December 31,	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County		
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	0.977	0.538	2.527	
2014	0.693	0.009	0.701	0.311	0.999	0.611	2.622	
2015	0.593	0.007	0.601	0.311	1.057	0.583	2.552	
2016	0.612		0.612	0.331	1.010	0.623	2.576	

* Revaluation or Reassessment 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 ^a	General Obligation Debt Service ^b	Total Direct	Local				
				Municipality	School District	County		
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	0.263	1.190	0.523	2.677	
2014	0.684	0.008	0.693	0.270	1.210	0.587	2.760	
2015	0.684	0.006	0.524	0.270	1.420	0.557	2.771	
2016	0.542		0.542	0.286	1.335	0.580	2.743	

Sussex Borough								
Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Local				
				Municipality	School District	County		
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	1.161	0.509	2.930	
2014	0.618	0.008	0.627	0.673	1.116	0.501	2.917	
2015	0.618	0.008	0.653	0.673	1.102	0.509	2.937	
2016	0.567		0.567	0.752	1.298	0.558	3.175	

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)

Year Ended December 31,	Wantage Township							Total Direct and Overlapping Tax Rate
	Direct Rate			Overlapping Rates				
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County		
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	0.245	0.978	0.431	2.168	
2014	0.573	0.007	0.580	0.280	1.141	0.519	2.520	
2015	0.630	0.008	0.637	0.280	1.137	0.513	2.567	
2016	0.657		0.657	0.30	1.170	0.55	2.673	

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 TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Branchville Borough

Frankford Township

	2017			2017		
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
	Wantage Avenue Holding Company Inc	\$ 30,006,600	22.48%	129 Morris Turnpike Realty, Inc.	\$ 6,500,000	0.90%
	Franklin Mutual Insurance Company	5,560,400	4.17%	Sussex County Farm & Horse Show	2,713,000	0.37%
	National Bank of Sussex County	1,769,800	1.33%	Visions Federal Credit Union	2,419,600	0.33%
	Haubrich Enterprises, LLC	1,417,700	1.06%	Branchville Manor c/o Kaplan Dev	2,362,900	0.33%
	Mill Manor, LLC	1,021,100	0.77%	United Telephone Co. of NJ	2,049,219	0.28%
	Individual Taxpayer #1	1,007,200	0.75%	Individual Taxpayer #1	1,987,500	0.27%
	LAC Realty Corp.	925,500	0.69%	Skylands Stadium LLC	1,600,000	0.22%
	RBMK	915,600	0.69%	One to One LLC	1,352,400	0.19%
	Individual Taxpayer #2	896,500	0.67%	Kymers Campground	1,346,900	0.19%
	Individual Taxpayer #3	742,100	0.56%	Individual Taxpayer #2	1,339,900	0.19%
	Total	\$ 44,262,500	33.17%	Total	\$ 23,671,419	3.27%

	2008			2008		
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
	N/A	N/A	N/A	N/A	N/A	N/A

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

Taxpayer	2017		Taxpayer	2008	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Mainland Sussex Co	\$ 11,449,000	0.83%	N/A	N/A	N/A
Tenneco, Inc.	11,213,700	0.69%			
Wantage 2002 LLC	9,500,000	0.46%			
Regency Apartments, LLC	6,294,000	0.46%			
Town Center at Wantage, LLC	4,871,800	0.35%			
Space Farms, Inc.	4,376,900	0.32%			
Naisby, James H G, Inc.	3,112,300	0.23%			
PS, LLC	2,917,400	0.21%			
MAJ Wantage Land, LLC	2,860,000	0.21%			
Ames Rubber Corp.	2,801,800	0.20%			
Total	\$ 59,396,900	3.94%			

N/A - Not Available

Source: Municipal Tax Assessor

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

Branchville Borough

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 765,449	\$ 765,449	100.00%	
2016	789,234	789,234	100.00%	
2017	549,816	549,816	100.00%	

Frankford Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 4,978,140	\$ 4,978,140	100.00%	
2016	4,378,592	4,378,592	100.00%	
2017	4,482,603	4,473,332	99.79%	

Lafayette Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 2,256,649	\$ 2,256,649	100.00%	
2016	2,135,093	2,135,093	100.00%	
2017	1,786,153	1,782,459	99.79%	

This schedule does not include ten years as required by GASB #44 as the information is not available.

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 THREE FISCAL YEARS
UNAUDITED

Sussex Borough				
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 813,102	\$ 765,449	94.14%	\$ 47,653
2016	822,398	822,398	100.00%	-
2017	683,589	699,088	102.27%	(15,499)

Wantage Township				
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 6,993,574	\$ 4,987,140	71.31%	\$ 2,006,434
2016	7,682,346	7,682,346	100.00%	
2017	7,899,665	7,883,326	99.79%	

This schedule does not include ten years as required by GASB #44 as the information is not available.

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				Bond Anticipation Notes (BANs)		Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Capital Leases	Capital Leases	Capital Leases					
2008	\$ 2,600,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	\$ 2,600,000	0.24%	\$ 115
2009	1,820,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,820,000	0.17%	80
2010	1,675,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,675,000	0.16%	75
2011	860,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	860,000	0.08%	39
2012	705,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	705,000	0.06%	32
2013	540,000	-0-	-0-	\$ 1,327,620	-0-	-0-	-0-	-0-	1,867,620	0.17%	85
2014	370,000	-0-	-0-	1,262,567	-0-	-0-	-0-	-0-	1,632,567	0.14%	74
2015	190,000	-0-	-0-	1,181,370	-0-	-0-	-0-	-0-	1,371,370	0.11%	63
2016		-0-	-0-	1,098,365	-0-	-0-	-0-	-0-	1,098,365	0.09%	51
2017		-0-	-0-	1,013,511	-0-	-0-	-0-	-0-	1,013,511	0.08%	47

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.

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 ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2008	\$ 2,600,000	-0-	\$ 2,600,000	0.08%	\$ 115
2009	1,820,000	-0-	1,820,000	0.05%	80
2010	1,675,000	-0-	1,675,000	0.05%	75
2011	860,000	-0-	860,000	0.03%	39
2012	705,000	-0-	705,000	0.02%	32
2013	540,000	-0-	540,000	0.02%	25
2014	370,000	-0-	370,000	0.01%	17
2015	190,000	-0-	190,000	0.01%	9
2016	-0-	-0-	-0-	0.00%	-0-
2017	-0-	-0-	-0-	0.00%	-0-

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, 2016

UNAUDITED

	<u>Borough of</u> <u>Branchville</u>	<u>Township of</u> <u>Frankford</u>	<u>Township of</u> <u>Lafayette</u>	<u>Borough of</u> <u>Sussex</u>	<u>Township of</u> <u>Wantage</u>	<u>High Point Regional</u> <u>High School District</u>
Net Direct Debt of School District as of December 31, 2016	\$ 107,205	\$ 1,511,315	\$ 1,730,000	\$ 682,689	\$ 6,646,770	\$ 8,947,979
Net Overlapping Debt of School District Municipal (100%)			\$ 1,730,000			1,730,000
Local School (100%)						
County of Sussex Share (1)	835,105	5,444,884	2,338,294	823,970	7,827,717	17,269,970
Total Direct and Overlapping Bonded Debt as of December 31, 2016						<u>\$ 27,947,949</u>

- (1) Borough of Branchville - 0.75%
- Township of Frankford - 4.89%
- Township of Lafayette - 2.10%
- Borough of Sussex - 0.74%
- Township of Wantage - 7.03%

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 2017

	Borough of Branchville	Township of Frankford	Township of Lafayette	Borough of Sussex	Township of Wantage	Equalized Valuation Basis
2014	\$125,024,715	816,543,196	356,702,592	122,793,039	1,192,242,928	\$ 2,613,306,470
2015	128,838,555	817,356,163	343,016,760	124,851,659	1,184,149,702	2,598,212,839
2016	139,738,848	803,587,043	334,918,451	127,045,159	1,167,238,533	2,572,528,034
	<u>\$ 393,602,118</u>	<u>\$ 2,437,486,402</u>	<u>\$ 1,034,637,803</u>	<u>\$ 374,689,857</u>	<u>\$ 3,543,631,163</u>	<u>\$ 7,784,047,343</u>

Average Equalized Valuation of Taxable Property \$ 2,594,682,448

Debt Limit (3% of average equalization value) 77,840,473 ^a
 Total Net Debt Applicable to Limit -0-
 Legal Debt Margin \$ 77,840,473

	Fiscal Year				
	2008	2009	2010	2011	2012
Debt Limit	\$ 84,347,999	\$ 90,505,496	\$ 95,169,182	\$ 95,202,494	\$ 94,410,069
Total Net Debt Applicable to Limit	3,920,000	21,555,000	15,708,909	860,000	705,000
Legal Debt Margin	<u>\$ 80,427,999</u>	<u>\$ 68,950,496</u>	<u>\$ 79,460,273</u>	<u>\$ 94,342,494</u>	<u>\$ 93,705,069</u>

Total Net Debt Applicable to the Limit
 As a Percentage of Debt Limit 4.65% 23.82% 16.51% 0.90% 0.75%

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt Limit	\$ 90,262,671	\$ 82,589,097	\$ 79,760,713	\$ 78,592,634	\$ 77,840,473
Total Net Debt Applicable to Limit	540,000	370,000	190,000	-0-	-0-
Legal Debt Margin	<u>\$ 89,722,671</u>	<u>\$ 82,219,097</u>	<u>\$ 79,570,713</u>	<u>\$ 79,570,713</u>	<u>\$ 77,840,473</u>

Total Net Debt Applicable to the Limit
 As a Percentage of Debt Limit 0.60% 0.45% 0.24% 0.00% 0.00%

^a 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 ^a	Personal Income	Sussex County Per Capita Personal Income ^b	Unemployment Rate ^c
<u>Branchville Borough</u>				
2008	821	\$ 38,928,536	\$ 47,416	5.5%
2009	815	37,507,115	46,021	8.2%
2010	840	39,193,560	46,659	12.1%
2011	835	40,473,285	48,471	9.6%
2012	828	41,539,932	50,169	12.6%
2013	820	41,437,880	50,534	12.5%
2014	812	42,915,012	52,851	7.6%
2015	802	44,508,594	55,497	6.2%
2016	788	43,731,636 *	55,497 *	5.0%
2017	788 **	43,731,636 *	55,497 *	N/A
<u>Frankford Township</u>				
2008	5,612	\$ 266,098,592	\$ 47,416	5.5%
2009	5,595	257,487,495	46,021	8.2%
2010	5,566	259,703,994	46,659	7.8%
2011	5,542	268,626,282	48,471	9.6%
2012	5,515	276,682,035	50,169	8.1%
2013	5,490	277,431,660	50,534	8.0%
2014	5,417	286,293,867	52,851	7.0%
2015	5,435	301,626,195	55,497	5.9%
2016	5,371	298,074,387 *	55,497 *	5.0%
2017	5,371 **	298,074,387 *	55,497 *	N/A

Source:

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

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

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

* - Latest Sussex County per capita personal income available (2015) was used for calculation purposes.

** - Latest population data available (2016) was used for calculation purposes.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

(Continued)

Year	Population ^a	Personal Income	Sussex County Per Capita Personal Income ^b	Unemployment Rate ^c
<u>Lafayette Township</u>				
2008	2,470	\$ 117,117,520	\$ 47,416	5.5%
2009	2,463	113,349,723	46,021	8.20%
2010	2,521	117,627,339	46,659	10.60%
2011	2,502	121,274,442	48,471	9.60%
2012	2,479	124,368,951	50,169	10.90%
2013	2,451	123,858,834	50,534	10.90%
2014	2,461	130,066,311	52,851	6.2%
2015	2,439	135,357,183	55,497	4.8%
2016	2,414	133,969,758 *	55,497 *	4.6%
2017	2,414 **	133,969,758 *	55,497 *	N/A
<u>Sussex Borough</u>				
2008	2,141	\$ 101,517,656	\$ 47,416	5.5%
2009	2,139	98,438,919	46,021	8.20%
2010	2,131	99,430,329	46,659	9.80%
2011	2,118	102,661,578	48,471	9.60%
2012	2,110	105,856,590	50,169	10.20%
2013	2,081	105,161,254	50,534	10.10%
2014	2,063	109,031,613	52,851	7.9%
2015	2,043	113,380,371	55,497	6.9%
2016	2,039	113,158,383 *	55,497 *	5.7%
2017	2,039 **	113,158,383 *	55,497 *	N/A

Source:

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

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

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

* - Latest Sussex County per capita personal income available (2015) was used for calculation purposes.

** - Latest population data available (2016) 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^a</u>	<u>Personal Income</u>	<u>Sussex County Per Capita Personal Income^b</u>	<u>Unemployment Rate^c</u>
<u>Wantage Township</u>				
2008	11,579	\$ 549,029,864	\$ 47,416	8.2%
2009	11,601	533,889,621	46,021	8.20%
2010	11,359	529,999,581	46,659	11.50%
2011	11,320	548,691,720	48,471	9.60%
2012	11,239	563,849,391	50,169	11.50%
2013	11,179	564,919,586	50,534	11.80%
2014	11,179	590,821,329	52,851	6.7%
2015	11,074	614,573,778	55,497	5.1%
2016	10,998	610,356,006 *	55,497 *	4.7%
2017	10,998 **	610,356,006 *	55,497 *	N/A

Source:

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

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

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

* - Latest Sussex County per capita personal income available (2015) was used for calculation purposes.

** - Latest population data available (2016) was used for calculation purposes.

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

Employer	2016		2007		Percentage of Total Employment
	Employees	Percentage of Total Employment	Employer	Employees	
Newton Memorial Hospital	5,000	6.80%	Mountain Creek/Intrawest	1,109	1.37%
Selective Insurance	5,000	6.80%	Crystal Springs Golf & Spa Resort	770	0.95%
Mountain Creek Resort	1,000	1.36%	Newton Memorial Hospital	672	0.83%
Thor Labs	1,000	1.36%	Selective Insurance	516	0.64%
County of Sussex	1,000	1.36%	County of Sussex	426	0.53%
Ames Rubber Corporation	500	0.68%	Andover Sub Acute and Rehab Center	266	0.33%
Raider Express	500	0.68%	Ronetco Supermarkets, Inc.	226	0.28%
Sussex County Community College	500	0.68%	Vernon Township Board of Education	169	0.21%
Mountain Creek Waterpark	250	0.34%	Sparta Board of Education	150	0.19%
A&P Food Store	250	0.34%	Sussex County Community College	150	0.19%
Total	15,000	20.40%		4,454	5.52%

Source: County of Sussex

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction	95.0	94.0	93.0	82.0	91.5	79.0	79.0	79.0	79.0	72.5
Regular	30.5	30.5	29.5	16.0	13.0	19.5	17.5	17.5	17.0	19.7
Special Education										
Support Services:										
Tuition	29.5	25.0	25.0	25.0	21.0	29.0	28.0	28.0	30.0	32.4
Student and Instruction Related Services	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	2.1
General Administrative Services	10.5	10.5	9.5	9.5	9.0	9.5	9.5	9.5	8.0	6.5
School Administrative Services	5.5	5.5	5.5	5.5	3.5	4.0	4.0	4.0	4.0	3.6
Business and Other Support Services	15.3	15.5	15.5	15.5	15.5	16.0	13.0	13.0	13.0	15.4
Plant Operations and Maintenance	5.0	5.0	5.0	5.0	5.5	6.0	6.0	6.0	5.0	5.8
Pupil Transportation	11.0	11.0	11.0							
Food Service										
Total	204	199	196	162	162	166	160	160	159	158

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
					High School	School				
2008	1,280	\$ 24,061,117	\$ 18,798	18.16%	1:12	1:12	1,316	1,269	-3.00%	99.16%
2009	1,270	23,692,461	18,655	-0.76%	1:12	1:12	1,268	1,226	-3.64%	96.51%
2010	1,205	25,052,875	20,791	11.45%	1:12	1:12	1,198	1,155	-5.50%	95.86%
2011	1,148	23,104,124	20,126	-3.20%	1:11	1:11	1,136	1,087	-5.22%	94.72%
2012	1,101	23,546,673	21,387	6.27%	1:11	1:11	1,099	1,054	-3.22%	95.77%
2013	1,014	24,627,671	24,288	13.56%	1:10	1:10	1,011	973	-7.75%	95.93%
2014	1,007	25,082,630	24,908	2.56%	1:10	1:10	1,007	971	-0.17%	96.43%
2015	1,009	24,848,219	24,627	-1.13%	1:10	1:10	1,001	938	-3.40%	92.96%
2016	996	25,305,842	25,407	3.17%	1:10	1:10	983	929	-0.96%	93.27%
2017	980	26,335,906	26,873	5.77%	1:10	1:10	910	851	-8.40%	86.84%

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>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	1,280	1,270	1,204	1,148	1,101	1,014	1,007	1,009	996	980

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
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
2014	484,001		484,001
2015	301,694		301,694
2016	676,723		676,723
2017	820,804		820,804

* 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, 2017
UNAUDITED

	<u>Coverage</u>		<u>Deductible</u>
School Package Policy: School Alliance Insurance Fund	\$ 250,000,000	Fund Limit	
Building & Personal Property			\$ 2,500
Inland Marine - Auto Physical Damage			1,000
General Liability Including Auto, Employee Benefits	5,000,000		
Each Occurrence			
General Aggregate	100,000,000	Fund Aggregate	
Product / Completed Ops			
Personal Injury			
Fire Damage	2,500,000		
Medical Expenses	10,000		
(excluding students taking part in athletics)			
Automobile Coverage			
Combined Single Limit			
Hired / Non-owned			
Environmental Impairment Liability	1,000,000	Per Occurrence	10,000
	25,000,000	Fund Aggregate	100,000
Crime Coverage	50,000	Inside/ Out	1,000
Blanket Dishonesty Bond	500,000		1,000
Boiler & Machinery	100,000,000		2,500
Excess Liability (AL/GL)	5,000,000		
School Board Legal	5,000,000/5,000,000		5,000
Security Guard Liability	2,000,000		
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



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

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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 24, 2017.

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

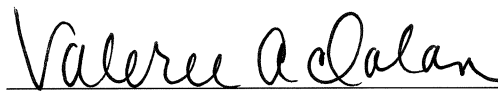
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 24, 2017
Mount Arlington, New Jersey

NISIVOCCIA LLP



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

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 *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, 2017. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major 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, 2017.

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 the Uniform Guidance and NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 of that testing based on the requirements of the Uniform Guidance or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

October 24, 2017
Mount Arlington, New Jersey

NISIVOCCIA LLP



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, 2017

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance (Accounts Receivable) 6/30/2016	Due to Grantor 6/30/2016	Cash Received	Budgetary Expenditures	Balance 6/30/2017		Amounts Paid to Subrecipients	
									Budgetary Accounts Receivable	Budgetary Unearned Revenue		
U.S. Department of Education Passed-through State Department of Education:												
General Fund:												
Medicaid Assistance Program	93.778	N/A	7/1/16 - 6/30/17	\$ 11,617			\$ 11,617	\$ (11,617)				
Total General Fund							11,617	(11,617)				
U.S. Department of Agriculture												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Federal Food Distribution Program	10.555	N/A	7/1/15 - 6/30/16	9,502	\$ 2,399			(2,399)				
Federal Food Distribution Program	10.555	N/A	7/1/16 - 6/30/17	13,689			13,689	(11,977)	\$ 1,712			
National School Lunch Program	10.555	N/A	7/1/15 - 6/30/16	68,023	(1,898)		1,898					
National School Lunch Program	10.555	N/A	7/1/16 - 6/30/17	57,871			54,651	(57,871)	\$ (3,220)			
Total U.S. Department of Agriculture/Child Nutrition Cluster					501		70,238	(72,247)	(3,220)	1,712		
U.S. Department of Education												
Passed-through State Department of Education:												
No Child Left Behind Consolidated Grant:												
Title I	84-010A	NCLB-2165-17	7/1/16 - 6/30/17	74,158			74,158	(74,158)				
Title IIA	84.278A	NCLB-2165-17	7/1/16 - 6/30/17	20,124			20,124	(20,124)				
Special Education Cluster:	84.027	FT-2165-17	7/1/16 - 6/30/17	213,398			213,398	(213,398)				
I.D.E.A. Part B, Basic	84.395	N/A	7/1/16 - 6/30/17	6,000			6,000	(6,000)				
Race to the Top	84.048A	PERK 2165-17	7/1/16 - 6/30/17	35,257			35,257	(35,257)				
Perkins Vocational Education - Basic Grants												
Total U.S. Department of Education							348,937	(348,937)				
Total Federal Financial Awards					\$ 501	\$ -0-	\$ 430,792	\$ (432,801)	\$ (3,220)	\$ 1,712	\$ -0-	\$ -0-

N/A - Not Available

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance (Accounts Receivable) 6/30/2016	Cancelled	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance 6/30/2017		MEMO	
									GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
NJ Department of Education:												
Equalization Aid	16-495-034-5120-078	7/1/15 - 6/30/16	\$ 4,284,622	\$ (427,524)		\$ 427,524						\$ 4,284,622
Transportation Aid	16-495-034-5120-014	7/1/15 - 6/30/16	748,822	(74,718)		74,718						748,822
Special Education Aid	16-495-034-5120-089	7/1/15 - 6/30/16	606,486	(60,516)		60,516						606,486
Security Aid	16-495-034-5120-084	7/1/15 - 6/30/16	86,130	(8,594)		8,594						86,130
Adjustment Aid	16-495-034-5120-085	7/1/15 - 6/30/16	623,958	(62,259)		62,259						623,958
PARCC Readiness	16-495-034-5120-098	7/1/15 - 6/30/16	9,510	(949)		949						9,510
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15 - 6/30/16	31,416	(3,135)		3,135						31,416
School Choice Aid	16-495-034-5120-068	7/1/15 - 6/30/16	170,207	(170,207)		170,207						170,207
Extraordinary Aid	16-495-034-5120-044	7/1/15 - 6/30/16	17,205	(17,205)		17,205						17,205
Non-Public Transportation	16-495-034-5120-014											
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15 - 6/30/16	717,413	(36,165)		36,165						717,413
Equalization Aid	17-495-034-5120-078	7/1/16 - 6/30/17	4,284,622			3,863,511	\$ (4,284,622)				\$ (421,111)	4,284,622
Transportation Aid	17-495-034-5120-014	7/1/16 - 6/30/17	748,822			675,224	(748,822)				(73,598)	748,822
Special Education Aid	17-495-034-5120-089	7/1/16 - 6/30/17	606,486			546,878	(606,486)				(59,608)	606,486
Security Aid	17-495-034-5120-084	7/1/16 - 6/30/17	86,130			77,665	(86,130)				(8,465)	86,130
Adjustment Aid	17-495-034-5120-085	7/1/16 - 6/30/17	623,958			562,633	(623,958)				(61,325)	623,958
PARCC Readiness	17-495-034-5120-098	7/1/16 - 6/30/17	9,510			8,575	(9,510)				(935)	9,510
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16 - 6/30/17	9,510			8,575	(9,510)				(935)	9,510
Professional Learning Community Aid	17-495-034-5120-099	7/1/16 - 6/30/17	9,190			8,287	(9,190)				(903)	9,190
School Choice Aid	17-495-034-5120-068	7/1/16 - 6/30/17	31,416			28,328	(31,416)				(3,088)	31,416
Extraordinary Aid	17-100-034-5120-473	7/1/16 - 6/30/17	234,510				(234,510)			\$ (234,510)	(234,510)	234,510
Non-Public Transportation	17-495-034-5120-014	7/1/16 - 6/30/17	15,243				(15,243)			(15,243)	(15,243)	15,243
Reimbursed TPAF Social Security Contributions	17-495-034-5094-002	7/1/16 - 6/30/17	726,569			659,942	(726,569)			(66,627)	(66,627)	726,569
TPAF Pension Contributions (Non-Budgeted)	17-495-034-5094-002	7/1/16 - 6/30/17	1,068,556			1,068,556	(1,068,556)					1,068,556
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)	17-495-034-5094-001	7/1/16 - 6/30/17	922,609			922,609	(922,609)					922,609
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)	17-495-034-5094-004	7/1/16 - 6/30/17	38,716			38,716	(38,716)					38,716
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)	17-495-034-5094-004	7/1/16 - 6/30/17	1,185			1,185	(1,185)					1,185
Total General Fund State Aid				(862,221)		9,332,905	(9,417,032)			(316,380)	(946,348)	16,722,311
Total NJ Department of Education				(862,221)		9,332,905	(9,417,032)			(316,380)	(946,348)	16,722,311
Capital Projects Fund:												
NJ School Development Authority:												
HVAC Upgrades Auditorium & Gym, Boiler Replacement	2165-030-14-1001/1002/1003	12/18/14 - 6/30/17	628,906	(700,060)	71,154	628,906	(628,906)					628,906
Total Capital Projects Fund				(700,060)	71,154	628,906	(628,906)					628,906
Enterprise Fund:												
State School Lunch Program	16-100-034-5120-122	7/1/15 - 6/30/16	2,719	(73)		73	(2,275)			(124)	(124)	2,719
State School Lunch Program	17-100-034-5120-122	7/1/16 - 6/30/17	2,275			2,151	(2,275)					2,744
Total Enterprise Fund				(73)		2,224	(2,275)			(124)	(124)	5,463

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance (Accounts Receivable) 6/30/2016	Cancelled	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance 6/30/2017		MEMO	
									GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
Total State Awards				\$ (1,562,354)	\$ 71,154	\$ 9,964,035	\$(10,048,213)	\$ -0-	\$ (316,504)	\$ -0-	\$ (946,472)	\$ 17,356,680
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	17-495-034-5094-001	7/1/16-6/30/17	\$ 1,068,556				\$ 1,068,556					
On-Behalf TPAF Pension Contributions	17-495-034-5094-002	7/1/16-6/30/17	922,609				922,609					
On-Behalf TPAF Non-Contributory Insurance	17-495-034-5094-004	7/1/16-6/30/17	38,716				38,716					
On-Behalf TPAF Long-Term Disability Insurance	17-495-034-5094-004	7/1/16-6/30/17	1,185				1,185					
Subtotal - On-Behalf TPAF Pension System Contributions							2,031,066					
Total State Awards Subject to Single Audit Determination							\$ (8,017,147)					

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, 2017

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, 2017. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the 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 on 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 on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. 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 these 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 Capital Projects Fund is presented in the accompanying schedules on the budgetary basis with the exception of the Schools Development Authority grants which are realized as revenue on the budgetary basis when awarded. These grants are realized on the GAAP basis when they are expended and submitted for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$8,676 for the general fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue funds, and the capital projects fund.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Revenue from federal and state awards are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 11,617	\$ 9,425,708	\$ 9,437,325
Special Revenue Fund	348,937		348,937
Capital Projects Fund		628,906	628,906
Enterprise Fund - Food Service	72,247	2,275	74,522
	<u>\$ 432,801</u>	<u>\$ 10,056,889</u>	<u>\$ 10,489,690</u>

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

NOTE 5. SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

During the fiscal year end June 30, 2015, the District was awarded \$700,060 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act for HVAC upgrades for the Auditorium, Gymnasium, and boiler replacement. As of June 30, 2017 the project has been completed and the District has submitted for and received \$628,906 of reimbursements.

NOTE 6. 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, 2017. 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, 2017

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*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2017 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as 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	17-495-034-5120-078	7/1/16-6/30/17	\$ 4,284,622	\$ 4,284,622
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	606,486	606,486
Security Aid	17-495-034-5094-084	7/1/16-6/30/17	86,130	86,130
Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	623,958	623,958
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	9,510	9,510
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	9,510	9,510
Professional Learning Community Aid	17-495-034-5120-097	7/1/16-6/30/17	9,190	9,190
School Choice Aid	17-495-034-5120-068	7/1/16-6/30/17	31,416	31,416
Reimbursed T.P.A.F. Social Security	17-495-034-5094-002	7/1/16-6/30/17	726,569	726,569

- The threshold used for distinguishing between Type A and Type B for state programs was \$750,000.
- There District was determined to be a "low-risk auditee" for state programs.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017

Status of Prior Year Findings:

There were no findings in the prior year.