

**HUNTERDON CENTRAL
REGIONAL HIGH SCHOOL
BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2017

**Prepared by
Hunterdon Central Regional High School District
Department of Administration**

**HUNTERDON CENTRAL REGIONAL HIGH SCHOOL
BOARD OF EDUCATION**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2017

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Hunterdon Central Regional High School



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November 29, 2017

Honorable President and
Members of the Board of Education
Hunterdon Central Regional High School District
84 Route 31
Flemington, NJ 08822

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Hunterdon Central Regional High School 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 Hunterdon Central Regional High School Board of Education. 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 and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in connection with it. The District's MD&A can be found immediately following the report of the independent auditors.



The Comprehensive Annual Financial Report is presented in four sections:

- The Introductory Section: Introduces the reader to the report and includes this transmittal letter, a list of principal officials, consultants, and the District's organizational charts.
- The Financial Section: Consists of the independent auditor's report, management's discussion and analysis, the basic financial statements, and combining and individual fund statements and schedules.
- The Statistical Section: Contains selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit: Includes the auditor's report on the internal control structure, compliance with applicable laws and regulations, and findings and recommendations.

The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State Treasury OMB Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure, compliance with applicable laws and regulations, and findings and recommendations are included in the single audit section of this report.

DESCRIPTION OF THE DISTRICT

The Hunterdon Central Regional High School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and account groups of the District are included in this report. The Hunterdon Central Regional High School Board of Education and its 9-12 comprehensive high school constitute the District's reporting entity.

The voters of the five constituent municipalities approved the formation of the Hunterdon Central Regional High School District on April 5, 1954.

Hunterdon Central Regional High School is located in Hunterdon County and serves the five municipalities of Delaware Township, East Amwell Township, Flemington Borough, Raritan Township, and Readington Township. One of the largest, campus-style high school districts in New Jersey, the school occupies a 72-acre campus and includes two general classroom buildings, an alternative education building, a music building, a 2,000-seat field house, and an instructional media center. A communications building houses a student-run FM radio station and cable television station.

DISTRICT GOALS

The 2016-17 District Goals are two-pronged, based on both educational and financial directives. Educational goals include:

- Manage resources to support staff in the delivery of student-focused programs and services.
- Support the needs of all students including at-risk and special education students.
- Sustain and enhance facilities for academic, activities, and environmental purposes through ongoing maintenance and long-range capital plan.
- Provide a safe, secure learning environment for students and staff.

Goals focusing on fiscal responsibility include:

- Implement strategies to balance needs while mitigating expenses to minimize future budget tax levy increases.
- Continuously identify additional revenue sources and shared services opportunities.
- Facilitate a bottom-up budgeting approach based on prior year's departmental budgets and targeted funding of extraordinary requests for the 10th consecutive year.
- Limit tax levy increase to less than the New Jersey State Cap of 2%.

The District provides a full range of educational services for students in grade levels 9 through 12. These include regular as well as special education. Those students who have a desire for vocational training attend Hunterdon County Polytech or Somerset County Vocational School.

The District completed the 2016-2017 fiscal year with an average enrollment of 2,986 students, which is 50 students more than the previous year's enrollment. The following table details the changes in student enrollment over the last ten years:

<u>Fiscal Years</u>	<u>Student Enrollment (ADE)</u>	<u>Change</u>	<u>Percent Change</u>
2016-2017	2,986	+ 50	1.7
2015-2016	2,936	+ 12	0.4
2014-2015	2,924	- 4	(0.1)
2013-2014	2,927	- 39	(1.3)
2012-2013	2,966	+ 68	2.4
2011-2012	2,898	- 13	(0.4)
2010-2011	2,911	- 75	(2.5)
2009-2010	2,986	+ 5	0.2
2008-2009	2,981	- 46	(1.5)
2007-2008	3,027	+134	4.6

ECONOMIC CONDITION AND OUTLOOK

Estimates of resident population for the District's five municipalities were 51,001 in 2015 and 50,824 in 2016. The most recent student census of sending districts shows enrollment holding at around 3,000 students until 2018-2019, when enrollments are expected to begin to decline.

Total municipal tax ratables supporting the school district tax levy increased from \$8, 504,751,156 in 2016 to \$8,555,091,614 in 2017. This reflects a 0.59% increase in existing property values.

FACILITIES

The Board of Education strives to provide a safe, pleasant learning environment for students. A student and staff identification card system is in place. All buildings require card access for entry. A video surveillance system is in place at strategic locations around the campus. The District has a five-year Long-Range Facility Plan and a Maintenance Plan that are updated on an annual basis.

INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally-accepted accounting principles (GAAP).

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure 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 structure, including that portion related to Federal and State financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the total budget amount and included 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 reservations of fund balance at June 30, 2017.

ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Bedard, Kurowicki and Company, CPA's, P.C., a licensed certified public accounting firm, audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2016 are free of material misstatement. The independent audit involved examining, on a

test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2016 are fairly represented in conformity with GAAP. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet 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 OMB Circular Letter 15-08.

The auditor's report on the general purpose financial statements and combining individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

CASH MANAGEMENT

The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements," Note 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.

RISK MANAGEMENT

The Board carries various forms of insurance including, but not limited to: general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Where advantageous, the District participates in a joint insurance fund with other qualified New Jersey Districts. This joint insurance fund has saved the District in annual premiums and provides more control through the involvement in management of the fund.

ACKNOWLEDGEMENTS

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

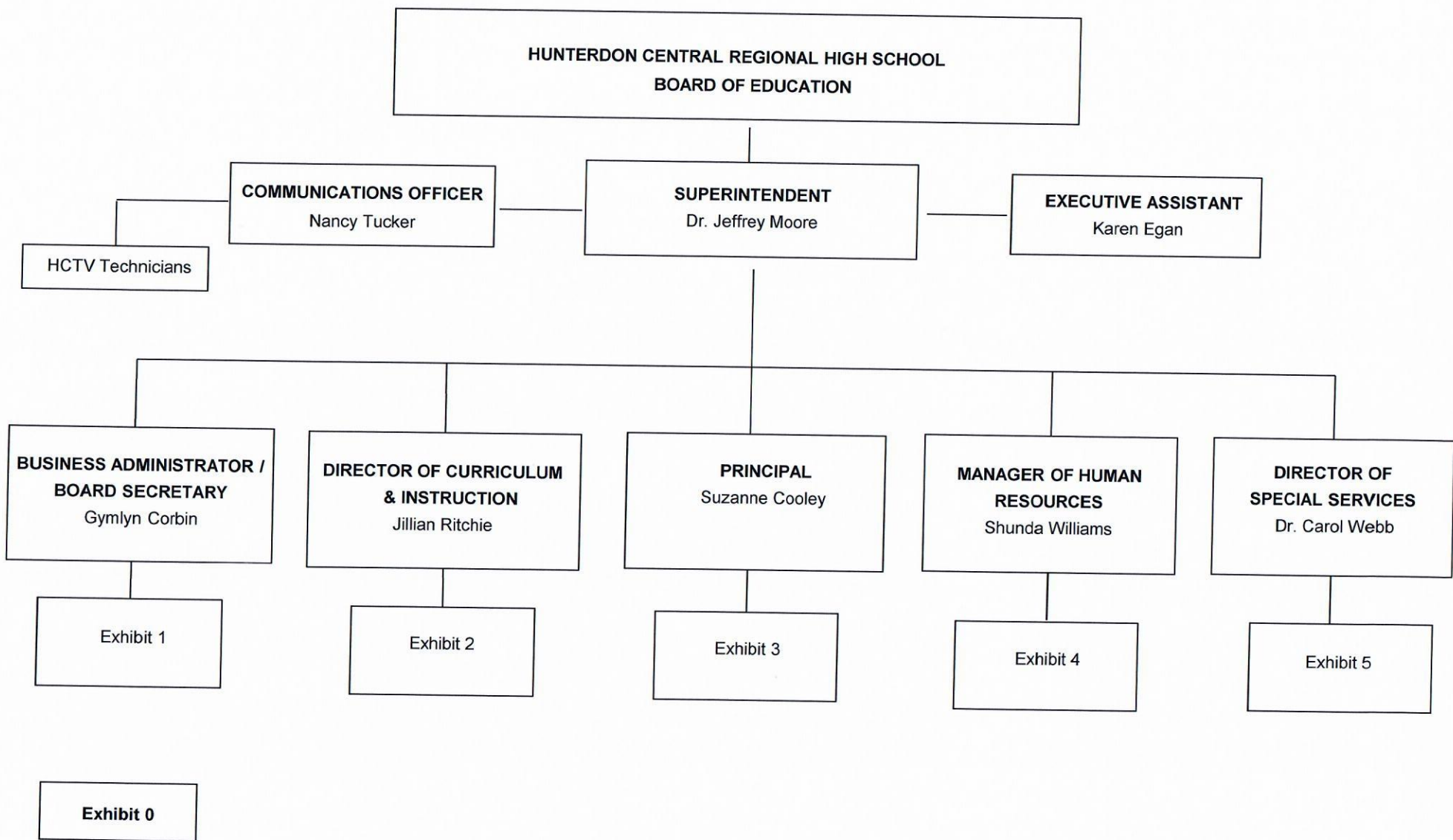
Respectfully submitted,



Dr. Jeffrey Moore
Superintendent



Gymlyn Corbin
Business Administrator/
Board Secretary



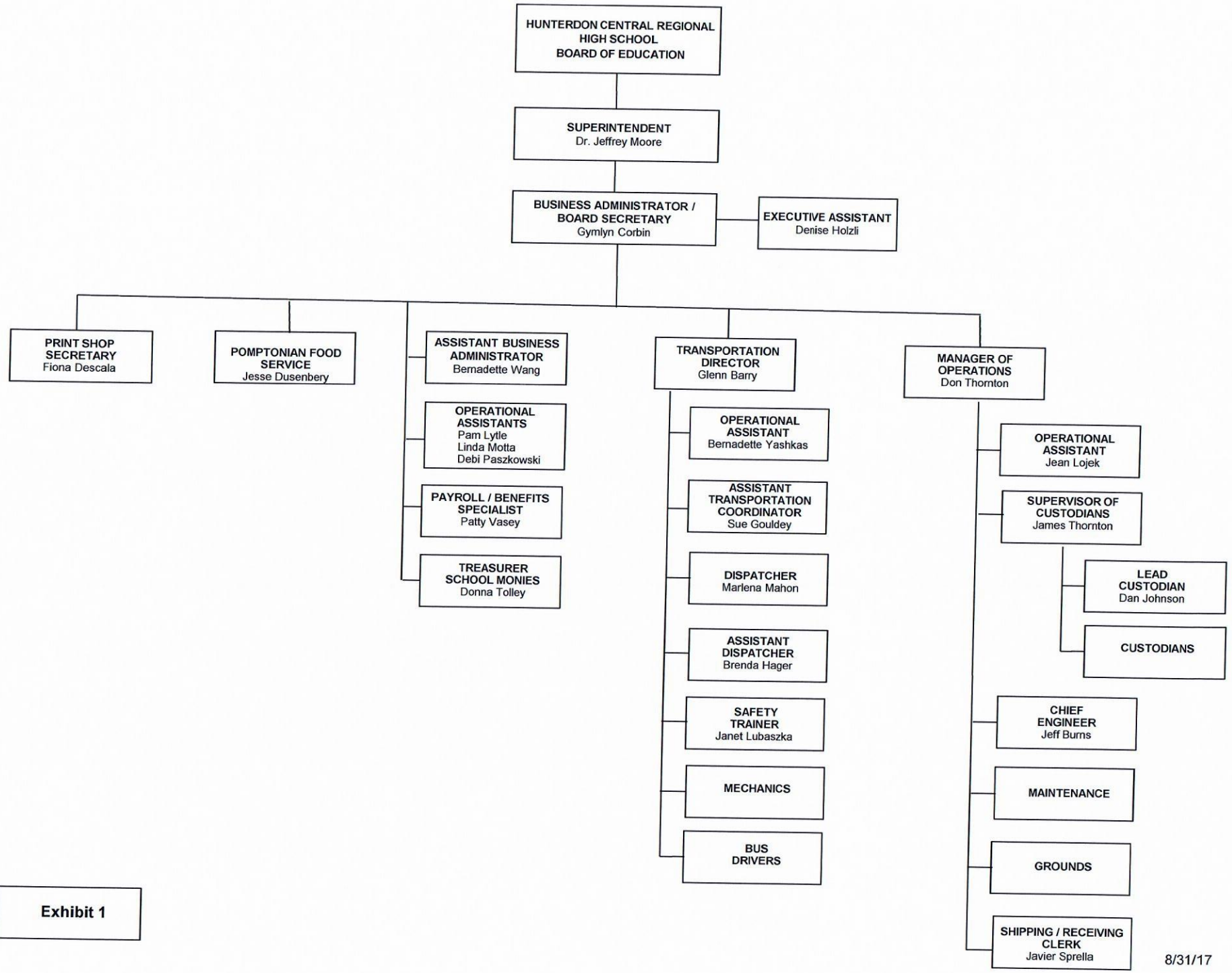


Exhibit 1

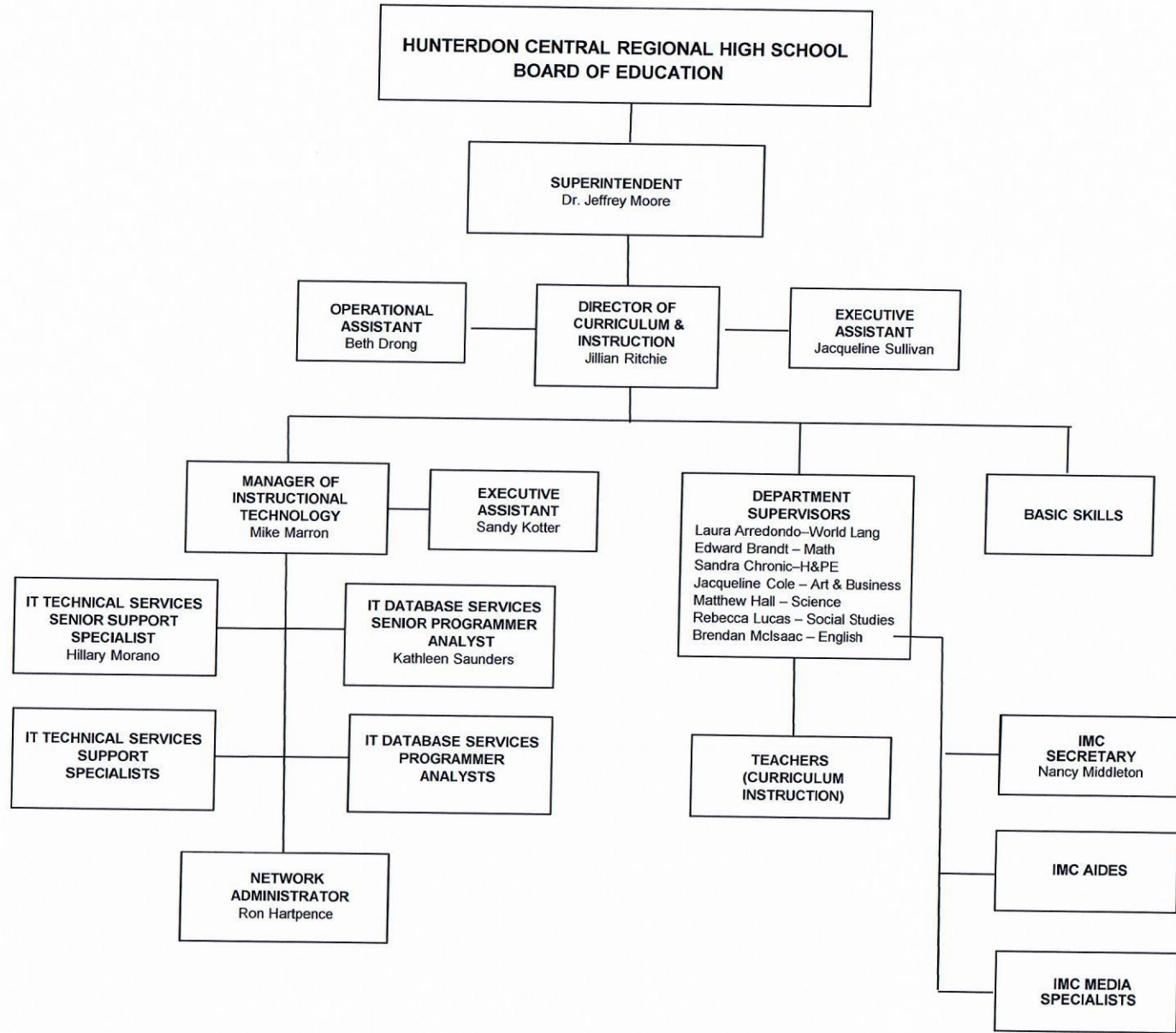


Exhibit 2

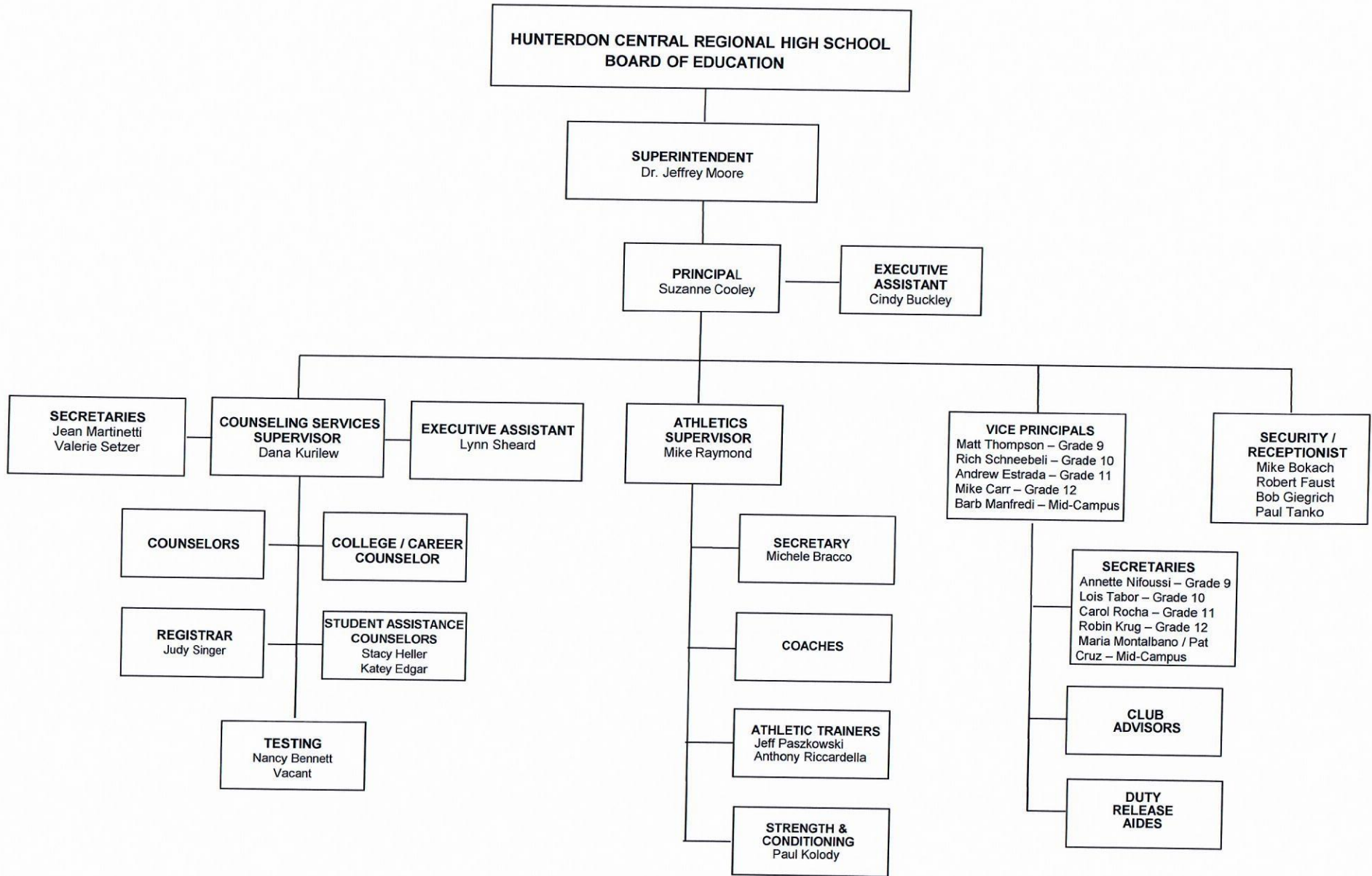


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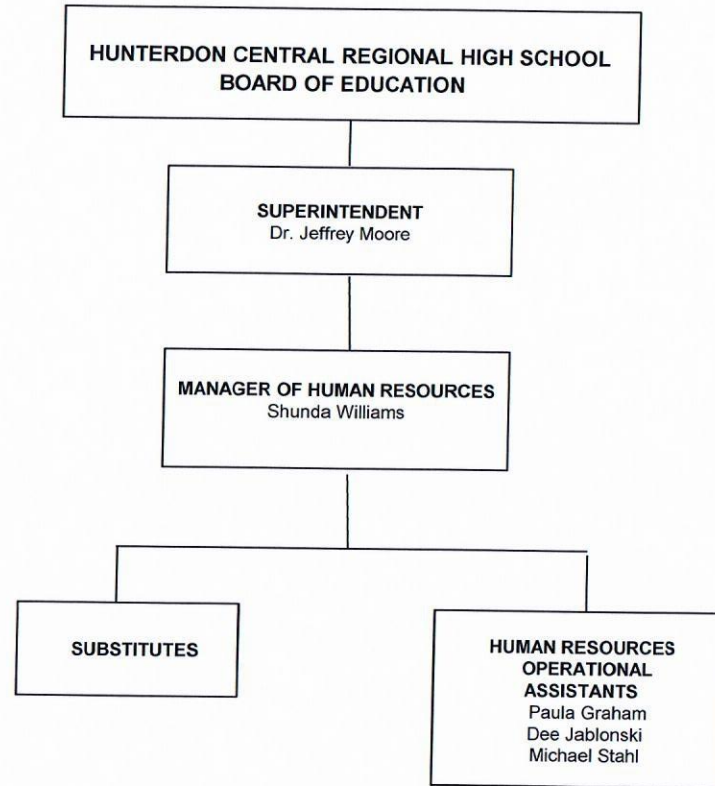


Exhibit 4

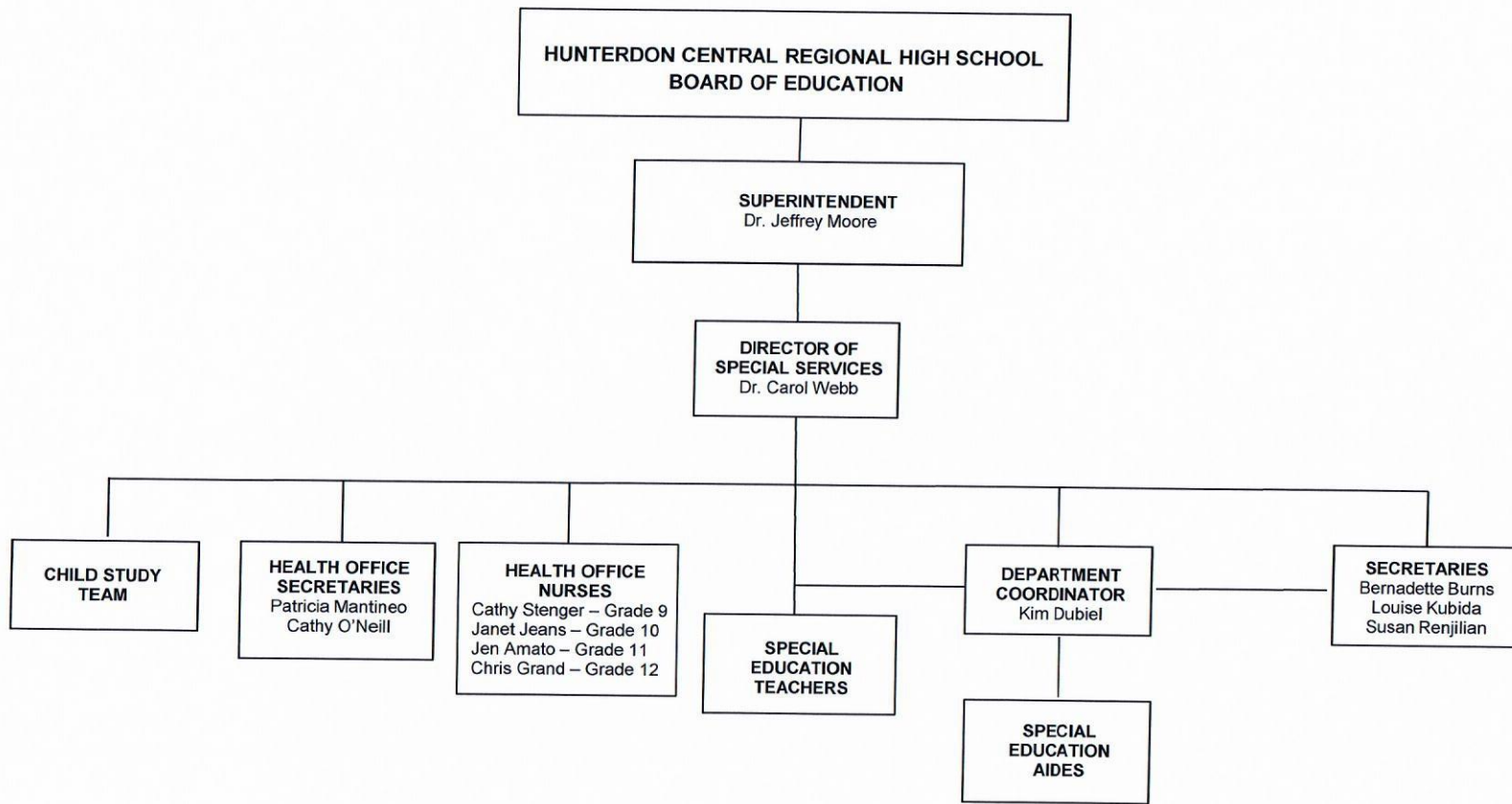


Exhibit 5

**HUNTERDON CENTRAL REGIONAL HIGH SCHOOL
ROSTER OF OFFICIALS**

Members of the Board of Education Term Expires

Raritan Township:

Kathryn Raborn, Vice President	2017
Patrick Dugan	2019
Robert Richard	2019

Readington Township:

Deborah Labbadia, President	2017
Vincent Panico	2018
Lori Blutfield	2019

Delaware Township:

Karen Palestini Falk	2018
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East Amwell Township:

Michael Dendis	2017
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Flemington Borough:

Robert McNally	2018
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APPOINTED OFFICIALS

Dr. Johanna Ruberto, Interim Superintendent
Gymlyn Corbin, Business Administrator/Board Secretary
Suzanne Cooley, Principal

**HUNTERDON CENTRAL REGIONAL HIGH SCHOOL
CONSULTANTS AND ADVISORS**

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**HUNTERDON CENTRAL REGIONAL HIGH SCHOOL
CONSULTANTS AND ADVISORS**

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Lambertville, NJ 08530



Certified Public Accountants, PC
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Independent Auditors' Report

Honorable President and
Members of the Board of Education
Hunterdon Central Regional High School District
County of Hunterdon, New Jersey

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether do 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 and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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 Hunterdon Central Regional High School District, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, schedule of the District's proportionate share of net pension liability, and schedule of the District's pension contributions, as listed in the table of contents 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 introductory section, combining and individual non-major fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and schedule of state awards required by New Jersey Department of the Treasury OMB 15-08 is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject 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 November 29, 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.

Bedard, Kurowicki & Co.
BEDARD, KUROWICKI & CO., CPA'S, PC


William M. Colantano, Jr., CPA
Public School Accountant
No. CS 0128

November 29, 2017
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

The Hunterdon Central Regional High School District's (the "District") management's discussion and analysis is designed to provide an overview of the District's financial activities for the year ended June 30, 2017, identify changes in the District's financial position, identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

Financial Highlights

Key financial highlights for fiscal year 2017 are as follows:

- In total, net position increased \$274,120 which represents a .43% percent increase from fiscal year 2016.
- General revenues accounted for \$78,035,639 in revenue or 91.39 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$7,353,621 or 8.61 percent to total revenues of \$85,389,260.
- Total assets of governmental activities decreased by \$157,258 as cash and cash equivalents increased by \$485,591; receivables decreased by \$347,786 and capital assets decreased by \$295,063
- The School District had \$85,029,845 in expenses; only \$7,353,621 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues (primarily property taxes) of \$78,035,639 were adequate to provide for these programs.
- Among major funds, the General fund had \$63,652,469 in revenues and \$63,333,385 in expenditures. After accounting for other financing sources of \$814,985; the General fund's balance increased \$1,134,069 from fiscal year 2016. This increase was anticipated by the District and was the result of effective cost-cutting measures and revenues received in excess of anticipated amounts.

Using this Generally Accepted Accounting Principles Report (GAAP)

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

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

The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Hunterdon Central Regional High School District, the General fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2017?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. No financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
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For the Fiscal Year Ended June 30, 2017
Unaudited

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statement focus on the School District's most significant funds. The School District's major Governmental funds are the General fund, Special Revenue fund, Capital Project fund and Debt Service fund.

Governmental Funds

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
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The School District as a Whole

Table 1 provides a summary of the District's net position at June 30, 2017 with comparison to June 30, 2016.

Table 1
Net Position

	6/30/17	6/30/16	Variance	
			Dollars	%
Current & Other Assets	\$ 33,792,153	\$ 33,812,450	\$ (20,297)	(0.06)
Capital Assets	67,328,784	67,606,718	(277,934)	(0.41)
Total Assets	<u>101,120,937</u>	<u>101,419,168</u>	<u>(298,231)</u>	<u>(0.29)</u>
Deferred Pension Activity	<u>9,813,317</u>	<u>4,437,677</u>	<u>5,375,640</u>	121.14
Total Deferred Outflow of Resources	<u>9,813,317</u>	<u>4,437,677</u>	<u>5,375,640</u>	121.14
Long-Term Liabilities	46,597,317	40,796,508	5,800,809	14.22
Other Liabilities	<u>835,875</u>	<u>1,425,146</u>	<u>(589,271)</u>	(41.35)
Total Liabilities	<u>47,433,192</u>	<u>42,221,654</u>	<u>5,211,538</u>	12.34
Deferred Pension Activity	<u>63,599</u>	<u>471,848</u>	<u>(408,249)</u>	(86.52)
Total Deferred Inflow of Resources	<u>63,599</u>	<u>471,848</u>	<u>(408,249)</u>	(86.52)
Net Position				
Net Investment in				
Capital Assets	57,588,784	56,201,718	1,387,066	2.47
Restricted	18,138,506	20,121,443	(1,982,937)	(9.85)
Unrestricted	<u>(12,289,827)</u>	<u>(13,159,818)</u>	<u>869,991</u>	(6.61)
Total Net Position	<u>\$ 63,437,463</u>	<u>\$ 63,163,343</u>	<u>\$ 274,120</u>	0.43

Total assets on a government-wide basis decreased by \$298,231. Cash and cash equivalents increased by \$318,258; receivables decreased by \$336,675; capital assets decreased by \$277,934 and other assets decreased by \$1,880. Unrestricted net position; the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District increased by \$869,991. This increase was anticipated by the Board of Education and was the result of effective cost-cutting measures implemented by the District and revenues realized in excess of anticipated amounts.

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The negative balance in unrestricted net assets is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 provides a summary of the District's changes in net position in fiscal year ending June 30, 2017 with comparisons to June 30, 2016.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
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For the Fiscal Year Ended June 30, 2017
Unaudited

Table 2
Changes in Net Position

	Fiscal Year Ending		Variance	
	06/30/17	06/30/16	Dollars	%
Revenues				
Program Revenues:				
Charges for Services	\$ 6,425,441	\$ 6,290,776	\$ 134,665	2.14
Operating Grants	910,058	948,306	(38,248)	(4.03)
Capital Grants	18,122	-	18,122	*
General Revenues:				
Property Taxes	52,787,244	51,845,622	941,622	1.82
Unrestricted Grants	24,692,473	19,344,908	5,347,565	27.64
Other	555,922	555,373	549	0.10
Total Revenues	85,389,260	78,984,985	6,404,275	8.11
Program Expenses				
Instruction:				
Regular	34,192,908	29,334,074	4,858,834	16.56
Special	7,715,730	6,387,430	1,328,300	20.80
Other	3,604,713	3,262,123	342,590	10.50
Support Services:				
Tuition	3,898,610	4,039,271	(140,661)	(3.48)
Student & Instructional Staff	13,852,467	12,483,286	1,369,181	10.97
General & Business Administration	2,926,256	2,738,783	187,473	6.85
School Administration	2,501,683	2,067,027	434,656	21.03
Maintenance	5,958,363	5,653,396	304,967	5.39
Transportation	8,437,580	7,847,598	589,982	7.52
Food Service	1,354,262	1,333,793	20,469	1.53
Interest on Long-Term Debt	587,273	644,088	(56,815)	(8.82)
Total Expenses	85,029,845	75,790,869	9,238,976	12.19
Increases (Decreases) Before Special Items & Transfers	359,415	3,194,116	(2,834,701)	(88.75)
Special Items & Transfers:				
Gain/(Loss) on Disposal of Assets	-	3,000	(3,000)	(100.00)
Refund of Prior Year Revenue	(85,295)	(111,044)	25,749	(23.19)
Total Special Items & Transfers	(85,295)	(108,044)	22,749	(21.06)
Increase (Decrease) in Net Position	\$ 274,120	\$ 3,086,072	\$ (2,811,952)	(91.12)

* = Undefined

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
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Governmental Activities

New Jersey P.L. 2011, Chapter 202, which eliminated the annual school budget vote when within the tax levy cap and allowed school board member elections to be moved to the general election in November, was implemented by the District in fiscal year 2013. Local property taxes made up 66.4% of the total revenues for governmental activities for the District of \$79,545,245 for the year ended June 30, 2017. Federal, State, and local grants accounted for another 31.0% of revenue, while charges for services provided 1.9% and miscellaneous/other were 0.7%.

Business-Type Activities

Revenues for the District's business-type activities (food service program and a transportation service fund) were comprised of charges for services. Federal and State reimbursements were also received in the food service program.

Food Service

- Food service revenues exceeded expenditures by \$53,522.
- Charges for services accounted for \$1,196,224 of revenue. These charges are the amounts paid by patrons for daily food services.
- Federal and State reimbursement for meals, including payments for free and reduced breakfasts and lunches and donated commodities, was \$208,107.

Transportation Services

Transportation service revenues for other local education agencies (LEAs) in the State exceeded expenditures by \$251,115. Other financing uses were for a transfer out to the General Fund of \$174,935 and a refund of prior year revenue to other LEAs of \$85,295.

The Statement of Activities shows the cost of the program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2017
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Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending June 30, 2017 with comparisons to June 30, 2016.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/17	06/30/16	06/30/17	06/30/16
Instruction	\$45,513,351	\$38,983,627	\$45,078,190	\$38,470,977
Support Services:				
Tuition	3,898,610	4,039,271	3,347,649	3,508,415
Student & Instructional Staff	13,852,467	12,483,286	13,763,464	12,395,955
General & Business				
Administration	2,926,256	2,738,783	2,898,280	2,708,553
School Administration	2,501,683	2,067,027	2,500,997	2,067,027
Plant Operations & Maintenance	5,958,363	5,653,396	5,826,856	5,557,481
Pupil Transportation	4,252,464	3,915,648	3,965,418	3,671,670
Interest on Long-Term Debt	587,273	644,088	587,273	644,088
Total Expenses	<u>\$79,490,467</u>	<u>\$70,525,126</u>	<u>\$77,968,127</u>	<u>\$69,024,166</u>

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

The School District's Funds

School District's major funds are accounted for using the modified accrual basis of accounting. All Governmental funds had total revenues of \$66,615,253 and expenditures of \$66,266,334 and other financing sources of \$174,935. The net positive change in fund balance for the year was most significant in the General fund, an increase of \$1,134,069. This can be attributed in large part to effective cost-cutting measures initiated by the District and excess revenues received.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
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General Fund Budgetary Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General fund. During the course of the fiscal year 2017, the School District amended its General fund budget as needed. The School District uses program based budgeting, and the budgeting systems are designed to tightly control total program budgets and provide flexibility for program management. For the General fund, budgeted revenues were \$57,733,909 which was \$1,108,225 above original budgeted estimates of \$56,625,684. This difference was due primarily to realized tuition, miscellaneous and state aid revenues in excess of original budgets. The General fund revenues and other financing sources of the School District were more than expenditures and other financing uses by \$1,149,180.

Capital Assets

At the end of fiscal year 2017, the District had 67,328,784 invested in land, buildings, furniture, equipment, and vehicles.

Table 4 provides a summary of the School District's capital assets net of depreciation at June 30, 2017 with comparisons to June 30, 2016.

Table 4
Capital Assets at Year-end
(Net of Depreciation)

	06/30/17	06/30/16	Variance	
			Dollars	%
Land	\$ 475,000	\$ 475,000	\$ -	0.00
Construction in Progress	5,338,159	4,206,557	1,131,602	26.90
Land Improvements	3,660,869	3,697,892	(37,023)	(1.00)
Buildings & Improvements	54,632,437	55,684,935	(1,052,498)	(1.89)
Machinery & Equipment	2,539,570	2,896,281	(356,711)	(12.32)
Vehicles	682,749	646,053	36,696	5.68
Total	\$ 67,328,784	\$ 67,606,718	\$ (277,934)	(0.41)

Capital additions were less than depreciation expense and asset disposals in the current fiscal year by \$277,934. Additions to capital assets included the completion of the fire alarm replacement system and the fueling station improvements.

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At June 30, 2017, the School District had \$46,597,317 in long-term liabilities. At June 30, 2017, the School District's overall legal debt limit was \$276,480,870 and the legal borrowing margin was \$266,595,870.

Table 5 provides a summary of the District's outstanding long-term liabilities at June 30, 2017 with comparisons to June 30, 2016.

Table 5
Long-term Liabilities at Year-end

	6/30/17	6/30/16	Variance	
			Dollars	%
2003 ERIP Pension Bonds	\$ 145,000	\$ 285,000	\$ (140,000)	(49.12)
2011 Refunding Bonds for '04 Issue	9,740,000	11,405,000	(1,665,000)	(14.60)
Net Pension Liability	32,168,709	24,241,790	7,926,919	32.70
Unamortized Bond Premium	648,212	808,412	(160,200)	(19.82)
Compensated Absences Payable	3,895,396	4,056,306	(160,910)	(3.97)
	<u>\$ 46,597,317</u>	<u>\$ 40,796,508</u>	<u>\$ 5,800,809</u>	14.22

For the Future

The Hunterdon Central Regional High School District is in excellent financial condition. Major concerns are the possible reduction in State aid funding, the 2% tax levy budget cap, student population trends, and the reliance placed on local property taxes for the majority of school funding. Future finances will be challenged as community taxpayer's deal with lower real estate values and higher property taxes, while the District faces uncertainty over the State's ability to fund the educational aid formula. Fund balance restrictions may also have an impact on financial operations.

With the passage of restrictive State budget laws, emphasis will be placed on actively managing the District budget. This will be accomplished by continually reviewing operating expenses, searching out joint purchasing and shared services opportunities, maximizing revenue earnings, and building community and parental support for our educational programs.

In conclusion, Hunterdon Central Regional High School has always committed itself to financial excellence. Financial planning, budgeting, and internal control systems are reliable. The District plans to continue its sound fiscal management to meet future challenges.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Gymlyn Corbin, School Business Administrator/Board Secretary at Hunterdon Central Regional High School, 84 Route 31, Flemington, New Jersey 08822. Please visit our website at www.hcrhs.org.

DISTRICT-WIDE FINANCIAL STATEMENTS

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Statement of Net Position
June 30, 2017

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 13,690,469	\$ 1,127,304	\$ 14,817,773
Receivables, net	789,293	18,178	807,471
Inventory	-	28,739	28,739
Restricted assets			
Capital reserve account - cash	14,673,960	-	14,673,960
Maintenance reserve account - cash	2,871,210	-	2,871,210
Emergency reserve account - cash	593,000	-	593,000
Capital assets, net			
Land and construction in progress	5,813,159	-	5,813,159
Other capital assets, net of depreciation	61,319,207	196,418	61,515,625
Total assets	<u>99,750,298</u>	<u>1,370,639</u>	<u>101,120,937</u>
Deferred outflows of resources			
Deferred amount on pension activity	<u>9,813,317</u>	<u>-</u>	<u>9,813,317</u>
Liabilities			
Accounts payable	170,702	-	170,702
Accrued interest	116,120	-	116,120
Payable to governments	84	492,519	492,603
Unearned revenue	33,251	23,199	56,450
Long-term liabilities			
Due within one year	2,224,224	-	2,224,224
Due beyond one year	44,373,093	-	44,373,093
Total liabilities	<u>46,917,474</u>	<u>515,718</u>	<u>47,433,192</u>
Deferred inflows of resources			
Deferred amount on pension liability	<u>63,599</u>	<u>-</u>	<u>63,599</u>
Net position			
Net investment in capital assets	57,392,366	196,418	57,588,784
Restricted for			
Debt service fund	336	-	336
Capital reserve fund	14,673,960	-	14,673,960
Maintenance reserve fund	2,871,210	-	2,871,210
Emergency reserve fund	593,000	-	593,000
Unrestricted	<u>(12,948,330)</u>	<u>658,503</u>	<u>(12,289,827)</u>
Total net position	<u>\$ 62,582,542</u>	<u>\$ 854,921</u>	<u>\$ 63,437,463</u>

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2017

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 16,714,862	\$ 17,478,046	\$ 179,729	\$ 43,716	\$ 9,375	\$ (33,960,088)	\$ -	\$ (33,960,088)
Special education	3,747,726	3,968,004	-	-	2,103	(7,713,627)	-	(7,713,627)
Other special instruction	277,217	229,291	-	57,824	156	(448,528)	-	(448,528)
Other instruction	1,932,626	1,165,579	141,275	-	983	(2,955,947)	-	(2,955,947)
Support services								
Tuition	3,898,610	-	-	550,961	-	(3,347,649)	-	(3,347,649)
Students & instruction related services	6,721,528	7,130,939	35,750	49,450	3,803	(13,763,464)	-	(13,763,464)
General & business administration services	1,787,821	1,138,435	26,960	-	1,016	(2,898,280)	-	(2,898,280)
School administration services	1,222,158	1,279,525	-	-	686	(2,500,997)	-	(2,500,997)
Plant operations & maintenance	4,460,756	1,497,607	131,507	-	-	(5,826,856)	-	(5,826,856)
Pupil transportation	3,548,206	704,258	287,046	-	-	(3,965,418)	-	(3,965,418)
Interest on long-term debt	587,273	-	-	-	-	(587,273)	-	(587,273)
Total governmental activities	<u>44,898,783</u>	<u>34,591,684</u>	<u>802,267</u>	<u>701,951</u>	<u>18,122</u>	<u>(77,968,127)</u>	<u>-</u>	<u>(77,968,127)</u>
Business-type activities								
Food service	1,354,262	-	1,196,224	208,107	-	-	50,069	50,069
Transportation	4,185,116	-	4,426,950	-	-	-	241,834	241,834
Total business-type activities	<u>5,539,378</u>	<u>-</u>	<u>5,623,174</u>	<u>208,107</u>	<u>-</u>	<u>-</u>	<u>291,903</u>	<u>291,903</u>
Total primary government	<u>\$ 50,438,161</u>	<u>\$ 34,591,684</u>	<u>\$ 6,425,441</u>	<u>\$ 910,058</u>	<u>\$ 18,122</u>	<u>(77,968,127)</u>	<u>291,903</u>	<u>(77,676,224)</u>
General revenues, special items & transfers								
Property taxes levied for general purposes						50,556,323	-	50,556,323
Property taxes levied for debt service						2,230,921	-	2,230,921
Federal & State aid not restricted						24,692,473	-	24,692,473
Investment earnings						145,938	-	145,938
Miscellaneous income						397,250	12,734	409,984
Transfers						174,935	(174,935)	-
Special item - refund of prior year revenue						-	(85,295)	(85,295)
Total general revenues & special items						<u>78,197,840</u>	<u>(247,496)</u>	<u>77,950,344</u>
Change in net position						229,713	44,407	274,120
Net position - beginning						62,352,829	810,514	63,163,343
Net position - ending						<u>\$ 62,582,542</u>	<u>\$ 854,921</u>	<u>\$ 63,437,463</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2017

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash & cash equivalents	\$ 13,690,133	\$ -	\$ -	\$ 336	\$ 13,690,469
Due from other funds	65,716	-	-	-	65,716
Receivables from other governments					
State	662,323	-	-	-	662,323
Federal	-	73,739	-	-	73,739
Local	46,217	-	-	-	46,217
Restricted cash & equivalents	18,138,170	-	-	-	18,138,170
Total assets	\$ 32,602,559	\$ 73,739	\$ -	\$ 336	\$ 32,676,634
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ 18,298	\$ 40,404	\$ -	\$ -	\$ 58,702
Payables to other governments					
State	-	84	-	-	84
Accounts payable	170,702	-	-	-	170,702
Unearned revenue	-	33,251	-	-	33,251
Total liabilities	189,000	73,739	-	-	262,739

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Liabilities and fund balances (cont'd)					
Fund balances					
Restricted fund balance					
Excess surplus	\$ 3,923,848	\$ -	\$ -	\$ -	\$ 3,923,848
Excess surplus - designated for subsequent year's expenditures	3,986,862	-	-	-	3,986,862
Capital reserve account	14,673,960	-	-	-	14,673,960
Maintenance reserve account	2,871,210	-	-	-	2,871,210
Emergency reserve account	593,000	-	-	-	593,000
Committed fund balance					
Year-end encumbrances	5,266,636	-	-	-	5,266,636
Assigned fund balance					
Designated for subsequent year's expenditures	-	-	-	317	317
Debt service - undesignated balance	-	-	-	19	19
Unassigned fund balance	1,098,043	-	-	-	1,098,043
Total fund balances	<u>32,413,559</u>	<u>-</u>	<u>-</u>	<u>336</u>	<u>32,413,895</u>
Total liabilities and fund balances	<u>\$ 32,602,559</u>	<u>\$ 73,739</u>	<u>\$ -</u>	<u>\$ 336</u>	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$112,702,823 and the accumulated depreciation is \$45,570,457.	67,132,366
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.	(46,597,317)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	9,749,718
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(116,120)</u>
Total net position of governmental activities	<u>\$ 62,582,542</u>

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 50,556,323	\$ -	\$ -	\$ 2,230,921	\$ 52,787,244
Tuition - other LEAs within the state	169,318	-	-	-	169,318
Transportation fees	57,463	-	-	-	57,463
Interest earned on legal reserve funds	28,302	-	-	-	28,302
Interest on investments	117,636	-	-	-	117,636
Miscellaneous	490,338	38,822	11,790	-	540,950
Total	51,419,380	38,822	11,790	2,230,921	53,700,913
State sources	12,208,147	90	18,122	-	12,226,359
Federal sources	24,942	663,039	-	-	687,981
Total revenues	63,652,469	701,951	29,912	2,230,921	66,615,253
Expenditures					
Current					
Instructional					
Regular instruction	16,666,923	41,916	-	-	16,708,839
Special education instruction	3,747,726	-	-	-	3,747,726
Other special instruction	222,053	55,164	-	-	277,217
Other instruction	1,751,917	-	-	-	1,751,917
Support service & undistributed costs					
Tuition	3,347,649	550,961	-	-	3,898,610
Student & instruction related services	6,728,802	49,450	-	-	6,778,252
General & business administrative services	1,811,222	-	-	-	1,811,222
School administrative services	1,222,158	-	-	-	1,222,158
Plant operations & maintenance	4,384,900	-	-	-	4,384,900
Pupil transportation	3,086,740	-	-	-	3,086,740
Unallocated benefits	16,713,265	2,660	-	-	16,715,925

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
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)					
Capital outlay	\$ 3,470,913	\$ 1,800	\$ -	\$ -	\$ 3,472,713
Debt service					
Principal	-	-	-	1,805,000	1,805,000
Interest & other charges	-	-	-	425,998	425,998
Interest on NJ SDA obligations	179,117	-	-	-	179,117
Total expenditures	<u>63,333,385</u>	<u>701,951</u>	<u>-</u>	<u>2,230,998</u>	<u>66,266,334</u>
Excess (deficiency) of revenues over (under) expenditures	<u>319,084</u>	<u>-</u>	<u>29,912</u>	<u>(77)</u>	<u>348,919</u>
Other financing sources (uses)					
Transfers in	814,985	-	-	-	814,985
Transfers out	<u>-</u>	<u>-</u>	<u>(640,050)</u>	<u>-</u>	<u>(640,050)</u>
Total other financing sources (uses)	<u>814,985</u>	<u>-</u>	<u>(640,050)</u>	<u>-</u>	<u>174,935</u>
Net change in fund balance	1,134,069	-	(610,138)	(77)	523,854
Fund balances, July 1	<u>31,279,490</u>	<u>-</u>	<u>610,138</u>	<u>413</u>	<u>31,890,041</u>
Fund balances, June 30	<u>\$ 32,413,559</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 336</u>	<u>\$ 32,413,895</u>

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
For the Fiscal Year Ended June 30, 2017

Total net changes in fund balances - governmental funds (from B-2) \$ 523,854

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 expenses. This is the amount by which depreciation exceeds capital outlays in the period:

Capital outlays	\$ 3,472,713	
Depreciation expense	<u>(3,767,776)</u>	(295,063)

Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:

Debt principal payments	1,805,000
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Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

(2,143,030)

Governmental funds report the effect of bond issue premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Amortization of bond premium	160,200
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See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2017

In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.	\$ 17,842
In the Statement of Activities, compensated absences & early retirement benefits 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.	<u>160,910</u>
Change in net position of governmental activities	<u><u>\$ 229,713</u></u>

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Fund Net Position
June 30, 2017

	Food Service Fund	Transportation Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 168,842	\$ 958,462	\$ 1,127,304
Receivables - other	4,431	-	4,431
Receivables from other governments			
State	220	-	220
Federal	6,692	-	6,692
Local	-	6,835	6,835
Inventory	28,739	-	28,739
Total current assets	<u>208,924</u>	<u>965,297</u>	<u>1,174,221</u>
Noncurrent assets			
Capital assets	955,085	-	955,085
Less: accumulated depreciation	758,667	-	758,667
Total noncurrent assets	<u>196,418</u>	<u>-</u>	<u>196,418</u>
Total assets	<u>405,342</u>	<u>965,297</u>	<u>1,370,639</u>
LIABILITIES			
Current liabilities			
Payable to local governments	-	492,519	492,519
Unearned revenues	23,199	-	23,199
Total current liabilities	<u>23,199</u>	<u>492,519</u>	<u>515,718</u>
NET POSITION			
Net investment in capital assets	196,418	-	196,418
Unrestricted	185,725	472,778	658,503
Total net position	<u>\$ 382,143</u>	<u>\$ 472,778</u>	<u>\$ 854,921</u>

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2017

	Food Service Fund	Transportation Fund	Total
Operating revenues			
Charges for services			
Daily sales - reimbursable programs	\$ 379,812	\$ -	\$ 379,812
Daily sales - non-reimbursable programs	795,687	-	795,687
Other Sales - catering	20,725	-	20,725
Transportation fees from other LEA's	-	4,426,950	4,426,950
Total operating revenues	<u>1,196,224</u>	<u>4,426,950</u>	<u>5,623,174</u>
Operating expenses			
Cost of sales - reimbursable programs	317,104	-	317,104
Cost of sales - non-reimbursable programs	222,862	-	222,862
Salaries	452,302	1,263,367	1,715,669
Employee benefits	149,600	866,743	1,016,343
Other purchased professional and technical services	-	38,915	38,915
Purchased property services	11,472	19,822	31,294
Contracted services - transportation	-	1,563,146	1,563,146
Insurance	4,825	47,541	52,366
Management fee	52,646	17,179	69,825
Other purchased services	5,327	3,079	8,406
General supplies	61,106	5,440	66,546
Commodity food costs	51,101	-	51,101
Transportation supplies (including gasoline)	-	127,502	127,502
Utilities	-	10,564	10,564
Acquisition of vehicles and other equipment	-	216,385	216,385
Depreciation	25,917	-	25,917
Miscellaneous	-	5,433	5,433
Total operating expenses	<u>1,354,262</u>	<u>4,185,116</u>	<u>5,539,378</u>
Operating income (loss)	<u>(158,038)</u>	<u>241,834</u>	<u>83,796</u>
Non-operating revenues (expenses)			
State sources			
State school lunch program	5,346	-	5,346
Federal sources			
National school breakfast program	21,378	-	21,378
National school lunch program			
Cash assistance	130,282	-	130,282
Non cash assistance (commodities)	51,101	-	51,101
Miscellaneous	3,453	9,281	12,734
Total non-operating revenues (expenses)	<u>211,560</u>	<u>9,281</u>	<u>220,841</u>
Other financing sources (uses)			
Transfer out to the general fund	-	(174,935)	(174,935)
Refund of prior year revenue	-	(85,295)	(85,295)
Total other financing sources (uses)	<u>-</u>	<u>(260,230)</u>	<u>(260,230)</u>
Change in net position	53,522	(9,115)	44,407
Net position, beginning	<u>328,621</u>	<u>481,893</u>	<u>810,514</u>
Net position, ending	<u>\$ 382,143</u>	<u>\$ 472,778</u>	<u>\$ 854,921</u>

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017

	Food Service Fund	Transportation Fund	Total
Cash flows from operating activities			
Receipts from services provided (net)	\$ 1,192,444	\$ 4,420,115	\$ 5,612,559
Payments to employees	(43,169)	(1,263,367)	(1,306,536)
Payments for employee benefits	(3,303)	(866,743)	(870,046)
Payments to Food Service Management Co.	(1,223,533)	-	(1,223,533)
Payments to vendors (net)	(15,990)	(2,230,406)	(2,246,396)
Net cash provided by (used for) operating activities	<u>(93,551)</u>	<u>59,599</u>	<u>(33,952)</u>
Cash flows from non-capital financing activities			
State sources	5,356	-	5,356
Federal sources	151,805	-	151,805
Miscellaneous	3,453	9,281	12,734
Refund of prior year revenue	-	(260,230)	(260,230)
Net cash provided by (used for) non-capital financing activities	<u>160,614</u>	<u>(250,949)</u>	<u>(90,335)</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	(43,046)	-	(43,046)
Net cash provided by (used for) capital and related financing activities	<u>(43,046)</u>	<u>-</u>	<u>(43,046)</u>
Net increase (decrease) in cash and cash equivalents	24,017	(191,350)	(167,333)
Cash and cash equivalents, beginning	<u>144,825</u>	<u>1,149,812</u>	<u>1,294,637</u>
Cash and cash equivalents, ending	<u>\$ 168,842</u>	<u>\$ 958,462</u>	<u>\$ 1,127,304</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ (158,038)	\$ 241,834	\$ 83,796
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	25,917	-	25,917
Federal food donation program	51,101	-	51,101
(Increase) decrease in accounts receivable	(4,431)	(6,835)	(11,266)
(Increase) decrease in inventory	1,880	-	1,880
Increase (decrease) in accounts payable	(3,453)	(16,161)	(19,614)
Increase (decrease) in payable to local governments - current year revenue	-	(159,239)	(159,239)
Increase (decrease) in unearned revenues	(6,527)	-	(6,527)
Net cash provided by (used for) operating activities	<u>\$ (93,551)</u>	<u>\$ 59,599</u>	<u>\$ (33,952)</u>

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Position
June 30, 2017

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 486,386	\$ 257,000	\$ 1,327,211
Due from other funds	108,623	-	19,816
Due from state governments	1,110	-	-
Due from local governments	-	-	16,354
Accounts receivable - other	-	-	3,825
Total assets	<u>\$ 596,119</u>	<u>\$ 257,000</u>	<u>\$ 1,367,206</u>
LIABILITIES			
Accounts payable	\$ 21,051	\$ -	\$ -
Due to other funds	-	-	135,453
Unearned revenue	-	-	1,637
Due to student groups	-	-	768,143
Payroll deductions and withholdings	-	-	461,973
Total liabilities	<u>21,051</u>	<u>-</u>	<u>\$ 1,367,206</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	575,068	-	
Reserve for scholarship funds	<u>-</u>	<u>257,000</u>	
Total net position	<u>\$ 575,068</u>	<u>\$ 257,000</u>	

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2017

	Unemployment Compensation Fund	Private Purpose Scholarship Fund
	<u> </u>	<u> </u>
Additions		
Contributions		
Plan members	\$ 54,861	\$ -
Other	-	64,102
Investment earnings		
Interest	2,498	344
Total additions	<u>57,359</u>	<u>64,446</u>
Deductions		
Unemployment claims	60,314	-
Other deductions - cancelation of prior-year receivable	6,306	-
Scholarships awarded	-	59,815
Total deductions	<u>66,620</u>	<u>59,815</u>
Change in net position	(9,261)	4,631
Net position, beginning of the year	<u>584,329</u>	<u>252,369</u>
Net position, end of the year	<u>\$ 575,068</u>	<u>\$ 257,000</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

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

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations.

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

A. Reporting entity

The District is a Type II District located in the County of Hunterdon, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in Grades 9 to 12. The District serves the communities of Delaware Township, East Amwell Township, Borough of Flemington, Raritan Township, and Readington Township (the constituent districts). The District had an approximate enrollment at June 30, 2017 of 2,961 students.

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

1. The organization is legally separate (can sue or be sued in their own name).
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's Board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/burden on the District.
6. There is a fiscal dependency by the organization on the District.

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

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

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

Separate financial statements are provided for Governmental Funds, Proprietary Funds, and Fiduciary Funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its Governmental Funds as major funds and they are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

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

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

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

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major Governmental Funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board resolution.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes in the Special Revenue Fund.

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

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

Additionally, the District reports the following fund types:

Proprietary Fund types

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

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

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

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Depreciation of all exhaustive fixed assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Building improvements	45 Years

Fiduciary Fund types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District:

Unemployment Compensation Trust Fund - This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the “Benefit Reimbursement Method.”

Private Purpose Scholarship Fund - This fund is used to account for scholarship accounts donated to the District to be utilized for scholarship awards to qualifying students.

Student Activities Agency Fund - This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Miscellaneous Agency Fund - This fund accounts for the expenditure and reimbursement for various activities of the District.

Payroll Agency Fund - This fund accounts for the withholding and remittance of employee salary deductions.

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the Spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. 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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

minimum Chart of Accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the fiscal year ended June 30, 2017 were insignificant.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last State Aid payment for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year-end.

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

E. Encumbrances

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

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

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

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal years 2016 - 2017 and 2015 - 2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

H. Short-term interfund receivable/payables

Short-term interfund receivables and 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.

I. Inventories and prepaid items

Inventories and prepaid items, 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. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

J. Capital assets

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

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

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	40
Building improvements & portable classroom	20 - 40
Land improvements	15 - 20
Furniture	20
Musical instruments	15
Athletic equipment	10 - 15
Maintenance equipment	10 - 15
Audio visual equipment	7 - 10
Office equipment	5 - 10
Computer equipment	5 - 10
Vehicles	8

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

L. Unearned revenue

Unearned revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

Unearned revenue in the Enterprise Fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the Food Service Fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements, and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the fund financial statements, Governmental Fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. In the government-wide financial statements, net position is classified into the following three components:

- *Net investment in Capital Assets* - This component represents capital assets, less accumulated depreciation and net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- *Restricted* - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- *Unrestricted* - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

O. Fund balances - governmental funds

In the fund financial statements, Governmental Funds report the following classifications of fund balance:

- *Non-Spendable* - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- *Restricted* - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- *Committed* - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- *Assigned* - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- *Unassigned* - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

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

P. Comparative data/reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension Contributions, reimbursed TPAF Social Security Contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amount on pension activity. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the School District in accordance with the Schedule of Tax Installments as certified by the School District's Board of Education on an annual basis.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits and investments

Cash, cash equivalents and investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash and cash equivalents regardless of the date of maturity. As of June 30, 2017, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

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

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.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits and investments (continued)

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee's salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2017, the District's bank balances of \$36,656,714 were exposed to custodial credit risk as follows:

Insured by the Federal Deposit Insurance Corporation (FDIC)	\$ 500,000
Collateralized with securities held by pledging financial institutions	36,156,714
Total	<u>\$ 36,656,714</u>

Deposits at June 30, 2017 appear in the financial statements as summarized below:

Cash and cash equivalents		<u>\$ 35,026,540</u>
	<u>Ref.</u>	
Unrestricted cash		
Governmental Funds, Balance Sheet	B-1	\$ 13,690,469
Enterprise Funds, Statement of Net Position	B-4	1,127,304
Fiduciary Funds, Statement of Net Position	B-7	2,070,597
Restricted cash		
Governmental Funds, Balance Sheet	B-1	18,138,170
Total cash		<u>\$ 35,026,540</u>

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 475,000	\$ -	\$ -	\$ 475,000
Construction in progress	<u>4,206,557</u>	<u>3,264,634</u>	<u>2,133,032</u>	<u>5,338,159</u>
Total	<u>4,681,557</u>	<u>3,264,634</u>	<u>2,133,032</u>	<u>5,813,159</u>
Capital assets, being depreciated				
Land improvements	7,927,179	330,235	-	8,257,414
Building & improvements	88,617,382	1,802,797	-	90,420,179
Vehicles	5,481,191		-	5,481,191
Furniture & equipment	<u>2,522,801</u>	<u>208,079</u>	-	<u>2,730,880</u>
Total	<u>104,548,553</u>	<u>2,341,111</u>	-	<u>106,889,664</u>
Accumulated depreciation				
Land improvements	4,229,287	367,258	-	4,596,545
Building & improvements	32,934,901	2,855,217	-	35,790,118
Vehicles	2,761,745	373,918	-	3,135,663
Furniture & equipment	<u>1,876,748</u>	<u>171,383</u>	-	<u>2,048,131</u>
Total	<u>41,802,681</u>	<u>3,767,776</u>	-	<u>45,570,457</u>
Total capital assets, being depreciated, net	<u>62,745,872</u>	<u>(1,426,665)</u>	-	<u>61,319,207</u>
Transfer	-	<u>(2,133,032)</u>	<u>(2,133,032)</u>	-
Governmental activities capital assets, net	<u>\$ 67,427,429</u>	<u>\$ (295,063)</u>	<u>\$ -</u>	<u>\$ 67,132,366</u>

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture equipment	\$ 908,533	\$ 43,046	\$ -	\$ 951,579
Building improvements	3,506			3,506
Less: accumulated depreciation	<u>(732,750)</u>	<u>25,917</u>	<u>-</u>	<u>(758,667)</u>
Business type activities capital assets, net	<u>\$ 179,289</u>	<u>\$ 17,129</u>	<u>\$ -</u>	<u>\$ 196,418</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction	
Regular	\$ 1,721,599
Special education	386,148
Other special instruction	28,563
Co-curricular activities	367,490
Support services	
Student & instruction	698,399
General & business administration	186,620
School administration	125,925
Plant & maintenance	21,149
Transportation	231,883
Total depreciation expense, governmental activities	<u>\$ 3,767,776</u>

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2017 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 11,405,000	\$ -	\$ 1,665,000	\$ 9,740,000	\$ 1,710,000
ERIP pension refunding bonds	285,000	-	140,000	145,000	145,000
Unamortized bond premium	808,412		160,200	648,212	153,924
PERS net pension liability	24,241,790	7,926,919	-	32,168,709	
Compensated absences payable	<u>4,056,306</u>	<u>373,706</u>	<u>534,616</u>	<u>3,895,396</u>	<u>215,300</u>
Total governmental activities long-term liabilities	<u>\$ 40,796,508</u>	<u>\$ 8,300,625</u>	<u>\$ 2,499,816</u>	<u>\$ 46,597,317</u>	<u>\$ 2,224,224</u>

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

Payments on the general obligation bonds are made in the Debt Service Fund from property taxes and State Aid. The compensated absences liability is paid in the current expenditures budget of the District's General Fund and the other long-term debts are amortized over a determined period.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2016 including interest payments are listed as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,855,000	\$ 359,701	\$ 2,214,701
2019	1,920,000	279,707	2,199,707
2020	1,965,000	202,006	2,167,006
2021	2,035,000	123,553	2,158,553
2022	2,110,000	42,200	2,152,200
Total	<u>\$ 9,885,000</u>	<u>\$ 1,007,167</u>	<u>\$ 10,892,167</u>

General Obligation Bonds - General obligation school building bonds payable at June 30, 2016, with their outstanding balances are comprised of the following individual issues:

\$1,485,000 - 2003 ERIP pension refunding bonds, interest at 5.10%, due in annual installments beginning January 15, 2006 to January 15, 2018.	\$ 145,000
\$13,480,000 - 2011 general obligation refunding bonds, interest at 2.00% to 4.00%, due in annual installments beginning September 15, 2012 to September 15, 2021.	<u>9,740,000</u>
Totals	<u>\$ 9,885,000</u>

The general obligation bonded debt of the District is limited by State law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2017 is \$276,480,870. General obligation debt at June 30, 2017 is \$9,885,000, resulting in a legal debt margin of \$266,595,870.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees Retirement System and Defined Contribution Retirement Program are considered cost sharing multiple-employer plans.

A. Public employees' retirement systems (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 PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Plan description (continued)

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 Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 before age 62 with 25 or more years of service credit 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 member 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 55 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.

Allocation methodology and reconciliation to financial statements

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the state and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer Allocations are applied to amounts presented in the Schedules of Pension Amounts by Employer. The allocation percentages for each group as of June 30, 2016 are based on the ratio of each employer's contributions to the group for the fiscal years ended June 30, 2016. In accordance with Generally Accepted Accounting Principles, measurement for PERS pension in the District's financial statements is based upon the most recent available information which is for the State fiscal year ended June 30, 2016.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's Schedule of Employer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the State fiscal year ended June 30, 2017. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the Schedule of Pension Amounts by Employer may result in immaterial differences.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. 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 includes 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 the State fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 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 the 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.

The contribution rate was 7.20% effective July 1, 2016 and will increase annually on July 1st until eventually reaching 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

Components of net pension liability

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2016 are as follows:

	<u>2016</u>
Total pension liability	\$ 53,737,047
Plan fiduciary net position	<u>21,568,338</u>
Net pension liability	<u>\$ 32,168,709</u>
Plan fiduciary net position as a percentage of the total pension liability	40.14%

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Components of net pension liability (continued)

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	3.08%
Salary increases (based on age)	
Through 2026	1.65% - 4.15%
Thereafter	2.65% - 5.15%
Investment rate of return	7.65%

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

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.

Long-term expected rate of return

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)
A. Public employees' retirement systems (PERS) (continued)
Long-term expected rate of return (continued)

Asset Class	Target Allocations	Long-Term Expected Rate of Return
Cash	5.00%	.87%
U.S. Treasuries	1.50%	1.74%
Investment Grad 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 on the rate in the most recent State fiscal year. State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plans 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.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

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

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

<u>District's Proportionate Share of the Net Pension Liability</u>	<u>2016</u>
At current discount rate (3.98%)	\$ 32,168,709
At a 1% lower rate (2.98%)	39,418,999
At a 1% higher rate (4.98%)	26,182,967

Collective deferred outflows of resources and deferred inflows of resources

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 598,240	\$ -
Changes of assumptions	6,663,638	-
Net difference between projected and actual earnings on pension plan investments	1,226,622	-
Changes in proportion and differences between District contributions and proportionate share of contributions	359,895	63,599
District contributions subsequent to the measurement date	964,922	-
Total	\$ 9,813,317	\$ 63,599

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2017, the plan measurement date is June 30, 2016) of \$964,922 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2018.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2016:

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Deferred outflows of resources				
Changes of assumptions and differences between expected and actual experience	\$ 3,200,093	\$ 5,785,420	\$ 1,723,635	\$ 7,261,878
Difference between projected and actual earnings on pension plan investments	(392,015)	1,806,112	187,475	1,226,622
Net of deferred outflows	<u>\$ 2,808,078</u>	<u>\$ 7,591,532</u>	<u>\$ 1,911,110</u>	<u>\$ 8,488,500</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

State Fiscal Year Ending June 30

2017	\$ 1,911,109
2018	1,911,109
2019	2,214,083
2020	1,860,154
2021	592,045
Total	<u>\$ 8,488,500</u>

Pension expense

For the fiscal year ended June 30, 2017, the District recognized net pension expense of \$3,107,952, which represents the District's proportionate share of allocable plan pension expense of \$3,071,215, plus the net amortization of deferred amounts from changes in proportion of \$73,170, and less other adjustments to the net pension liability of \$36,433. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2016 are as follows:

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Pension expense (continued)

Service cost	\$ 1,049,839
Interest on total pension liability	2,292,185
Member contributions	(544,134)
Administrative expense	17,367
Expected investment return net of investment expense	(1,651,726)
Pension expense related to specific liabilities of individual employers	(3,425)
Recognition of deferred inflows/outflows of resources	
Amortization of assumption changes or inputs	1,569,807
Amortization of expected versus actual experience	153,827
Amortization of projected versus actual investment earnings on pension plan investments	187,475
Pension expense	\$ 3,071,215

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. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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 10-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.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)
B. Teachers' pension and annuity fund (TPAF)

Plan description

The following represents the membership Tiers for TPAF:

Tier	Definition
1	Members enrolled prior to July 2007
2	Members eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members 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 Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 before age 62 with 25 or more years of service credit 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 member 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 55 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 TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. 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 includes 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 the State fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teachers' pension and annuity fund (TPAF) (continued)

Special funding situation

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. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. During the State fiscal year ending June 30, 2016, the State of New Jersey contributed \$1,678,764 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.20% effective July 1, 2016 and will increase annually on July 1st until eventually reaching 7.50% of base salary effective July 1, 2018.

Components of net pension liability

For purposes of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the State's proportionate share of the net pension liability attributable to the employer, employer pension expense and related revenue, non-employer contributions and their allocable proportionate percentage for the fiscal year ending June 30, 2016 is as follows:

	2016
State's proportionate share of net pension liability	\$ 165,824,239
District's proportionate share of net pension liability	-
Employer pension expense and related revenue	12,459,384
Non-employer contribution	1,678,764
Allocable proportionate percentage	.2107943272%

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teachers' pension and annuity fund (TPAF) (continued)

Special funding situation (continued)

The components of the contractually required contribution, which exclude amounts related to specific liabilities of individual employers, for the District for the year ending June 30, 2016 are as follows:

Service cost	\$ 4,919,028
Interest on total pension liability	7,752,792
Member contributions	(1,598,279)
Administrative expense	28,889
Expected investment return net of investment expense	(3,969,076)
Pension expense related to specific liabilities of individual employers	(511)
Recognition of deferred inflows/outflows of resources	
Amortization of economic /demographic gains or losses	52,146
Amortization of assumption changes or inputs	4,877,427
Amortization of investment gains or losses	396,968
Pension expense	<u>\$ 12,459,384</u>

Collective net pension liability and actuarial information

Components of net pension liability

As detailed earlier, the District was not required to report a liability for its proportionate share of net pension expense for TPAF due to a special funding situation. The State's proportionate share of the net pension liability for TPAF as of June 30, 2016 is as follows:

	<u>2016</u>
Total pension liability	\$ 213,492,522
Plan fiduciary net position	47,668,283
Net pension liability	<u>\$ 165,824,239</u>

Plan fiduciary net position as a percentage of the total pension liability 22.33%

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%

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teachers' pension and annuity fund (TPAF) (continued)

Components of net pension liability (continued)

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

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

Long-term expected rate of return

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

Asset Class	Target Allocations	Long-Term Expected Rate of Return
Cash	5.00%	.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 Equity	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	.50%	2.87%
Hedge Funds - Multi-Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teachers' pension and annuity fund (TPAF) (continued)

Discount rate

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 on the rate in the most recent State fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plans fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the net pension liability of the State 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 was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

<u>District's Proportionate Share of the Net Pension Liability</u>	<u>2016</u>
At current discount rate (3.22%)	\$ 165,824,239
At a 1% lower rate (2.22%)	198,031,199
At a 1% higher rate (4.22%)	139,523,100

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,300 in 2017) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

C. Defined contribution retirement program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year 2017 was \$10,956.

D. Other pension plan information

During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$2,292,549 to the TPAF for post-retirement medical benefits, \$83,064 for noncontributory insurance premiums, \$5,177 for long-term disability insurance and \$1,979,427 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,573,454 during the fiscal year ended June 30, 2017 for the employer's share of Social Security Contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 68.

Note 7 - Post-retirement benefits

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

The State is also responsible for the cost attributable to Ch. 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a Board of Education or county college with 25-years of service. In fiscal year 2016, the State paid \$231.2 million toward Ch. 126 benefits for 20,045 eligible retired members.

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Post-retirement benefits (continued)

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The School District adopted a resolution to participate in the SHBP. The State Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 by visiting their website at (www.nj.gov/treasury/pensions).

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

Note 8 - 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:

Ameriprise Financial Services Inc.
AXA Equitable
Equivest
Lincoln Investment Planning
MetLife Resources
Syracusa Benefits Programs
Variable Annuity Life Insurance Co./AIG

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 9 - Interfund receivables and payables

The composition of interfund balances as of June 30, 2017 is as follows:

Fund	Receivable Fund	Payable Fund
General Fund	\$ 65,716	\$ 18,298
Special Revenue Fund	-	40,404
Miscellaneous Agency Fund	1,518	17,030
Student Activity fund	-	1,518
Unemployment Compensation Fund	108,623	-
Net Payroll Fund	-	8,282
Payroll Agency Fund	18,298	108,623
Total	<u>\$ 194,155</u>	<u>\$ 194,155</u>

The amount due from the General Fund to the Payroll Agency Fund of \$18,298 represents health insurance withholdings which were overpaid to the General Fund of \$18,437, less interest earned of \$139 not yet transferred. The balance due from the Special Revenue Fund to the General Fund of \$40,404 represents a loan from the General Fund due to cash flow issues related to the delayed receipt of grant receipts from state government agencies. The balance due from the Net Payroll Fund to the General Fund of \$8,282 represents an imprest balance of \$15,000 less activity transacted in the General Fund for the Net Payroll Fund of \$6,718.

The balance due from the Miscellaneous Agency Fund to the General Fund of \$17,030 represents a loan from the General Fund due to cash flow issues related to the delayed receipt of reimbursements from local government agencies. The balance due from the Payroll Agency Fund to the Unemployment Compensation Fund of \$108,623 represents employee withholdings for the Unemployment Trust not yet transferred at year end. The amount due from the Student Activity Fund to the Miscellaneous Agency Fund or \$1,518 represents activity transacted in the Miscellaneous Fund.

All of the interfund balances are expected to be liquidated within one year.

The District made interfund transfers of \$174,935 from the Transportation Fund to the General Fund representing a return of prior year surplus. The District also made interfund transfers of \$640,050 from the Capital Projects Fund to the General Fund representing the unexpended balance of capital projects due back to the Capital Reserve Fund in the General Fund.

Note 10 - Inventory

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

Food	\$ 23,166
Supplies	5,573
Total	<u>\$ 28,739</u>

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 11 - Contingent liabilities

Litigation

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

Grantor agencies

Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

Note 12 - Risk management

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

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

Fiscal Year	Receivable Canceled	Interest Earnings	Employee Deposits	Amount Reimbursed	Ending Balance
2016 - 2017	\$ (6,306)	\$ 2,498	\$ 54,861	\$ (60,314)	\$ 575,068
2015 - 2016	-	1,232	53,762	(15,196)	584,329
2014 - 2015	-	1,142	52,698	(60,979)	544,531

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - Legal reserve accounts

A Capital Reserve Account was established by the District 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 Districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual General Fund budget certified for taxes. 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. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per N.J.S.A. 18A:7F-41(a) & 41(b) to deposit to the legal reserves by Board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this State statute, the District deposited \$4,000,000 to their Capital Reserve Account and \$204,214 to their Maintenance Reserve Account by Board resolution in June 2017.

The following schedule is a summarization of the legal reserve accounts for the current fiscal year:

Reserve Type	Beginning Balance	District Contribution	Interest Earnings	Withdrawals Net of Return	Ending Balance
Capital	\$16,046,681	\$4,000,000	\$28,301	\$ (5,401,022)	\$14,673,960
Maintenance	2,871,211	204,214	-	(204,215)	2,871,210
Emergency	593,000	-	-	-	593,000
Total	<u>\$19,510,892</u>	<u>\$4,204,214</u>	<u>\$28,301</u>	<u>\$ (5,605,237)</u>	<u>\$18,138,170</u>

The June 30, 2017 LRFP balance of local support costs of uncompleted capital projects exceeded the amount in capital reserve.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 14 - Fund balances - budgetary basis

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund balance on June 30, 2017 is as follows:

	2017
Restricted	
Excess surplus - Represents amount in excess of allowable percentage. In accordance with State Statute N.J.S.A. 18A:7F-7, the excess surplus is designated for utilization in succeeding year's budgets.	\$ 3,923,848
Excess surplus - Designated for subsequent year's expenditures - Represents amount in excess of allowable percentage appropriated in the succeeding year's budget to reduce tax requirements.	3,986,862
Capital Reserve Account - Represents funds restricted to capital projects in the Districts long range facilities plan.	14,673,960
Maintenance Reserve Account - Represents funds restricted for required maintenance of school facilities.	2,871,210
Emergency Reserve Account - Represents funds restricted to finance unanticipated General Fund expenditures required for a thorough and efficient education.	593,000
Committed	
Year-end encumbrance - Represents fund balance assigned for purchase orders that have been issued but goods or services were not received as of June 30,	5,266,636
Unassigned	
Undesignated - Represents fund balance which has not been restricted or designated.	1,624,711
Total fund balance	\$ 32,940,227

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$3,923,848.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 16 - Subsequent events

The District has evaluated subsequent events through November 29, 2017, which is the date the financial statements were available to be issued and one additional item was noted for disclosure. The District had a fire occur in the auditorium on October 19, 2017. Fire detection and notification equipment in place functioned as designed, limiting the reach of the fire. Liability insurance is expected to pay for the estimated \$250,000 in damages, less a deductible of \$10,000.

Note 17 - Recent accounting pronouncements not yet effective

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report and which are expected to have a material impact on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". This statement, which is effective for reporting periods beginning after June 15, 2017, is expected to have a material impact on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "*Leases*". This statement, which is effective for reporting periods beginning after June 15, 2019, is expected to have a material impact on the District's financial reporting.

Note 18 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2017 of \$12,948,330 on Schedule A-1 "Statement of Net Position". The deficit balance is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Note 19 - Prior period adjustment

During the fiscal year ending June 30, 2017, the District made a prior period adjustment for a restatement of its prior year net position for the governmental activities in the district-wide financial statements. The restatement was to adjust the balance in the net investment in capital assets portion of net position. The following is a summary of the District's restatement of net position as of June 30, 2016.

Net position at June 30, 2016 as originally stated	\$ 68,245,274
Deduct	
Adjustments to net investment in capital assets	(5,892,445)
Net position at June 30, 2016, as restated	\$ 62,352,829

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 20 - Tax abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, one of the municipalities in which the school district is situated has entered into tax abatement agreements. These agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers located within the applicable municipality and remitted to the school district.

For a local school district Board of Education or Board of School estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Borough of Flemington has entered into tax abatement agreements. The details of the agreements were not made available to the District in time to be disclosed in this report.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources					
Local tax levy	\$ 50,556,323	\$ -	\$ 50,556,323	\$ 50,556,323	\$ -
Tuition from other LEAs within the State	-	-	-	169,318	169,318
Transportation fees from individuals	-	-	-	11,640	11,640
Transportation fees from other LEAs	-	-	-	45,823	45,823
Rents and royalties	-	-	-	65,640	65,640
Sale of property	-	-	-	4,388	4,388
Unrestricted miscellaneous revenues	310,000	-	310,000	537,946	227,946
Interest earned on capital reserve funds	28,500	-	28,500	28,302	(198)
Total	50,894,823	-	50,894,823	51,419,380	524,557
State sources					
School choice aid	233,342	-	233,342	233,342	-
Categorical transportation aid	308,410	-	308,410	308,410	-
Extraordinary aid	-	-	-	461,590	461,590
Categorical special education aid	1,840,406	-	1,840,406	1,840,406	-
Equalization aid	3,185,863	-	3,185,863	3,185,863	-
Categorical security aid	48,383	-	48,383	48,383	-
PARCC readiness aid	29,880	-	29,880	29,880	-
Per pupil growth aid	29,880	-	29,880	29,880	-
Professional learning community aid	29,810	-	29,810	29,810	-
Other state aid	-	-	-	122,023	122,023
TPAF pension (on-behalf)	-	-	-	2,375,613	2,375,613
TPAF Social Security (reimbursed)	-	-	-	1,573,454	1,573,454
TPAF post retirement benefits (on-behalf)	-	-	-	1,979,427	1,979,427
TPAF long-term disability insurance (on-behalf)	-	-	-	5,177	5,177
Total	5,705,974	-	5,705,974	12,223,258	6,517,284
Federal sources					
Medicaid reimbursement	24,887	-	24,887	23,678	(1,209)
ARRA/SEMI revenue	-	-	-	1,264	1,264
Total	24,887	-	24,887	24,942	55
Total revenues	\$ 56,625,684	\$ -	\$ 56,625,684	\$ 63,667,580	\$ 7,041,896
EXPENDITURES					
Current					
Instruction - regular program					
Salaries of teachers					
Grades 9-12	\$ 15,897,519	\$ (29,363)	\$ 15,868,156	\$ 14,955,139	\$ 913,017
Home instruction					
Salaries of teacher	31,900	16,990	48,890	48,890	-
Purchased professional - educational services	34,435	16,504	50,939	50,939	-
Other purchased services	3,000	(1,215)	1,785	1,785	-
Regular programs - undistributed instruction					
Other salaries for instruction	264,778	2,500	267,278	231,204	36,074
Purchased technical services	13,000	(385)	12,615	9,383	3,232
Other purchased services	435,340	1,891	437,231	329,773	107,458
General supplies	1,041,617	(112,422)	929,195	897,053	32,142
Textbooks	148,975	72,801	221,776	134,388	87,388
Other objects	37,230	(13,652)	23,578	8,369	15,209
Total	17,907,794	(46,351)	17,861,443	16,666,923	1,194,520

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Special education					
Behavioral disabilities					
Salaries of teachers	\$ 143,465	\$ (300)	\$ 143,165	\$ 141,386	\$ 1,779
Other salaries for instruction	53,400	300	53,700	51,393	2,307
Other purchased services	6,600	-	6,600	-	6,600
General supplies	2,500	-	2,500	600	1,900
Textbooks	500	-	500	-	500
Other objects	4,000	-	4,000	-	4,000
Total	210,465	-	210,465	193,379	17,086
Resource room/resource center					
Salaries of teachers	2,805,460	(25,500)	2,779,960	2,750,789	29,171
Other salaries for instruction	744,160	25,500	769,660	765,524	4,136
Other purchased services	7,100	-	7,100	417	6,683
General supplies	11,625	-	11,625	8,630	2,995
Textbooks	7,750	-	7,750	3,750	4,000
Other objects	2,625	(1,000)	1,625	-	1,625
Total	3,578,720	(1,000)	3,577,720	3,529,110	48,610
Home instruction					
Salaries of teachers	24,000	(3,197)	20,803	12,410	8,393
Purchased professional - educational services	29,000	3,197	32,197	10,568	21,629
Other purchased services	5,000	-	5,000	2,259	2,741
Total	58,000	-	58,000	25,237	32,763
Total special education	3,847,185	(1,000)	3,846,185	3,747,726	98,459
Basic skills/remedial					
Salaries of teachers	113,380	(8,911)	104,469	72,499	31,970
Other salaries for instruction	28,435	-	28,435	24,840	3,595
Other purchased services	150	-	150	-	150
General supplies	1,500	(1,500)	-	-	-
Textbooks	2,000	(2,000)	-	-	-
Total	145,465	(12,411)	133,054	97,339	35,715
Bilingual education - instruction					
Salaries of teachers	162,345	(13,976)	148,369	103,503	44,866
General supplies	3,000	21,976	24,976	21,211	3,765
Textbooks	2,500	(2,500)	-	-	-
Other objects	500	(500)	-	-	-
Total	168,345	5,000	173,345	124,714	48,631
School - sponsored co/extra curricular activities - instruction					
Salaries	286,130	-	286,130	247,861	38,269
Supplies and materials	18,000	4,750	22,750	15,007	7,743
Other objects	14,000	(4,750)	9,250	6,159	3,091
Total	318,130	-	318,130	269,027	49,103

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
School-sponsored athletics - instruction					
Salaries	\$ 1,112,520	\$ -	\$ 1,112,520	\$ 1,060,691	\$ 51,829
Unused vacation payment to terminated/retired staff	12,647	-	12,647	12,647	-
Purchased services	286,633	(16,270)	270,363	260,593	9,770
Supplies and materials	107,740	15,700	123,440	121,057	2,383
Other objects	11,450	(1,000)	10,450	9,763	687
Total	1,530,990	(1,570)	1,529,420	1,464,751	64,669
Instructional alternative ed program - instruction					
Salaries of teachers	36,255	(4,500)	31,755	16,389	15,366
Other purchased services	4,500	(1,750)	2,750	-	2,750
General supplies	-	1,750	1,750	1,750	-
Total	40,755	(4,500)	36,255	18,139	18,116
Total instruction regular	\$ 23,958,664	\$ (60,832)	\$ 23,897,832	\$ 22,388,619	\$ 1,509,213
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the State - regular	\$ -	\$ 5,340	\$ 5,340	\$ 1,526	\$ 3,814
Tuition to other LEAs within the State - special	254,500	10,839	265,339	260,514	4,825
Tuition to county vocational school district - regular	713,300	(123,125)	590,175	590,175	-
Tuition to county vocational school district - special	545,500	24,437	569,937	569,937	-
Tuition to cssd & regional day schools	272,700	(50,065)	222,635	148,186	74,449
Tuition to priv. school for the disabled w/i state	2,122,900	(125,282)	1,997,618	1,451,063	546,555
Tuition to priv. sch. disabled & other LEAs-spl, o/s State	307,902	-	307,902	91,933	215,969
Tuition - State facilities	-	133,910	133,910	8,910	125,000
Tuition - other	252,500	123,947	376,447	225,405	151,042
Total	4,469,302	1	4,469,303	3,347,649	1,121,654
Undistributed expenditures - attendance & social work					
Other purchased services	7,500	-	7,500	-	7,500
Total	7,500	-	7,500	-	7,500
Undistributed expenditures - health services					
Salaries	369,735	3,058	372,793	367,731	5,062
Purchased professional and technical services	38,100	(2,082)	36,018	32,211	3,807
Other purchased services	5,000	-	5,000	1,373	3,627
Supplies and materials	34,425	(975)	33,450	21,234	12,216
Total	447,260	1	447,261	422,549	24,712
Undistributed expenditures - speech, ot, pt & related services					
Salaries	157,022	6,500	163,522	142,678	20,844
Purchased professional - educational services	117,000	(17,700)	99,300	50,190	49,110
Supplies and materials	500	-	500	479	21
Total	274,522	(11,200)	263,322	193,347	69,975
Undistributed expend - other supp. service stds. - extra service					
Salaries	518,446	-	518,446	430,642	87,804
Total	518,446	-	518,446	430,642	87,804

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - guidance					
Salaries of other professional staff	\$ 1,731,528	\$ -	\$ 1,731,528	\$ 1,650,845	\$ 80,683
Salaries of secretarial and clerical assistants	267,093	-	267,093	257,707	9,386
Unused vacation payment to terminated/retired staff	10	-	10	-	10
Purchased professional - educational services	3,200	-	3,200	2,438	762
Other purchased services	33,383	(5,000)	28,383	9,453	18,930
Supplies and materials	19,400	-	19,400	10,759	8,641
Other objects	4,900	-	4,900	1,837	3,063
Total	2,059,514	(5,000)	2,054,514	1,933,039	121,475
Undistributed expenditures - child study teams					
Salaries of other professional staff	1,136,498	7,130	1,143,628	1,133,303	10,325
Salaries of secretarial and clerical assistants	190,490	(7,380)	183,110	179,009	4,101
Unused vacation payment to terminated/retired staff	14,051	4,888	18,939	14,041	4,898
Other purchased professional & technical services	16,000	1,775	17,775	17,775	-
Other purchased services	9,866	(9,866)	-	-	-
Miscellaneous purchased service	-	12,295	12,295	8,542	3,753
Supplies and materials	6,000	17,166	23,166	23,166	-
Other objects	2,400	(317)	2,083	2,083	-
Total	1,375,305	25,691	1,400,996	1,377,919	23,077
Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	1,077,500	-	1,077,500	1,053,830	23,670
Salaries of secretarial & clerical assist	113,640	-	113,640	102,282	11,358
Unused vacation payment to terminated/retired staff	24,870	5,848	30,718	30,707	11
Other purchased services	43,231	-	43,231	18,078	25,153
Supplies and materials	2,000	-	2,000	1,297	703
Other objects	11,400	-	11,400	8,895	2,505
Total	1,272,641	5,848	1,278,489	1,215,089	63,400
Undistributed expenditures - edu. media service/sch. library					
Salaries	918,625	-	918,625	835,709	82,916
Salaries of technology coordinators	90,500	-	90,500	90,201	299
Unused vacation payment to terminated/retired staff	22,219	-	22,219	12,726	9,493
Other purchased services	64,350	(6,629)	57,721	15,350	42,371
Supplies and materials	43,035	2,095	45,130	38,187	6,943
Other objects	1,200	1,970	3,170	3,170	-
Total	1,139,929	(2,564)	1,137,365	995,343	142,022
Undistributed expenditures - instructional staff training services					
Salaries of other professional staff	166,480	24,475	190,955	138,138	52,817
Purchased professional - educational services	38,400	(15,000)	23,400	13,656	9,744
Other purchased services	4,000	3,300	7,300	5,520	1,780
Supplies and materials	19,100	(800)	18,300	3,560	14,740
Other objects	2,500	(2,500)	-	-	-
Total	230,480	9,475	239,955	160,874	79,081

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expend. - support service - general admin.					
Salaries	\$ 352,040	\$ 20,000	\$ 372,040	\$ 315,176	\$ 56,864
Unused vacation payment to terminated/retired staff	14,827	-	14,827	14,817	10
Legal services	185,000	39,938	224,938	222,349	2,589
Audit fees	44,000	-	44,000	40,000	4,000
Other purchased professional services	20,000	4,737	24,737	24,737	-
Communications/telephone	65,000	(6,500)	58,500	57,689	811
BOE other purchased services	3,000	(1,885)	1,115	1,115	-
Miscellaneous purchased services	175,000	(7,743)	167,257	143,318	23,939
General supplies	7,000	1,627	8,627	8,617	10
BOE in-house training/meeting supplies	2,500	766	3,266	3,266	-
Miscellaneous expenditures	8,000	(4,925)	3,075	3,029	46
BOE membership dues and fees	33,000	(7,240)	25,760	25,657	103
Total	909,367	38,775	948,142	859,770	88,372
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	820,200	13,298	833,498	833,498	-
Salaries of secretarial and clerical assistants	364,598	(4,704)	359,894	359,894	-
Unused vacation payment to terminated/retired staff	10	(10)	-	-	-
Purchased professional and technical services	4,000	-	4,000	3,758	242
Other purchased services	25,265	(688)	24,577	12,857	11,720
Supplies and materials	14,500	(7,897)	6,603	5,465	1,138
Other objects	13,900	-	13,900	6,686	7,214
Total	1,242,473	(1)	1,242,472	1,222,158	20,314
Undistributed expenditures - central services					
Salaries	797,322	(27,992)	769,330	753,665	15,665
Unused vacation payment to terminated/retired staff	10	17,980	17,990	10,394	7,596
Purchased technical services	55,000	3,466	58,466	49,946	8,520
Miscellaneous purchased services	8,900	29,950	38,850	28,725	10,125
Supplies and materials	13,500	(3,325)	10,175	7,932	2,243
Other objects	3,000	(91)	2,909	2,401	508
Total	877,732	19,988	897,720	853,063	44,657
Undistributed expenditures - admin. info. technology					
Salaries	90,500	-	90,500	90,201	299
Unused vacation payment to terminated/retired staff	10	-	10	-	10
Other purchased services	3,500	-	3,500	684	2,816
Supplies and materials	17,000	-	17,000	7,504	9,496
Total	111,010	-	111,010	98,389	12,621
Undistributed expend. - required maint. for school facilities					
Salaries	547,630	-	547,630	483,554	64,076
Unused vacation payment to terminated/retired staff	10	4,063	4,073	4,073	-
Cleaning, repair, and maintenance services	490,396	220,000	710,396	455,519	254,877
General supplies	115,000	10,000	125,000	96,569	28,431
Total	1,153,036	234,063	1,387,099	1,039,715	347,384

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - custodial services					
Salaries	\$ 1,635,690	\$ -	\$ 1,635,690	\$ 1,334,791	\$ 300,899
Unused vacation payment to terminated/retired staff	592	3,003	3,595	3,231	364
Purchased professional and technical services	80,000	(68,666)	11,334	1,040	10,294
Cleaning, repair, and maintenance service	103,050	(5,513)	97,537	65,067	32,470
Other purchased property services	247,226	7,513	254,739	228,838	25,901
Insurance	208,100	(1,216)	206,884	163,445	43,439
Miscellaneous purchased services	4,000	-	4,000	1,653	2,347
General supplies	221,043	(8,127)	212,916	181,960	30,956
Energy (natural gas)	242,183	-	242,183	156,811	85,372
Energy (electricity)	905,299	1	905,300	764,008	141,292
Other objects	7,500	-	7,500	3,743	3,757
Total	3,654,683	(73,005)	3,581,678	2,904,587	677,091
Undistributed expenditures - care and upkeep of grounds					
Salaries	143,179	(594)	142,585	108,227	34,358
Unused vacation payment to terminated/retired staff	-	654	654	654	-
Purchased professional and technical services	10	(10)	-	-	-
Cleaning, repair, and maintenance service	125,650	-	125,650	69,896	55,754
General supplies	43,800	(6,000)	37,800	16,215	21,585
Total	312,639	(5,950)	306,689	194,992	111,697
Undistributed expenditures - security					
Salaries	146,305	-	146,305	131,653	14,652
Unused vacation payment to terminated/retired staff	3,202	-	3,202	3,202	-
Purchased professional and technical services	84,900	-	84,900	84,900	-
Cleaning, repair, and maintenance service	39,400	-	39,400	22,709	16,691
General supplies	10,500	-	10,500	3,142	7,358
Other objects	500	-	500	-	500
Total	284,807	-	284,807	245,606	39,201
Undistributed expenditures - student transportation service					
Salaries for pupil trans (between home & school) - reg.	974,176	(11,484)	962,692	737,252	225,440
Salaries for pupil trans (between home & school) - sp. ed.	222,458	11,309	233,767	233,767	-
Salaries for pupil trans (other than btw. home & school)	19,223	175	19,398	2,398	17,000
Unused vacation payment to terminated/retired staff	10	2,602	2,612	-	2,612
Management fee - esc & ctsa trans. program	35,000	7,000	42,000	37,521	4,479
Other purchased professional and technical service	17,500	(1,372)	16,128	11,124	5,004
Cleaning, repair, & maintenance services	18,450	1,372	19,822	19,822	-
Contract service-aid in lieu pymts - non-public schools	119,340	(36,420)	82,920	79,560	3,360
Contract service-aid in lieu pymts-choice school students	8,840	4,420	13,260	13,260	-
Contract services (between home & school) - vendors	755,450	(20,430)	735,020	730,517	4,503
Contr service (oth. than between home & school) - vend.	325,170	(561)	324,609	290,168	34,441
Contract service (sp ed stds) - vendors	42,000	120,000	162,000	142,112	19,888
Contract service (sp ed stds) - joint agreements	52,000	(41,476)	10,524	-	10,524
Contract service (reg. students) - escs & ctsas	-	31,476	31,476	31,299	177
Contract service (spl. ed. students) - escs & ctsas	605,000	87,430	692,430	672,971	19,459
Miscellaneous purchased services - transportation	212,098	(132,000)	80,098	61,119	18,979
General supplies	8,600	-	8,600	4,455	4,145
Transportation supplies	270,400	(21,532)	248,868	13,962	234,906
Other objects	8,800	-	8,800	5,433	3,367
Total	3,694,515	509	3,695,024	3,086,740	608,284

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Unallocated benefits - employee benefits					
Social security contributions	\$ 946,410	\$ -	\$ 946,410	\$ 812,999	\$ 133,411
Other retirement contributions - PERS	932,819	15,163	947,982	851,619	96,363
Other retirement contributions - regular	15,017	-	15,017	8,216	6,801
Workmen's compensation	235,090	6,230	241,320	229,008	12,312
Health benefits	10,132,804	(106,230)	10,026,574	8,241,261	1,785,313
Tuition reimbursement	220,687	654	221,341	188,501	32,840
Other employee benefits	402,000	(300,654)	101,346	82,181	19,165
Unused sick payment to terminated/retired staff	308,838	267,109	575,947	365,809	210,138
Total	13,193,665	(117,728)	13,075,937	10,779,594	2,296,343
On-behalf TPAF pension contribution	-	-	-	2,375,613	(2,375,613)
On-behalf TPAF post retirement medical benefits	-	-	-	1,979,427	(1,979,427)
Reimbursed TPAF Social Security contribution	-	-	-	1,573,454	(1,573,454)
On-behalf TPAF long-term disability insurance	-	-	-	5,177	(5,177)
Total	-	-	-	5,933,671	(5,933,671)
Total undistributed expenditures	\$ 37,228,826	\$ 118,903	\$ 37,347,729	\$ 37,294,736	\$ 52,993
Total current	\$ 61,187,490	\$ 58,071	\$ 61,245,561	\$ 59,683,355	\$ 1,562,206
Capital outlay					
Equipment					
Grades 9-12	\$ 116,916	\$ 41,431	\$ 158,347	\$ 139,881	\$ 18,466
Vocational programs					
School-sponsored and other instructional programs	7,500	10,070	17,570	17,570	-
Undistributed					
Undistributed expend. - support service - inst. staff	-	8,153	8,153	8,153	-
Undistributed expenditures - custodial services	3,205	32,666	35,871	28,528	7,343
Undistributed expenditures - care and upkeep of grounds	-	49,343	49,343	5,971	43,372
Undistributed expenditures - security	14,602	-	14,602	14,602	-
Undistributed expenditures student transportation	8,500	1,532	10,032	8,307	1,725
School buses - regular	296,553	5,530	302,083	150,653	151,430
School buses - special	142,426	(5,531)	136,895	57,426	79,469
Total equipment	589,702	143,194	732,896	431,091	301,805
Facilities acquisition and construction service					
Legal services	-	41,496	41,496	39,477	2,019
Architectural/engineering services	272,894	58,686	331,580	233,754	97,826
Other purchased professional and technology services	20,000	(5,946)	14,054	6,554	7,500
Construction services	1,095,464	6,281,763	7,377,227	2,760,037	4,617,190
Assessment for debt service on SDA funding	179,117	-	179,117	179,117	-
Total facilities acquisition and construction service	1,567,475	6,375,999	7,943,474	3,218,939	4,724,535
Total capital outlay	\$ 2,157,177	\$ 6,519,193	\$ 8,676,370	\$ 3,650,030	\$ 5,026,340
Total expenditures	\$ 63,344,667	\$ 6,577,264	\$ 69,921,931	\$ 63,333,385	\$ 6,588,546
Excess (deficiency) of revenues over (under) expenditures	\$ (6,718,983)	\$ (6,577,264)	\$ (13,296,247)	\$ 334,195	\$ 13,630,442

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Other financing sources (uses)					
Operating transfer in					
Transfers from capital projects fund	\$ -	\$ -	\$ -	\$ 640,050	\$ 640,050
Transfers - transportation enterprise fund	-	-	-	174,935	174,935
Capital reserve - transfer to capital projects fund	(5,430,000)	5,430,000	-	-	-
Total other financing sources (uses)	<u>(5,430,000)</u>	<u>5,430,000</u>	<u>-</u>	<u>814,985</u>	<u>814,985</u>
Excess (deficiency) of revenues & other financing sources					
Over (under) expenditures & other financing uses	(12,148,983)	(1,147,264)	(13,296,247)	1,149,180	14,445,427
Fund balances, July 1	31,791,047	-	31,791,047	31,791,047	-
Fund balances, June 30	<u>\$ 19,642,064</u>	<u>\$ (1,147,264)</u>	<u>\$ 18,494,800</u>	<u>\$ 32,940,227</u>	<u>\$ 14,445,427</u>
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (2,782,649)	\$ -	\$ (2,782,649)	\$ (2,782,649)	\$ -
Increase in capital reserve	-	4,944,977	4,944,977	4,944,977	-
Interest deposit to capital reserve	28,500	-	28,500	28,302	(198)
Withdrawal from capital reserve	(5,430,000)	(916,000)	(6,346,000)	(6,346,000)	-
Increase in maintenance reserve	-	229,999	229,999	229,999	-
Withdrawal from maintenance reserve	-	(230,000)	(230,000)	(230,000)	-
Budgeted fund balance	(3,964,834)	(5,176,240)	(9,141,074)	5,304,551	14,445,625
Total	<u>\$ (12,148,983)</u>	<u>\$ (1,147,264)</u>	<u>\$ (13,296,247)</u>	<u>\$ 1,149,180</u>	<u>\$ 14,445,427</u>
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 3,986,862	
Excess surplus - current year				3,923,848	
Capital reserve				14,673,960	
Emergency reserve				593,000	
Maintenance reserve				2,871,210	
Committed fund balance					
Year-end encumbrances				5,266,636	
Unassigned fund balance				<u>1,624,711</u>	
Fund balance per budgetary basis				32,940,227	
Reconciliation to governmental statements (GAAP)					
Last State aid payments not recognized on GAAP basis				<u>(526,668)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 32,413,559</u>	

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources	\$ 72,055	\$ -	\$ 72,055	\$ 38,822	\$ (33,233)
State sources	174	-	174	90	(84)
Federal sources	665,940	-	665,940	663,058	(2,882)
Total revenues	\$ 738,169	\$ -	\$ 738,169	\$ 701,970	\$ (36,199)
Expenditures					
Instruction					
Salaries	\$ 29,400	\$ 5,371	\$ 34,771	\$ 34,771	\$ -
Purchased professional & technical services	26	-	26	-	26
Other purchased services	574,340	-	574,340	574,340	-
General supplies	77,964	(5,782)	72,182	38,949	33,233
Textbooks	58	-	58	-	58
Total	681,788	(411)	681,377	648,060	33,317
Support services					
Personal services - employee benefits	2,249	411	2,660	2,660	-
Other purchased services	39,877	2,801	42,678	41,728	950
Supplies & materials	12,455	(2,801)	9,654	7,722	1,932
Total	54,581	411	54,992	52,110	2,882
Facilities acquisition and construction services					
Non-instructional equipment	1,800	-	1,800	1,800	-
Total	1,800	-	1,800	1,800	-
Total expenditures	\$ 738,169	\$ -	\$ 738,169	\$ 701,970	\$ 36,199

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Required Supplementary Information
Budget-to-GAAP Reconciliation

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

	General Fund	Special Revenue Fund
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 63,667,580	\$ 701,970
Difference - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances-current year	-	(19)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State aid receivable prior year	511,557	-
State aid receivable current year	(526,668)	-
Total revenues (GAAP basis)	\$ 63,652,469	\$ 701,951
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 63,333,385	\$ 701,970
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances-current year	-	(19)
Total expenditures (GAAP basis)	\$ 63,333,385	\$ 701,951

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS (GASB 68) (UNAUDITED)**

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employee's Retirement System
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the net pension liability (asset) - percentage	N/A	0.1086152086%	0.1079908869%	0.1059288304%	0.1065517934%	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ 32,168,709	\$ 24,241,790	\$ 19,832,774	\$ 20,364,165	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	N/A	7,420,679	7,439,392	7,383,978	7,163,447	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	433.50%	325.86%	268.59%	284.28%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	40.14%	47.93%	52.08%	48.72%	N/A	N/A	N/A	N/A	N/A

N/A - Information Not Available

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of District Contributions - Public Employee's Retirement System
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 964,922	\$ 928,432	\$ 873,262	\$ 802,846	\$ 806,536	\$ 883,792	\$ 863,212	\$ 647,871	\$ 541,539	\$ 392,160
Contributions in relation to the contractually required contribution	<u>(964,922)</u>	<u>(928,432)</u>	<u>(873,262)</u>	<u>(802,846)</u>	<u>(806,536)</u>	<u>(883,792)</u>	<u>(863,212)</u>	<u>(647,871)</u>	<u>(541,539)</u>	<u>(392,160)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 7,315,031	\$ 7,420,679	\$ 7,439,392	\$ 7,383,978	\$ 7,163,447	\$ 7,167,189	\$ 7,312,609	\$ 7,943,221	\$ 7,695,279	\$ 7,049,832
Contributions as a percentage of covered employee payroll	13.19%	12.51%	11.74%	10.87%	11.26%	12.33%	11.80%	8.16%	7.04%	5.56%

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the net pension liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	N/A	165,824,239	126,805,300	111,121,367	108,878,283	N/A	N/A	N/A	N/A	N/A
Total	\$ -	\$ 165,824,239	\$ 126,805,300	\$ 111,121,367	\$ 108,878,283	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ -	\$ 21,254,978	\$ 21,463,054	\$ 21,167,613	\$ 19,898,518	\$ -	\$ -	\$ -	\$ -	\$ -
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	0.00%	22.33%	28.71%	33.64%	33.76%	N/A	N/A	N/A	N/A	N/A

N/A - Information Not Available

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of District Contributions - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 2,375,613	\$ 1,687,701	\$ 1,084,667	\$ 879,547	\$ 1,392,035	\$ 681,334	\$ 66,234	\$ 70,327	\$ 68,254	\$ 1,449,842
Contributions in relation to the contractually required contribution	<u>(2,375,613)</u>	<u>(1,687,701)</u>	<u>(1,084,667)</u>	<u>(879,547)</u>	<u>(1,392,035)</u>	<u>(681,334)</u>	<u>(66,234)</u>	<u>(70,327)</u>	<u>(68,254)</u>	<u>(1,449,842)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 20,903,347	\$ 21,254,978	\$ 21,463,054	\$ 21,167,613	\$ 19,898,518	\$ 20,030,994	\$ 20,712,793	\$ 21,304,581	\$ 20,872,153	\$ 19,788,936
Contributions as a percentage of covered employee payroll	11.36%	7.94%	5.05%	4.16%	7.00%	3.40%	0.32%	0.33%	0.33%	7.33%

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2017

- Note 1 - Special funding situation - TPAF
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate decreased from 4.13% in State fiscal year 2015 to 3.22% in State fiscal year 2016. The inflation rate was 2.50% for State fiscal years 2015 and 2016.
- Note 3 - Changes in assumptions - PERS
The discount rate decreased from 4.90% in State fiscal year 2015 to 3.98% in State fiscal year 2016. The inflation rate increased from 3.04% for State fiscal year 2015 to 3.08% for State fiscal year 2016.

SPECIAL REVENUE FUND

DETAIL STATEMENTS

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	NCLB Title IA	NCLB Title IIA	NCLB Title III	NCLB Title III Immigrant	IDEA Basic	NJ Non-public	Local Grants	Total
Revenues								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,822	\$ 38,822
State sources	-	-	-	-	-	90	-	90
Federal sources	57,824	40,787	12,213	1,273	550,961	-	-	663,058
Total revenues	\$ 57,824	\$ 40,787	\$ 12,213	\$ 1,273	\$ 550,961	\$ 90	\$ 38,822	\$ 701,970
Expenditures								
Instruction								
Salaries	\$ 34,771	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,771
Other purchased services	17,549	-	-	-	550,961	-	5,830	574,340
General supplies	2,844	-	10,713	-	-	-	25,392	38,949
Total	55,164	-	10,713	-	550,961	-	31,222	648,060
Support services								
Personal services -								
employee benefits	2,660	-	-	-	-	-	-	2,660
Other purchased services	-	40,088	1,500	50	-	90	-	41,728
Supplies & materials	-	699	-	1,223	-	-	5,800	7,722
Total	2,660	40,787	1,500	1,273	-	90	5,800	52,110
Facility acquisition and construction services								
Non-instructional equipment	-	-	-	-	-	-	1,800	1,800
Total	-	-	-	-	-	-	1,800	1,800
Total expenditures	\$ 57,824	\$ 40,787	\$ 12,213	\$ 1,273	\$ 550,961	\$ 90	\$ 38,822	\$ 701,970

See independent auditors' report.

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2017

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/17
			Prior Years	Current Year	
11/12 Wing room 705 little theatre renovations	6/4/10	\$ 1,024,878	\$ 990,456	\$ 34,422	\$ -
11/12 Wing emergency generator replacement	6/4/10	744,069	638,043	106,026	-
Television studio renovations	6/4/10	575,056	553,694	21,362	-
11/12 Wing electrical power upgrades	6/17/14	663,063	314,408	348,655	-
Video camera system replacement	6/17/14	638,340	565,849	72,491	-
11/12 Wing roof replacement	6/17/14	<u>1,384,790</u>	<u>1,327,696</u>	<u>57,094</u>	<u>-</u>
		<u>\$ 5,030,196</u>	<u>\$ 4,390,146</u>	<u>\$ 640,050</u>	<u>\$ -</u>

See independent auditors' report.

HUNTERDON CENTRAL 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

Revenues and other financing sources	
Local Sources - refund of prior year expenditures	\$ 11,790
Total revenues	11,790
Expenditures and other financing uses	
Transfer to Capital Reserve Fund	640,050
Total expenditures	640,050
Excess (deficiency) of revenues over (under) expenditures	(628,260)
Fund balance - beginning	628,260
Fund balance - ending	\$ -
<u>Reconciliation of Financial Assistance Difference for GAAP Purposes</u>	
State financial assistance - budgetary basis (Schedule F-2)	\$ -
Adjustment to GAAP Basis	18,122
State financial assistance - GAAP Basis (Schedule B-2)	\$ 18,122

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status -
Budgetary Basis
Rod Phase 2 Projects
Grades 11/12 Wing Room 705 Little Theatre Renovations
For the Fiscal Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	\$ 638,127	\$ -	\$ 638,127	\$ 638,127
State sources - NJ SDA ROD grant	386,751	-	386,751	386,751
Total revenues	<u>1,024,878</u>	<u>-</u>	<u>1,024,878</u>	<u>1,024,878</u>
Expenditures and other financing uses				
Purchased professional & technical services	84,822	-	84,822	84,822
Construction services	905,634	-	905,634	905,634
Transfer to Capital Reserve Fund	-	34,422	34,422	34,422
Total expenditures	<u>990,456</u>	<u>34,422</u>	<u>1,024,878</u>	<u>1,024,878</u>
Excess (deficiency) of revenues over (under) Expenditures	<u>\$ 34,422</u>	<u>\$ (34,422)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information

Project number	2300-050-09-1008
Grant date	6/4/2010
Bond authorized date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	1,024,878
Reduction in authorized cost	-
Revised authorized cost	1,024,878
Percentage completion	100%

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status -
Budgetary Basis
Rod Phase 2 Projects
Grades 11/12 Wing Emergency Generator Replacement
For the Fiscal Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	\$ 488,852	\$ -	\$ 488,852	\$ 488,852
State sources - NJ SDA ROD grant	255,217	-	255,217	255,217
Total revenues	<u>744,069</u>	<u>-</u>	<u>744,069</u>	<u>744,069</u>
Expenditures and other financing uses				
Purchased professional & technical services	42,093	-	42,093	42,093
Construction services	595,950	-	595,950	595,950
Transfer to Capital Reserve Fund	-	106,026	106,026	106,026
Total expenditures	<u>638,043</u>	<u>106,026</u>	<u>744,069</u>	<u>744,069</u>
Excess (deficiency) of revenues over (under) Expenditures	<u>\$ 106,026</u>	<u>\$ (106,026)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information

Project number	2300-050-09-1013
Grant date	6/4/2010
Bond authorized date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	785,420
Reduction in authorized cost	(41,351)
Revised authorized cost	744,069
Percentage completion	100%

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status -
Budgetary Basis
Rod Phase 2 Projects
Television Studio Renovations
For the Fiscal Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	\$ 358,034	\$ -	\$ 358,034	\$ 358,034
State sources - NJ SDA ROD grant	217,022	-	217,022	217,022
Total revenues	<u>575,056</u>	<u>-</u>	<u>575,056</u>	<u>575,056</u>
Expenditures and other financing uses				
Purchased professional & technical services	58,800	-	58,800	58,800
Construction services	494,894	-	494,894	494,894
Transfer to Capital Reserve Fund	-	21,362	21,362	21,362
Total expenditures	<u>553,694</u>	<u>21,362</u>	<u>575,056</u>	<u>575,056</u>
Excess (deficiency) of revenues over (under) Expenditures	<u>\$ 21,362</u>	<u>\$ (21,362)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information

Project number	2300-050-09-1016
Grant date	6/4/2010
Bond authorized date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	575,056
Reduction in authorized cost	-
Revised authorized cost	575,056
Percentage completion	100%

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status -
Budgetary Basis
Rod Phase 4 Projects
Grades 11/12 Wing Electrical Power Upgrades
For the Fiscal Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	\$ 537,300	\$ -	\$ 537,300	\$ 537,300
State sources - NJ SDA ROD grant	125,763	-	125,763	125,763
Total revenues	<u>663,063</u>	<u>-</u>	<u>663,063</u>	<u>663,063</u>
Expenditures and other financing uses				
Purchased professional & technical services	52,663	-	52,663	52,663
Construction services	261,745	-	261,745	261,745
Transfer to Capital Reserve Fund	-	348,655	348,655	348,655
Total expenditures	<u>314,408</u>	<u>348,655</u>	<u>663,063</u>	<u>663,063</u>
Excess (deficiency) of revenues over (under) Expenditures	<u>\$ 348,655</u>	<u>\$ (348,655)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information

Project number	2300-050-14-1003
Grant date	6/7/2014
Bond authorized date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	895,500
Reduction in authorized cost	(232,437)
Revised authorized cost	663,063
Percentage completion	100%

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status -
Budgetary Basis
Rod Phase 4 Projects
Video Camera System Replacement
For the Fiscal Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	\$ 408,000	\$ -	\$ 408,000	\$ 408,000
State sources - NJ SDA ROD grant	230,340	-	230,340	230,340
Total revenues	<u>638,340</u>	<u>-</u>	<u>638,340</u>	<u>638,340</u>
Expenditures and other financing uses				
Purchased professional & technical services	43,149	-	43,149	43,149
Construction services	522,700	-	522,700	522,700
Transfer to Capital Reserve Fund	-	72,491	72,491	72,491
Total expenditures	<u>565,849</u>	<u>72,491</u>	<u>638,340</u>	<u>638,340</u>
Excess (deficiency) of revenues over (under) Expenditures	<u>\$ 72,491</u>	<u>\$ (72,491)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information

Project number	2300-050-14-1013
Grant date	6/7/2014
Bond authorized date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	680,000
Reduction in authorized cost	(41,660)
Revised authorized cost	638,340
Percentage completion	100%

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status -
Budgetary Basis
Rod Phase 4 Projects
11/12 Wing Roof Replacement
For the Fiscal Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	\$ 823,800	\$ -	\$ 823,800	\$ 823,800
Local sources - refund of prior year expenditures	-	11,790	11,790	11,790
State sources - NJ SDA ROD grant	549,200	-	549,200	549,200
Total revenues	<u>1,373,000</u>	<u>11,790</u>	<u>1,384,790</u>	<u>1,384,790</u>
Expenditures and other financing uses				
Purchased professional & technical services	77,986	-	77,986	77,986
Construction services	1,249,710	-	1,249,710	1,249,710
Transfer to Capital Reserve Fund	-	57,094	57,094	57,094
Total expenditures	<u>1,327,696</u>	<u>57,094</u>	<u>1,384,790</u>	<u>1,384,790</u>
Excess (deficiency) of revenues over (under) Expenditures	<u>\$ 45,304</u>	<u>\$ (45,304)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information

Project number	2300-050-14-1014
Grant date	6/7/2014
Bond authorized date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	1,373,000
Reduction in authorized cost	11,790
Revised authorized cost	1,384,790
Percentage completion	100%

See independent auditors' report.

PROPRIETARY FUND

DETAIL STATEMENTS

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Fund Net Position
For the Fiscal Year Ended June 30, 2017

	Food Service Fund	Transportation Fund	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 168,842	\$ 958,462	\$ 1,127,304
Receivables - other	4,431	-	4,431
Receivables from other governments			
State	220	-	220
Federal	6,692	-	6,692
Local	-	6,835	6,835
Inventory	28,739	-	28,739
Total current assets	<u>208,924</u>	<u>965,297</u>	<u>1,174,221</u>
Noncurrent assets			
Capital assets	955,085	-	955,085
Less: accumulated depreciation	758,667	-	758,667
Total noncurrent assets	<u>196,418</u>	<u>-</u>	<u>196,418</u>
Total assets	<u>405,342</u>	<u>965,297</u>	<u>1,370,639</u>
Liabilities			
Current liabilities			
Payable to local governments	-	492,519	492,519
Unearned revenues	23,199	-	23,199
Total liabilities	<u>23,199</u>	<u>492,519</u>	<u>515,718</u>
Net position			
Net investment in capital assets	196,418	-	196,418
Unrestricted	185,725	472,778	658,503
Total net position	<u>\$ 382,143</u>	<u>\$ 472,778</u>	<u>\$ 854,921</u>

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2017

	Food Service Fund	Transportation Fund	Total
Operating revenues			
Charges for services			
Daily sales - reimbursable programs	\$ 379,812	\$ -	\$ 379,812
Daily sales - non-reimbursable programs	795,687	-	795,687
Other Sales - catering	20,725	-	20,725
Summer program fees	-	4,426,950	4,426,950
Total operating revenues	<u>1,196,224</u>	<u>4,426,950</u>	<u>5,623,174</u>
Operating expenses			
Cost of sales - reimbursable programs	317,104	-	317,104
Cost of sales - non-reimbursable programs	222,862	-	222,862
Salaries	452,302	1,263,367	1,715,669
Employee benefits	149,600	866,743	1,016,343
Other purchased professional and technical services	-	38,915	38,915
Purchased property services	11,472	19,822	31,294
Contracted services - transportation	-	1,563,146	1,563,146
Insurance	4,825	47,541	52,366
Management fee	52,646	17,179	69,825
Other purchased services	5,327	3,079	8,406
General supplies	61,106	5,440	66,546
Commodity food costs	51,101	-	51,101
Transportation supplies (including gasoline)	-	127,502	127,502
Utilities	-	10,564	10,564
Acquisition of vehicles and other equipment	-	216,385	216,385
Depreciation	25,917	-	25,917
Miscellaneous	-	5,433	5,433
Total operating expenses	<u>1,354,262</u>	<u>4,185,116</u>	<u>5,539,378</u>
Operating income (loss)	<u>(158,038)</u>	<u>241,834</u>	<u>83,796</u>
Non-operating revenues (expenses)			
State sources			
State school lunch program	5,346	-	5,346
Federal sources			
National school breakfast program	21,378	-	21,378
National school lunch program			
Cash assistance	130,282	-	130,282
Non cash assistance (commodities)	51,101	-	51,101
Miscellaneous	3,453	9,281	12,734
Total non-operating revenues (expenses)	<u>211,560</u>	<u>9,281</u>	<u>220,841</u>
Other financing sources (uses)			
Transfer out to the general fund	-	(174,935)	(174,935)
Refund of prior year revenue	-	(85,295)	(85,295)
Total other financing sources (uses)	<u>-</u>	<u>(260,230)</u>	<u>(260,230)</u>
Change in net position	53,522	(9,115)	44,407
Net position, beginning	<u>328,621</u>	<u>481,893</u>	<u>810,514</u>
Net position, ending	<u>\$ 382,143</u>	<u>\$ 472,778</u>	<u>\$ 854,921</u>

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017

	Food Service Fund	Transportation Fund	Total
Cash flows from operating activities			
Receipts from services provided (net)	\$ 1,192,444	\$ 4,420,115	\$ 5,612,559
Payments to employees	(43,169)	(1,263,367)	(1,306,536)
Payments for employee benefits	(3,303)	(866,743)	(870,046)
Payments to Food Service Management Co.	(1,223,533)	-	(1,223,533)
Payments to vendors and customers (net)	(15,990)	(2,230,406)	(2,246,396)
Net cash provided by (used for) operating activities	<u>(93,551)</u>	<u>59,599</u>	<u>(33,952)</u>
Cash flows from non-capital financing activities			
State sources	5,356	-	5,356
Federal sources	151,805	-	151,805
Miscellaneous	3,453	9,281	12,734
Refund of prior year revenue	-	(260,230)	(260,230)
Net cash provided by (used for) non-capital financing activities	<u>160,614</u>	<u>(250,949)</u>	<u>(90,335)</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	(43,046)	-	(43,046)
Net cash provided by (used for) investing activities	<u>(43,046)</u>	<u>-</u>	<u>(43,046)</u>
Net increase (decrease) in cash and cash equivalents	24,017	(191,350)	(167,333)
Cash and cash equivalents, beginning	<u>144,825</u>	<u>1,149,812</u>	<u>1,019,543</u>
Cash and cash equivalents, ending	<u>\$ 168,842</u>	<u>\$ 958,462</u>	<u>\$ 1,127,304</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ (158,038)	\$ 241,834	\$ 83,796
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	25,917	-	25,917
Federal food donation program	51,101	-	51,101
(Increase) decrease in accounts receivable	(4,431)	(6,835)	(11,266)
(Increase) decrease in inventory	1,880	-	1,880
Increase (decrease) in accounts payable	(3,453)	(16,161)	(19,614)
Increase (decrease) in payable to local governments - current year revenue	-	(159,239)	(159,239)
Increase (decrease) in unearned revenues	(6,527)	-	(6,527)
Net cash provided by (used for) operating activities	<u>\$ (93,551)</u>	<u>\$ 59,599</u>	<u>\$ (33,952)</u>

See independent auditors' report.

FIDUCIARY FUND

DETAIL STATEMENTS

Fiduciary funds are used to account for funds received by the School District as an agent for individuals, private organizations, other government and/or other funds.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Position
June 30, 2017

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Student Activity Agency Fund	Payroll Agency Fund	Miscellaneous Agency Fund	Total
Assets						
Cash and cash equivalents	\$ 486,386	\$ 257,000	\$ 769,661	\$ 557,550	\$ -	\$ 2,070,597
Due from other funds	108,623	-	-	18,298	1,518	128,439
Due from State governments	1,110	-	-	-	-	1,110
Due from local governments	-	-	-	-	16,354	16,354
Accounts receivable - other	-	-	-	3,030	795	3,825
Total assets	\$ 596,119	\$ 257,000	\$ 769,661	\$ 578,878	\$ 18,667	\$ 2,220,325
Liabilities						
Accounts payable	\$ 21,051	\$ -	\$ -	\$ -	\$ -	\$ 21,051
Due to other funds	-	-	1,518	116,905	17,030	135,453
Unearned revenue	-	-	-	-	1,637	1,637
Due to student groups	-	-	768,143	-	-	768,143
Payroll deductions & withholdings	-	-	-	461,973	-	461,973
Total liabilities	21,051	-	769,661	578,878	18,667	1,388,257
Net Position						
Held in trust for unemployment claims	575,068	-	-	-	-	575,068
Reserve for scholarship funds	-	257,000	-	-	-	257,000
Total net position	\$ 575,068	\$ 257,000	\$ -	\$ -	\$ -	\$ 832,068

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2017

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Total
Additions			
Contributions			
Employees	\$ 54,861	\$ -	\$ 54,861
Other	-	64,102	64,102
Investment earnings			
Interest	2,498	344	2,842
Total additions	<u>57,359</u>	<u>64,446</u>	<u>121,805</u>
Deductions			
Scholarships awarded	-	59,815	59,815
Other deductions - cancelation of			
Prior-year receivable	6,306	-	6,306
Unemployment claims	60,314	-	60,314
Total deductions	<u>66,620</u>	<u>59,815</u>	<u>126,435</u>
Change in net position	(9,261)	4,631	(4,630)
Net position - beginning of the year	<u>584,329</u>	<u>252,369</u>	<u>836,698</u>
Net position - end of the year	<u>\$ 575,068</u>	<u>\$ 257,000</u>	<u>\$ 832,068</u>

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts & Disbursements
For the Fiscal Year Ended June 30, 2017

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17
Assets				
Cash and cash equivalents	\$ 676,419	\$ 990,989	\$ 897,747	\$ 769,661
Total assets	\$ 676,419	\$ 990,989	\$ 897,747	\$ 769,661
Liabilities				
Due to other funds	\$ -	\$ 1,518	\$ -	\$ 1,518
Due to student groups				
Student activities	673,800	814,255	721,882	766,173
Athletic activities	2,619	175,216	175,865	1,970
Total liabilities	\$ 676,419	\$ 990,989	\$ 897,747	\$ 769,661

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Schedule of Receipts & Disbursements
For the Fiscal Year Ended June 30, 2017

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17
Assets				
Cash and cash equivalents	\$ 160,702	\$ 38,490,795	\$ 38,093,947	\$ 557,550
Due from federal government	12,841	-	12,841	-
Accounts receivable - other	1,636	13,982	12,588	3,030
Due from other funds	-	18,298	-	18,298
Total assets	\$ 175,179	\$ 38,523,075	\$ 38,119,376	\$ 578,878
Liabilities				
Payroll deductions and withholdings				
Due to other funds	\$ 69,027	\$ 54,861	\$ 6,983	\$ 116,905
Net payroll	920	20,946,683	20,940,618	6,985
Payroll agency	105,232	17,521,531	17,171,775	454,988
Total liabilities	\$ 175,179	\$ 38,523,075	\$ 38,119,376	\$ 578,878

See independent auditors' report.

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2017

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/16	Issued	Retired	Balance 06/30/17
			Date	Amount					
ERIP pension Refunding bonds	07/03/03	\$ 1,485,000	01/15/18	\$ 145,000	5.10%	\$ 285,000	\$ -	\$ 140,000	\$ 145,000
2011 refunding bond Issue of 2004 bonds	12/20/11	13,480,000	09/15/17	1,710,000	4.00%	-	-	-	-
			09/15/18	1,920,000	-	-	-	-	-
			09/15/19	1,965,000	-	-	-	-	-
			09/15/20	825,000	3.625%	-	-	-	-
			09/15/20	1,210,000	4.00%	-	-	-	-
			09/15/21	2,110,000	-	11,405,000	-	1,665,000	9,740,000
						<u>\$ 11,690,000</u>	<u>\$ -</u>	<u>\$ 1,805,000</u>	<u>\$ 9,885,000</u>

See independent auditor's report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources					
Local tax levy	\$ 2,230,921	\$ -	\$ 2,230,921	\$ 2,230,921	\$ -
Total revenues	<u>2,230,921</u>	<u>-</u>	<u>2,230,921</u>	<u>2,230,921</u>	<u>-</u>
Expenditures					
Interest on early retirement bonds	14,535	-	14,535	14,517	18
Interest on bonds	411,482	-	411,482	411,481	1
Redemption of principal - early retirement bonds	140,000	-	140,000	140,000	-
Redemption of principal - bonds	1,665,000	-	1,665,000	1,665,000	-
Total expenditures	<u>2,231,017</u>	<u>-</u>	<u>2,231,017</u>	<u>2,230,998</u>	<u>19</u>
Excess (deficiency) of revenues over (under) expenditures	(96)	-	(96)	(77)	19
Fund balance, July 1	<u>413</u>	<u>-</u>	<u>413</u>	<u>413</u>	<u>-</u>
Fund balance, June 30	<u>\$ 317</u>	<u>\$ -</u>	<u>\$ 317</u>	<u>\$ 336</u>	<u>\$ 19</u>
Recapitulation of excess (deficiency) of revenue Over (under) expenditures					
Budgeted fund balance	<u>\$ (96)</u>	<u>\$ -</u>	<u>\$ (96)</u>	<u>\$ (77)</u>	<u>\$ 19</u>

See independent auditors' report.

Statistical Section

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed	J-1 to J-6
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-7 to J-10
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-11 to J-14
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-15 to J-16
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-17 to J-21

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Government activities										
Net investment in capital assets	\$ 41,274,413	\$ 44,233,849	\$ 47,650,201	\$ 49,760,351	\$ 55,489,118	\$ 58,354,852	\$ 59,372,081	\$ 61,257,471	\$ 61,914,874	\$ 57,392,366
Restricted	1,887,480	4,236,497	4,890,892	8,668,367	9,369,252	10,863,507	14,798,976	18,440,464	20,121,443	18,138,506
Unrestricted	4,573,138	3,845,309	3,886,660	5,216,937	4,814,513	5,228,337	(14,114,960)	(14,355,436)	(13,791,043)	(12,948,330)
Total governmental activities	<u>\$ 47,735,031</u>	<u>\$ 52,315,655</u>	<u>\$ 56,427,753</u>	<u>\$ 63,645,655</u>	<u>\$ 69,672,883</u>	<u>\$ 74,446,696</u>	<u>\$ 60,056,097</u>	<u>\$ 65,342,499</u>	<u>\$ 68,245,274</u>	<u>\$ 62,582,542</u>
Business-type activities										
Net investment in capital assets	\$ 93,014	\$ 126,974	\$ 109,311	\$ 120,338	\$ 161,519	\$ 155,022	\$ 164,542	\$ 178,273	\$ 179,289	\$ 196,418
Unrestricted	541,898	552,366	640,457	605,463	669,906	732,976	556,584	448,944	631,225	658,503
Total business-type activities	<u>\$ 634,912</u>	<u>\$ 679,340</u>	<u>\$ 749,768</u>	<u>\$ 725,801</u>	<u>\$ 831,425</u>	<u>\$ 887,998</u>	<u>\$ 721,126</u>	<u>\$ 627,217</u>	<u>\$ 810,514</u>	<u>\$ 854,921</u>
District-wide										
Net investment in capital assets	\$ 41,367,427	\$ 44,360,823	\$ 47,759,512	\$ 49,880,689	\$ 55,650,637	\$ 58,509,874	\$ 59,536,623	\$ 61,435,744	\$ 62,094,163	\$ 57,588,784
Restricted	1,887,480	4,236,497	4,890,892	8,668,367	9,369,252	10,863,507	14,798,976	18,440,464	20,121,443	18,138,506
Unrestricted	5,115,036	4,397,675	4,527,117	5,822,400	5,484,419	5,961,313	(13,558,376)	(13,906,492)	(13,159,818)	(12,289,827)
Total district-wide	<u>\$ 48,369,943</u>	<u>\$ 52,994,995</u>	<u>\$ 57,177,521</u>	<u>\$ 64,371,456</u>	<u>\$ 70,504,308</u>	<u>\$ 75,334,694</u>	<u>\$ 60,777,223</u>	<u>\$ 65,969,716</u>	<u>\$ 69,055,788</u>	<u>\$ 63,437,463</u>

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	\$ 22,291,390	\$ 22,266,798	\$ 22,248,073	\$ 21,896,193	\$ 22,339,587	\$ 23,335,032	\$ 23,215,452	\$ 27,473,363	\$ 29,334,074	\$ 34,192,908
Special education	4,246,191	4,260,156	4,448,511	4,736,187	4,747,920	4,983,711	5,257,315	5,928,151	6,387,430	7,715,730
Other special education	274,535	293,865	351,110	362,006	346,055	411,059	354,394	368,293	386,081	506,508
Other instruction	2,556,988	2,670,581	2,573,715	2,682,529	2,695,936	2,728,851	2,709,709	2,734,882	2,876,042	3,098,205
Support services										
Tuition	3,383,505	3,378,231	3,349,661	3,034,553	3,286,959	2,889,350	2,790,126	3,438,697	4,039,271	3,898,610
Student & instruction related services	9,374,937	9,420,375	9,657,555	9,501,036	9,742,068	10,108,132	9,753,842	11,356,019	12,483,286	13,852,467
General & business administrative services	2,748,512	2,429,937	2,475,729	2,238,676	2,314,521	2,247,391	2,308,834	2,448,540	2,738,783	2,926,256
School administration	1,833,655	1,758,790	1,748,998	1,822,003	1,839,132	1,898,687	1,903,051	1,891,316	2,067,027	2,501,683
Plant operations & maintenance	6,299,489	6,029,959	5,952,252	5,350,870	6,243,707	5,874,329	6,071,250	5,583,179	5,653,396	5,958,363
Pupil transportation	3,755,908	3,720,942	3,847,603	3,533,374	3,544,840	3,560,252	3,631,761	3,479,336	3,915,648	4,252,464
Interest on long-term debt	1,140,357	1,075,096	1,005,493	1,044,422	747,895	820,590	830,131	747,342	644,088	587,273
Total governmental activities expenses	<u>57,905,467</u>	<u>57,304,730</u>	<u>57,658,700</u>	<u>56,201,849</u>	<u>57,848,620</u>	<u>58,857,384</u>	<u>58,825,865</u>	<u>65,449,118</u>	<u>70,525,126</u>	<u>79,490,467</u>
Business-type activities										
Food services	1,578,865	1,653,090	1,474,356	1,443,696	1,454,786	1,417,656	1,415,928	1,388,675	1,333,793	1,354,262
Transportation	3,863,313	4,078,314	3,757,572	3,876,290	3,720,004	3,935,223	4,239,835	4,196,760	3,931,950	4,185,116
Other	-	-	56,185	162,521	163,170	103,928	94,047	-	-	-
Total business-type activities	<u>5,442,178</u>	<u>5,731,404</u>	<u>5,288,113</u>	<u>5,482,507</u>	<u>5,337,960</u>	<u>5,456,807</u>	<u>5,749,810</u>	<u>5,585,435</u>	<u>5,265,743</u>	<u>5,539,378</u>
Total district expenses	<u>\$ 63,347,645</u>	<u>\$ 63,036,134</u>	<u>\$ 62,946,813</u>	<u>\$ 61,684,356</u>	<u>\$ 63,186,580</u>	<u>\$ 64,314,191</u>	<u>\$ 64,575,675</u>	<u>\$ 71,034,553</u>	<u>\$ 75,790,869</u>	<u>\$ 85,029,845</u>

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Program revenues										
Governmental activities										
Charges for services										
Regular instruction	\$ 160,153	\$ 139,120	\$ 119,445	\$ 108,660	\$ 88,216	\$ 63,372	\$ 94,756	\$ 95,161	\$ 187,816	\$ 179,729
Other special instruction	-	-	15,756	2,765	-	-	-	-	-	-
Other instruction	7,445	9,075	7,600	141,380	142,530	135,450	145,088	130,135	133,000	141,275
Student & instruction related services	58,768	56,880	83,665	40,160	4,300	52,929	38,426	38,900	37,587	35,750
General & business administrative services	51,239	10,256	4,743	31,954	38,810	39,505	42,137	39,500	30,230	26,960
Plant operations & maintenance	24,877	25,607	46,642	53,073	49,073	50,700	91,362	236,908	95,915	131,507
Pupil transportation	6,089	71,055	162,490	220,537	190,965	278,818	369,965	97,435	243,978	287,046
Operating grants & contributions	618,060	669,206	962,305	1,221,978	708,114	753,212	656,500	750,884	772,434	701,951
Capital grants & contributions	73,478	582,833	923,946	718,923	1,533,741	103,154	64,247	822,934	-	18,122
Total governmental activities program revenues	<u>1,000,109</u>	<u>1,564,032</u>	<u>2,326,592</u>	<u>2,539,430</u>	<u>2,755,749</u>	<u>1,477,140</u>	<u>1,502,481</u>	<u>2,211,857</u>	<u>1,500,960</u>	<u>1,522,340</u>
Business-type activities										
Charges for services										
Food service	1,507,300	1,543,404	1,330,522	1,292,093	1,327,540	1,271,339	1,242,792	1,197,862	1,157,225	1,196,224
Transportation	3,911,302	4,130,081	3,944,106	4,059,450	3,943,505	4,175,993	4,242,110	4,438,123	4,405,025	4,426,950
Information technology	-	-	104,000	104,000	104,000	104,000	104,000	-	-	-
Student information reporting	-	-	-	78,020	67,526	-	-	-	-	-
Operating grants & contributions	85,712	102,229	127,569	125,816	146,927	147,749	168,810	169,407	175,872	208,107
Total business-type activities program revenues	<u>5,504,314</u>	<u>5,775,714</u>	<u>5,506,197</u>	<u>5,659,379</u>	<u>5,589,498</u>	<u>5,699,081</u>	<u>5,757,712</u>	<u>5,805,392</u>	<u>5,738,122</u>	<u>5,831,281</u>
Total district - program revenues	<u>\$ 6,504,423</u>	<u>\$ 7,339,746</u>	<u>\$ 7,832,789</u>	<u>\$ 8,198,809</u>	<u>\$ 8,345,247</u>	<u>\$ 7,176,221</u>	<u>\$ 7,260,193</u>	<u>\$ 8,017,249</u>	<u>\$ 7,239,082</u>	<u>\$ 7,353,621</u>
Net (expense) revenues										
Governmental activities	\$ (56,905,358)	\$ (55,740,698)	\$ (55,332,108)	\$ (53,662,419)	\$ (55,092,871)	\$ (57,380,244)	\$ (57,323,384)	\$ (63,237,261)	\$ (69,024,166)	\$ (77,968,127)
Business-type activities	62,136	44,310	218,084	176,872	251,538	242,274	7,902	219,957	472,379	291,903
Total district-wide net expenses	<u>\$ (56,843,222)</u>	<u>\$ (55,696,388)</u>	<u>\$ (55,114,024)</u>	<u>\$ (53,485,547)</u>	<u>\$ (54,841,333)</u>	<u>\$ (57,137,970)</u>	<u>\$ (57,315,482)</u>	<u>\$ (63,017,304)</u>	<u>\$ (68,551,787)</u>	<u>\$ (77,676,224)</u>

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 47,123,670	\$ 47,648,771	\$ 48,379,741	\$ 50,207,526	\$ 50,207,090	\$ 49,208,792	\$ 49,207,952	\$ 48,957,942	\$ 49,568,121	\$ 50,556,323
Taxes levied for debt service	2,367,936	2,365,493	2,399,399	2,419,447	2,399,606	2,302,489	2,281,202	2,216,318	2,277,501	2,230,921
Unrestricted grants & contributions	10,630,185	9,701,043	8,184,532	7,640,032	9,190,646	10,323,831	10,162,636	16,560,967	19,344,908	24,692,473
Investment earnings	527,089	388,837	297,338	150,157	116,791	112,930	91,955	101,851	122,808	145,938
Miscellaneous income	230,933	198,825	341,247	308,484	372,488	407,661	579,957	429,481	428,887	397,250
Transfers in (out)	-	-	(163,198)	160,054	(95,803)	103,875	120,773	113,719	181,716	174,935
Special item - FEMA unrestricted aid	-	-	-	-	-	-	-	85,768	-	-
Special item - payment to refunding bond agent	-	-	-	-	(1,083,130)	-	-	-	-	-
Special item - gain (loss) on sale, trade in, or disposal of capital assets	14,169	18,353	5,147	(5,379)	12,411	9,882	49,629	57,617	3,000	-
Total governmental activities	60,893,982	60,321,322	59,444,206	60,880,321	61,120,099	62,469,460	62,494,104	68,523,663	71,926,941	78,197,840
Business-type activities										
Investment earnings	1,381	-	-	-	-	-	-	-	-	-
Miscellaneous income	149	118	-	2,203	10,790	-	10,095	32,397	3,678	12,734
Transfers in (out)	-	-	(86,802)	(160,054)	(104,197)	(103,875)	(120,773)	(113,719)	(181,716)	(174,935)
Special item - gain (loss) on capital assets	-	-	-	802	-	-	-	-	-	-
Special item - sale of miscellaneous items	-	-	-	20,841	-	-	-	-	-	-
Special item - refund of prior year revenue	-	-	(60,854)	(64,631)	(63,551)	(81,826)	(64,096)	(232,544)	(111,044)	(85,295)
Special item - refund of prior year expenses	-	-	-	-	11,044	-	-	-	-	-
Total business-type activities	1,530	118	(147,656)	(200,839)	(145,914)	(185,701)	(174,774)	(313,866)	(289,082)	(247,496)
Total district-wide	\$ 60,895,512	\$ 60,321,440	\$ 59,296,550	\$ 60,679,482	\$ 60,974,185	\$ 62,283,759	\$ 62,319,330	\$ 68,209,797	\$ 71,637,859	\$ 77,950,344
Change in net position										
Governmental activities	\$ 3,988,624	\$ 4,580,624	\$ 4,112,098	\$ 7,217,902	\$ 6,027,228	\$ 5,089,216	\$ 5,170,720	\$ 5,286,402	\$ 2,902,775	\$ 229,713
Business-type activities	63,666	44,428	70,428	(23,967)	105,624	56,573	(166,872)	(93,909)	183,297	44,407
Total district	\$ 4,052,290	\$ 4,625,052	\$ 4,182,526	\$ 7,193,935	\$ 6,132,852	\$ 5,145,789	\$ 5,003,848	\$ 5,192,493	\$ 3,086,072	\$ 274,120

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Restricted	\$ 8,561,594	\$ 11,019,729	\$ 9,488,991	\$ 12,571,932	\$ 16,962,669	\$ 19,895,166	\$ 21,918,045	\$ 26,162,959	\$ 27,462,588	\$ 26,048,880
Committed	734,095	198,387	131,845	275,018	536,989	823,710	930,508	1,008,700	2,782,649	5,266,636
Assigned	-	-	-	-	-	-	-	6,262	-	-
Unassigned	918,108	640,897	636,481	1,178,647	1,118,583	1,012,103	1,008,936	1,029,868	1,034,253	1,098,043
Total general fund	<u>\$ 10,213,797</u>	<u>\$ 11,859,013</u>	<u>\$ 10,257,317</u>	<u>\$ 14,025,597</u>	<u>\$ 18,618,241</u>	<u>\$ 21,730,979</u>	<u>\$ 23,857,489</u>	<u>\$ 28,207,789</u>	<u>\$ 31,279,490</u>	<u>\$ 32,413,559</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund	\$ 1,953,620	\$ 1,284,141	\$ 3,449,146	\$ 4,086,485	\$ 1,000,284	\$ 199,384	\$ 1,834,539	\$ 610,138	\$ 610,138	\$ -
Assigned, reported in										
Debt service fund	11,083	57	61	230	4,751	4,723	237	192	413	336
Total all other governmental funds	<u>\$ 1,964,703</u>	<u>\$ 1,284,198</u>	<u>\$ 3,449,207</u>	<u>\$ 4,086,715</u>	<u>\$ 1,005,035</u>	<u>\$ 204,107</u>	<u>\$ 1,834,776</u>	<u>\$ 610,330</u>	<u>\$ 610,551</u>	<u>\$ 336</u>

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax levy	\$ 49,491,606	\$ 50,014,264	\$ 50,779,140	\$ 52,626,973	\$ 52,606,696	\$ 51,511,281	\$ 51,489,154	\$ 51,174,260	\$ 51,845,622	\$ 52,787,244
Tuition charges	147,370	132,521	132,715	105,811	78,337	50,572	92,142	92,426	176,781	169,318
Transportation	5,520	38,600	98,288	123,472	104,794	178,709	356,256	86,461	65,315	57,463
Interest earnings	527,089	388,837	297,338	150,157	116,791	112,930	91,955	101,851	122,808	145,938
Miscellaneous	370,179	328,477	463,865	550,386	471,320	512,187	672,880	723,893	602,134	540,950
State sources	10,637,117	9,701,043	7,590,161	7,782,134	8,957,379	10,317,000	10,149,443	10,551,499	11,515,629	12,208,237
State sources - capital projects	73,478	582,833	923,946	718,923	1,533,741	103,154	64,247	822,934	-	18,122
Federal sources	559,245	584,711	1,524,638	1,038,925	908,593	694,666	653,671	704,747	790,570	687,981
Total revenues	61,811,604	61,771,286	61,810,091	63,096,781	64,777,651	63,480,499	63,569,748	64,258,071	65,118,859	66,615,253
Expenditures										
Instruction										
Regular instruction	15,341,855	15,901,340	15,911,689	15,414,427	15,364,502	15,481,946	15,983,720	16,238,906	16,101,895	16,666,923
Special education instruction	2,866,877	2,994,640	3,001,159	3,001,221	3,194,242	3,284,302	3,512,685	3,512,941	3,474,898	3,747,726
Other special instruction	189,990	208,574	231,111	226,393	234,537	230,215	200,617	176,698	179,082	222,053
School sponsored/Other instructional	1,760,423	1,803,002	1,760,517	1,753,452	1,771,171	1,771,115	1,746,394	1,765,952	1,789,476	1,751,917
Support services										
Tuition	2,934,472	2,901,705	2,788,964	2,503,027	2,805,480	2,359,641	2,302,473	2,937,513	3,508,415	3,347,649
Student & instruction related services	6,316,925	6,688,809	6,802,350	6,396,058	6,593,628	6,677,248	6,494,257	6,683,139	6,774,725	6,728,802
General administration	1,078,971	786,116	771,136	732,806	738,410	673,381	729,976	740,784	825,200	859,770
School administration services	1,255,763	1,228,680	1,217,880	1,243,620	1,206,558	1,247,396	1,269,811	1,145,064	1,162,703	1,222,158
Central services	733,120	792,491	870,464	823,827	854,771	842,080	857,377	874,539	883,110	853,063
Administrative information technology	229,451	232,310	229,733	100,133	77,633	86,812	76,650	102,928	103,892	98,389
Plant operations & maintenance	5,344,249	5,061,073	5,016,650	4,437,359	5,299,000	4,895,913	5,091,235	4,600,643	4,550,529	4,384,900
Pupil transportation	3,234,895	3,100,479	3,131,417	2,840,653	2,837,748	2,762,885	2,911,389	2,773,960	2,981,497	3,086,740
Employee benefits	8,713,929	8,955,547	8,834,386	9,632,156	9,091,053	9,217,675	9,402,449	9,133,980	9,664,071	10,779,594
On-behalf TPAF pension & Social Security contribution	4,155,183	2,942,887	2,994,452	3,030,822	3,554,261	4,435,950	3,967,955	4,352,067	5,219,414	5,933,671
Capital outlay	1,291,445	1,987,018	475,334	494,602	2,255,004	3,934,512	2,024,350	1,121,996	1,783,617	3,470,913
Lease purchase agreements - principal	282,794	291,916	301,334	-	-	-	-	-	-	-
Special revenue funds	618,060	669,206	962,305	1,221,978	708,114	753,212	656,500	750,884	772,434	701,951
Capital projects fund	1,203,250	1,773,085	3,265,591	2,390,687	4,106,430	132,950	198,192	2,047,335	-	-
Debt service										
Principal	1,365,000	1,430,000	1,510,000	1,570,000	1,780,000	1,660,000	1,710,000	1,720,000	1,795,000	1,805,000
Interest & other charges	1,131,403	1,076,050	1,016,989	1,059,075	782,477	835,213	847,621	764,221	661,695	605,115
Total expenditures	60,048,055	60,824,928	61,093,461	58,872,296	63,255,019	61,282,446	59,983,651	61,443,550	62,231,653	66,266,334

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Excess (deficiency) of revenues over (under) expenditures	\$ 1,763,549	\$ 946,358	\$ 716,630	\$ 4,224,485	\$ 1,522,632	\$ 2,198,053	\$ 3,586,097	\$ 2,814,521	\$ 2,887,206	\$ 348,919
Other financing sources (uses)										
FEMA aid for Hurricane Irene - unrestricted	-	-	-	-	-	-	-	85,768	-	-
Proceeds from refunding bond issue	-	-	-	-	13,480,000	-	-	-	-	-
Premium on bond issue	-	-	-	-	1,499,222	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	(14,911,130)	-	-	-	-	-
Proceeds from sale of capital assets	2,250	-	9,881	21,249	-	9,882	50,309	111,846	-	-
Proceeds from insurance claim/Trade-in of capital assets	14,500	18,353	-	-	16,043	-	-	-	3,000	-
Transfers in (out)	-	-	(163,198)	160,054	(95,803)	103,875	120,773	113,719	181,716	174,935
Total other financing sources (uses)	16,750	18,353	(153,317)	181,303	(11,668)	113,757	171,082	311,333	184,716	174,935
Net change in fund balances	<u>\$ 1,780,299</u>	<u>\$ 964,711</u>	<u>\$ 563,313</u>	<u>\$ 4,405,788</u>	<u>\$ 1,510,964</u>	<u>\$ 2,311,810</u>	<u>\$ 3,757,179</u>	<u>\$ 3,125,854</u>	<u>\$ 3,071,922</u>	<u>\$ 523,854</u>
Debt service as a percentage of non-capital expenditures	5.07%	5.16%	5.19%	4.93%	4.72%	4.56%	4.63%	4.45%	4.24%	3.99%

Source: District Records

Note: Non-capital expenditures are total expenditures less capital outlay, capital projects and debt service.

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Local Tax Levy by Constituent District
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Fiscal Year	Township of Delaware	Township of East Amwell	Borough of Flemington	Township of Raritan	Township of Readington	Totals
2008	\$ 5,327,092	\$ 3,595,806	\$ 2,619,494	\$ 20,400,332	\$ 17,548,882	\$ 49,491,606
2009	5,348,722	3,444,178	2,705,521	20,444,801	18,071,042	50,014,264
2010	5,256,929	3,681,970	2,377,581	20,591,635	18,871,025	50,779,140
2011	4,906,820	3,570,940	2,636,553	22,012,758	19,499,902	52,626,973
2012	4,974,378	4,090,335	2,374,973	21,736,702	19,430,308	52,606,696
2013	5,132,133	3,934,415	2,051,348	22,134,425	18,258,960	51,511,281
2014	5,011,929	3,925,596	1,780,040	22,156,077	18,615,512	51,489,154
2015	5,275,273	4,016,234	1,985,298	21,757,758	18,139,697	51,174,260
2016	5,445,579	3,969,478	2,082,063	22,344,693	18,003,809	51,845,622
2017	4,803,518	4,157,136	2,001,966	23,588,274	18,236,351	52,787,244

Source: District Records

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Tuition	\$ 147,370	\$ 132,521	\$ 132,715	\$ 105,811	\$ 78,337	\$ 50,572	\$ 92,142	\$ 92,426	\$ 176,781	\$ 169,318
Interest income	496,321	388,837	297,338	150,157	116,791	112,930	91,955	101,851	122,808	145,937
Energy rebates	-	-	14,285	52,423	16,721	14,045	15,524	34,721	96,581	27,141
Student information management for other LEA's	55,730	55,740	83,665	-	-	8,434	-	-	-	-
E-rate rebates	47,266	41,976	41,473	40,449	35,582	35,115	29,516	43,141	44,122	74,513
Prior year										
Outstanding checks canceled	16,003	5,410	2,886	4,850	25	1,253	2,323	4,652	4,899	-
Accounts payable canceled	60,731	275	23,643	53,498	76,172	36,642	227,641	78,261	39,480	55,758
Refunds	68,826	82,141	40,698	30,946	62,339	75,821	97,087	193,792	31,995	65,952
Transportation administrative fees	34,000	-	-	-	-	18,000	-	-	-	-
Reimbursement - other LEA	-	-	122,800	-	-	-	-	-	-	-
Service fees	-	-	-	-	21,800	-	-	-	-	-
Sale of surplus equipment	5,390	2,561	1,871	-	-	-	-	-	-	-
Proceeds from sale of supplies	-	-	-	5,614	4,499	4,975	1,198	3,075	11,035	4,388
Shared service agreement fees	-	-	-	53,260	29,700	29,700	38,316	38,900	35,925	35,000
Co-curricular participation fees	-	-	-	130,875	136,350	135,450	134,660	118,350	133,000	134,900
Corporate advertising revenue	-	-	-	20,800	16,400	20,700	18,138	21,500	26,500	25,150
Early college program	7,752	-	-	-	-	-	-	-	-	-
Donations	-	30,230	-	-	-	-	5,995	-	10,849	-
Insurance rebates	-	-	36,271	73,473	-	15,723	-	40,174	23,719	-
Joint transportation revenue	5,520	38,600	98,288	123,472	104,794	178,709	374,256	104,461	65,315	57,463
Building use rental income	20,795	20,928	39,401	41,974	37,395	48,050	67,640	52,550	58,450	65,640
Miscellaneous										
Account balances canceled	-	-	-	-	-	-	-	80	15,264	-
Refunds	-	-	21,320	-	-	-	-	-	-	-
Miscellaneous	1,803	4,721	3,514	1,273	1,549	2,902	820	465	1,479	1,897
Annual totals	\$ 967,507	\$ 803,940	\$ 960,168	\$ 888,875	\$ 738,454	\$ 789,021	\$ 1,197,211	\$ 928,399	\$ 898,202	\$ 863,057

Source: District Records

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
All Constituent Districts
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Vacant land	\$ 164,216,480	\$ 147,786,420	\$ 139,458,420	\$ 128,968,720	\$ 117,195,020	\$ 110,590,422	\$ 122,991,595	\$ 122,460,120	\$ 113,305,920	\$ 95,427,720
Residential	7,003,710,575	6,690,508,450	6,587,095,200	6,498,521,800	6,465,637,500	6,267,112,600	6,298,038,600	6,348,707,100	6,392,010,800	6,441,096,200
Farm regular	616,834,000	614,704,900	618,917,400	615,367,900	612,560,900	551,135,272	539,419,621	525,420,700	519,578,300	525,271,100
Farm qualified	19,558,557	19,778,557	19,191,944	18,710,762	18,421,692	18,821,097	18,643,007	18,593,684	19,055,140	19,026,783
Commercial	1,310,860,561	1,352,668,586	1,346,713,161	1,352,276,361	1,346,632,781	1,330,038,140	1,331,400,540	1,267,805,840	1,238,432,300	1,247,011,000
Industrial	178,098,200	175,798,800	163,509,596	163,735,396	165,442,196	171,214,796	167,602,596	161,132,496	162,469,796	162,910,000
Apartment	60,219,600	58,809,100	56,342,900	54,381,700	53,965,400	53,252,100	54,004,200	57,414,100	59,898,900	62,725,500
Total assessed value	9,353,497,973	9,060,054,813	8,931,228,621	8,831,962,639	8,779,855,489	8,502,164,427	8,532,100,159	8,501,534,040	8,504,751,156	8,553,468,303
Public utilities (a)	21,923,718	18,335,088	19,962,981	20,780,381	19,154,830	17,782,687	5,754,198	1,632,797	1,607,599	1,622,311
Net valuation taxable	\$ 9,375,421,691	\$ 9,078,389,901	\$ 8,951,191,602	\$ 8,852,743,020	\$ 8,799,010,319	\$ 8,519,947,114	\$ 8,537,854,357	\$ 8,503,166,837	\$ 8,506,358,755	\$ 8,555,090,614
Estimated actual county equalized value	\$10,747,642,534	\$ 10,342,783,008	\$ 10,310,574,599	\$ 10,008,085,528	\$ 9,561,085,552	\$ 9,303,139,610	\$ 9,012,382,855	\$ 8,974,211,531	\$ 9,237,817,533	\$ 9,445,680,620
Percentage of net valuation to estimated actual equalized value	87.23%	87.78%	86.82%	88.46%	92.03%	91.58%	94.73%	94.75%	92.08%	90.57%
Regional high school tax rate by constituent district (b):										
Delaware Township	\$ 0.60	\$ 0.58	\$ 0.54	\$ 0.55	\$ 0.56	\$ 0.64	\$ 0.67	\$ 0.69	\$ 0.60	\$ 0.60
East Amwell Township	\$ 0.44	\$ 0.47	\$ 0.45	\$ 0.52	\$ 0.50	\$ 0.58	\$ 0.60	\$ 0.60	\$ 0.62	\$ 0.63
Flemington Borough	\$ 0.49	\$ 0.48	\$ 0.52	\$ 0.54	\$ 0.49	\$ 0.45	\$ 0.43	\$ 0.46	\$ 0.46	\$ 0.44
Raritan Township	\$ 0.47	\$ 0.51	\$ 0.54	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.58	\$ 0.59
Readington Township	\$ 0.63	\$ 0.65	\$ 0.68	\$ 0.71	\$ 0.69	\$ 0.70	\$ 0.69	\$ 0.69	\$ 0.70	\$ 0.72

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 the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies
- (b) Tax rates are per \$100

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property by Constituent District
Delaware Township
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Vacant land	\$ 13,593,120	\$ 12,155,120	\$ 10,571,520	\$ 12,373,520	\$ 11,155,520	\$ 8,649,620	\$ 8,135,620	\$ 6,913,420	\$ 7,096,320	\$ 6,357,320
Residential	586,262,500	592,543,500	595,297,600	594,251,900	598,887,800	515,755,700	525,352,300	536,516,600	537,945,200	537,507,700
Farm regular	261,890,800	262,976,800	265,891,900	268,009,200	265,109,100	229,195,800	225,358,900	217,293,700	217,854,300	219,692,500
Farm qualified	6,567,900	6,368,300	6,310,000	6,259,300	6,207,200	6,632,300	6,516,700	6,486,910	6,454,510	6,501,710
Commercial	18,483,500	19,279,100	18,830,500	18,597,500	19,047,700	17,203,300	17,196,100	17,273,600	17,745,400	17,968,600
Industrial	8,742,900	8,742,900	8,742,900	8,742,900	8,740,600	7,270,600	7,270,600	7,270,600	7,270,600	7,270,600
Apartment	1,065,700	1,065,700	1,065,700	1,065,700	1,065,700	939,500	939,500	939,500	939,500	939,500
Total assessed value	896,606,420	903,131,420	906,710,120	909,300,020	910,213,620	785,646,820	790,769,720	792,694,330	795,305,830	796,237,930
Public utilities (a)	1,388,560	1,400,921	1,512,092	1,394,200	1,449,513	1,421,870	430,436	458,540	436,573	434,134
Net valuation taxable	\$ 897,994,980	\$ 904,532,341	\$ 908,222,212	\$ 910,694,220	\$ 911,663,133	\$ 787,068,690	\$ 791,200,156	\$ 793,152,870	\$ 795,742,403	\$ 796,672,064
Estimated actual county equalized value	\$ 1,043,088,417	\$ 1,003,974,575	\$ 1,014,206,825	\$ 984,321,465	\$ 957,931,211	\$ 897,256,328	\$ 886,498,774	\$ 881,280,967	\$ 918,023,077	\$ 882,054,987
Percentage of net valuation to estimated actual equalized value	86.09%	90.10%	89.55%	92.52%	95.17%	87.72%	89.25%	90.00%	86.68%	90.32%
Total regional high school tax rate (b)	\$ 0.60	\$ 0.58	\$ 0.54	\$ 0.55	\$ 0.56	\$ 0.64	\$ 0.67	\$ 0.69	\$ 0.60	\$ 0.60

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 the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies
- (b) Tax rates are per \$100

* Revalued/Reassessed

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property by Constituent District
East Amwell Township
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Vacant land	\$ 14,132,800	\$ 13,832,800	\$ 13,767,300	\$ 13,492,900	\$ 12,970,200	\$ 9,304,400	\$ 8,780,700	\$ 8,399,600	\$ 8,636,700	\$ 8,836,200
Residential	523,094,200	527,491,700	527,938,000	531,967,900	533,983,300	447,094,600	448,217,200	450,127,700	451,287,800	453,019,600
Farm regular	141,769,700	140,841,000	141,055,000	138,144,900	138,541,500	118,965,000	118,396,800	116,320,800	115,158,200	115,304,600
Farm qualified	5,287,057	5,528,620	5,544,700	5,264,900	4,983,300	4,982,900	4,985,500	4,972,000	4,986,275	4,967,585
Commercial	103,980,461	94,686,561	94,870,161	95,119,461	94,992,961	87,525,600	87,284,700	85,051,600	85,095,500	86,788,800
Apartment	2,188,600	2,188,600	2,142,700	2,142,700	2,142,700	2,262,200	2,262,200	2,262,200	2,262,200	2,262,200
Total assessed value	790,452,818	784,569,281	785,317,861	786,132,761	787,613,961	670,134,700	669,927,100	667,133,900	667,426,675	671,178,985
Public utilities (a)	1,272,179	1,261,509	2,216,404	1,831,762	1,837,274	1,757,313	876,506	916,552	913,321	930,472
Net valuation taxable	\$ 791,724,997	\$ 785,830,790	\$ 787,534,265	\$ 787,964,523	\$ 789,451,235	\$ 671,892,013	\$ 670,803,606	\$ 668,050,452	\$ 668,339,996	\$ 672,109,457
Estimated actual county equalized value	\$ 843,679,175	\$ 808,335,681	\$ 810,804,349	\$ 809,164,636	\$ 785,298,888	\$ 754,125,900	\$ 726,528,329	\$ 726,220,732	\$ 731,145,385	\$ 722,154,783
Percentage of net valuation to estimated actual equalized value	93.84%	97.22%	97.13%	97.38%	100.53%	89.10%	92.33%	91.99%	91.41%	93.07%
Total regional high school tax rate (b)	\$ 0.44	\$ 0.47	\$ 0.45	\$ 0.52	\$ 0.50	\$ 0.58	\$ 0.60	\$ 0.60	\$ 0.62	\$ 0.63

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 the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies
- (b) Tax rates are per \$100

* Revalued/Reassessed

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property by Constituent District
Flemington Borough
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Vacant land	\$ 5,010,500	\$ 4,500,000	\$ 3,902,700	\$ 3,769,700	\$ 3,138,500	\$ 2,725,700	\$ 2,725,700	\$ 2,670,400	\$ 2,743,600	\$ 2,839,400
Residential	258,907,500	241,033,400	216,142,600	210,592,400	210,453,900	205,135,900	209,921,500	213,974,000	217,771,700	220,991,100
Commercial	221,209,500	233,114,100	210,993,100	202,435,700	194,354,480	180,830,700	188,275,300	186,465,500	181,895,900	179,626,200
Industrial	3,365,000	3,351,100	3,223,000	3,097,000	2,777,000	2,557,700	2,687,700	1,871,200	1,871,200	1,871,200
Apartment	42,997,200	42,234,000	39,940,200	37,979,000	36,932,400	35,969,100	36,721,200	40,131,100	42,615,900	45,443,500
Total assessed value	531,489,700	524,232,600	474,201,600	457,873,800	447,656,280	427,219,100	440,331,400	445,112,200	446,898,300	450,771,400
Public utilities (a)	7,850,869	6,245,384	4,488,355	3,508,064	2,709,007	2,094,055	-	-	-	-
Net valuation taxable	\$ 539,340,569	\$ 530,477,984	\$ 478,689,955	\$ 461,381,864	\$ 450,365,287	\$ 429,313,155	\$ 440,331,400	\$ 445,112,200	\$ 446,898,300	\$ 450,771,400
Estimated actual county equalized value	\$ 562,398,925	\$ 577,485,286	\$ 550,363,341	\$ 520,704,269	\$ 473,628,721	\$ 461,765,994	\$ 450,328,697	\$ 470,023,442	\$ 470,122,344	\$ 452,218,499
	**	**	**	**	**	**	**	**	**	**
Percentage of net valuation to estimated actual equalized value	95.90%	91.86%	86.98%	88.61%	95.09%	92.97%	97.78%	94.70%	95.06%	99.68%
Total regional high school tax rate (b)	\$ 0.49	\$ 0.48	\$ 0.52	\$ 0.54	\$ 0.49	\$ 0.45	\$ 0.43	\$ 0.46	\$ 0.46	\$ 0.44
	**	**	**	**	**	**	**	**	**	**

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 the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies
- (b) Tax rates are per \$100

- * Revalued/Reassessed
- ** Revalued/reassessed-exemption(s) apply

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property by Constituent District
Raritan Township
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Vacant land	\$ 96,565,800	\$ 83,602,300	\$ 76,421,100	\$ 71,362,300	\$ 64,626,500	\$ 54,240,100	\$ 66,809,275	\$ 68,935,700	\$ 63,634,700	\$ 51,373,300
Residential	3,484,001,475	3,174,796,750	3,075,441,300	3,086,291,900	3,097,354,300	3,109,189,600	3,106,721,300	3,124,946,400	3,148,815,000	3,171,053,600
Farm regular	74,711,900	69,474,000	71,113,900	72,385,500	70,919,000	69,609,900	67,392,100	65,361,100	63,259,700	65,031,600
Farm qualified	3,076,100	3,245,300	3,059,900	3,054,000	3,033,200	3,034,600	2,905,100	2,921,200	2,887,700	2,883,240
Commercial	514,729,300	551,130,525	587,488,500	599,594,100	602,906,740	611,756,940	609,384,640	612,089,040	610,793,500	620,335,100
Industrial	115,852,600	112,267,100	102,443,496	99,712,296	102,401,596	109,899,696	106,157,496	100,503,896	99,941,196	99,855,400
Apartment	12,686,700	12,039,400	12,000,400	12,000,400	12,713,200	12,713,200	12,713,200	12,713,200	12,713,200	12,713,200
Total assessed value	4,301,623,875	4,006,555,375	3,927,968,596	3,944,400,496	3,953,954,536	3,970,444,036	3,972,083,111	3,987,470,536	4,002,044,996	4,023,245,440
Public utilities (a)	6,484,948	5,255,322	7,164,889	7,750,312	8,313,709	8,154,192	-	-	-	-
Net valuation taxable	\$ 4,308,108,823	\$ 4,011,810,697	\$ 3,935,133,485	\$ 3,952,150,808	\$ 3,962,268,245	\$ 3,978,598,228	\$ 3,972,083,111	\$ 3,987,470,536	\$ 4,002,044,996	\$ 4,023,245,440
Estimated actual county equalized value	\$ 4,496,300,568	\$ 4,293,921,328	\$ 4,300,495,959	\$ 4,213,829,628	\$ 4,136,411,155	\$ 4,017,974,377	\$ 3,843,703,417	\$ 3,916,580,430	\$ 4,040,021,195	\$ 4,155,815,969
Percentage of net valuation to estimated actual equalized value	95.81%	93.43%	91.50%	93.79%	95.79%	99.02%	103.34%	101.81%	99.06%	96.81%
Total regional high school tax rate (b)	\$ 0.47	\$ 0.51	\$ 0.54	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.58	\$ 0.59

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 the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies
- (b) Tax rates are per \$100

* Revalued/Reassessed

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property by Constituent District
Readington Township
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Vacant land	\$ 34,914,260	\$ 33,696,200	\$ 34,795,800	\$ 27,970,300	\$ 25,304,300	\$ 35,670,602	\$ 36,540,300	\$ 35,541,000	\$ 31,194,600	\$ 26,021,500
Residential	2,151,444,900	2,154,643,100	2,172,275,700	2,075,417,700	2,024,958,200	1,989,936,800	2,007,826,300	2,023,142,400	2,036,191,100	2,058,524,200
Farm regular	138,461,600	141,413,100	140,856,600	136,828,300	137,991,300	133,364,572	128,271,821	126,445,100	123,306,100	125,242,400
Farm qualified	4,627,500	4,636,337	4,277,344	4,132,562	4,197,992	4,171,297	4,235,707	4,213,574	4,726,655	4,674,248
Commercial	452,457,800	454,458,300	434,530,900	436,529,600	435,330,900	432,721,600	429,259,800	366,926,100	342,902,000	342,292,300
Industrial	50,137,700	51,437,700	49,100,200	52,183,200	51,523,000	51,486,800	51,486,800	51,486,800	53,386,800	53,912,800
Apartment	1,281,400	1,281,400	1,193,900	1,193,900	1,111,400	1,368,100	1,368,100	1,368,100	1,368,100	1,367,100
Total assessed value	2,833,325,160	2,841,566,137	2,837,030,444	2,734,255,562	2,680,417,092	2,648,719,771	2,658,988,828	2,609,123,074	2,593,075,355	2,612,034,548
Public utilities (a)	4,927,162	4,171,952	4,581,241	6,296,043	4,845,327	4,355,257	4,447,256	257,705	257,705	257,705
Net valuation taxable	\$ 2,838,252,322	\$ 2,845,738,089	\$ 2,841,611,685	\$ 2,740,551,605	\$ 2,685,262,419	\$ 2,653,075,028	\$ 2,663,436,084	\$ 2,609,380,779	\$ 2,593,333,060	\$ 2,612,292,253
Estimated actual county equalized value	\$ 3,802,175,449	\$ 3,659,066,138	\$ 3,634,704,125	\$ 3,480,065,530	\$ 3,207,815,577	\$ 3,172,017,011	\$ 3,105,323,638	\$ 2,980,105,960	\$ 3,078,505,532	\$ 3,233,436,382
Percentage of net valuation to estimated actual equalized value	74.65%	77.77%	78.18%	78.75%	83.71%	83.64%	85.77%	87.56%	84.24%	80.79%
Total regional high school tax rate (b)	\$ 0.63	\$ 0.65	\$ 0.68	\$ 0.71	\$ 0.69	\$ 0.70	\$ 0.69	\$ 0.69	\$ 0.70	\$ 0.72

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 the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies
- (b) Tax rates are per \$100

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates by Constituent District
Delaware Township
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate			Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7) Total Regional High School Tax Rate	Direct School Tax Rate	Municipality	County	
2008	\$ 0.57	\$ 0.03	\$ 0.60	\$ 0.78	\$ 0.29	\$ 0.39	\$ 2.06
2009	0.55	0.03	0.58	0.81	0.29	0.38	2.06
2010	0.52	0.02	0.54	0.84	0.30	0.39	2.07
2011	0.52	0.03	0.55	0.84	0.30	0.37	2.06
2012	0.53	0.03	0.56	0.85	0.32	0.37	2.10
2013	* 0.61	0.03	0.64	0.98	0.37	0.41	2.40
2014	0.64	0.03	0.67	0.97	0.41	0.41	2.46
2015	0.66	0.03	0.69	0.99	0.43	0.41	2.52
2016	0.57	0.03	0.60	1.02	0.44	0.43	2.49
2017	0.58	0.02	0.60	1.05	0.45	0.41	2.51

Sources: Municipal Tax Collector

NOTE: N.J.S.A. 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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

* Revalued/Reassessed

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates by Constituent District
East Amwell Township
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate			Overlapping Rates				Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7) Total Regional High School Tax Rate	Direct School Tax Rate	Municipality	County	Fire District	
2008	\$ 0.42	\$ 0.02	\$ 0.44	\$ 0.78	\$ 0.18	\$ 0.35	\$ 0.02	\$ 1.77
2009	0.45	0.02	0.47	0.80	0.19	0.36	0.02	1.84
2010	0.43	0.02	0.45	0.82	0.19	0.35	0.03	1.84
2011	0.50	0.02	0.52	0.84	0.19	0.35	0.03	1.93
2012	0.48	0.02	0.50	0.84	0.19	0.35	0.03	1.91
2013	* 0.55	0.03	0.58	1.01	0.23	0.41	0.03	2.26
2014	0.57	0.03	0.60	1.03	0.22	0.40	0.03	2.28
2015	0.57	0.03	0.60	1.04	0.22	0.41	0.03	2.30
2016	0.59	0.03	0.62	1.06	0.23	0.41	0.04	2.36
2017	0.57	0.06	0.63	1.06	0.25	0.40	0.04	2.38

Sources: Municipal Tax Collector

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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

* Revalued/Reassessed

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates by Constituent District
Flemington Borough
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate			Overlapping Rates			Total Direct & Overlapping Tax Rate	
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7) Total Regional High School Tax Rate	Direct School Tax Rate	Municipality	County		
2008	*	\$ 0.47	\$ 0.02	\$ 0.49	\$ 0.89	\$ 0.49	\$ 0.32	\$ 2.19
2009	*	0.46	0.02	0.48	0.93	0.51	0.35	2.27
2010	*	0.50	0.02	0.52	1.11	0.58	0.37	2.58
2011	*	0.52	0.02	0.54	1.20	0.64	0.35	2.73
2012	*	0.47	0.02	0.49	1.20	0.69	0.34	2.72
2013	*	0.43	0.02	0.45	1.29	0.78	0.36	2.88
2014	*	0.41	0.02	0.43	1.30	0.89	0.35	2.97
2015	*	0.44	0.02	0.46	1.33	0.90	0.36	3.05
2016	*	0.44	0.02	0.46	1.38	0.94	0.36	3.14
2017	*	0.42	0.02	0.44	1.35	0.96	0.34	3.09

Sources: Municipal Tax Collector

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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

* Revalued/Reassessed-exemption(s) apply

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates by Constituent District
Raritan Township
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate			Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7) Total Regional High School Tax Rate	Direct School Tax Rate	Municipality	County	
2008	\$ 0.45	\$ 0.02	\$ 0.47	\$ 0.92	\$ 0.25	\$ 0.35	\$ 1.99
2009	0.49	0.02	0.51	1.02	0.27	0.37	2.17
2010	* 0.52	0.02	0.54	1.05	0.29	0.38	2.26
2011	0.52	0.03	0.55	1.05	0.30	0.37	2.27
2012	0.53	0.02	0.55	1.07	0.30	0.37	2.29
2013	0.53	0.02	0.55	1.08	0.31	0.37	2.31
2014	0.53	0.02	0.55	1.09	0.31	0.36	2.31
2015	0.53	0.02	0.55	1.12	0.31	0.37	2.35
2016	0.56	0.02	0.58	1.14	0.32	0.37	2.41
2017	0.57	0.02	0.59	1.16	0.32	0.38	2.45

Sources: Municipal Tax Collector

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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.

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

* Revalued/Reassessed

See independent auditors' report.

**HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates by Constituent District
Readington Township
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)**

Assessment Year	School District Direct Rate			Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General (From J-7)		Direct School Tax Rate	Municipality	County	
		Obligation Debt Service (b)	Total Regional High School Tax Rate				
2008	\$ 0.60	\$ 0.03	\$ 0.63	\$ 1.04	\$ 0.40	\$ 0.45	\$ 2.52
2009	0.62	0.03	0.65	1.04	0.44	0.44	2.57
2010	0.65	0.03	0.68	1.04	0.45	0.43	2.60
2011	0.68	0.03	0.71	1.08	0.45	0.43	2.67
2012	0.66	0.03	0.69	1.09	0.47	0.42	2.67
2013	0.67	0.03	0.70	1.09	0.51	0.43	2.73
2014	0.66	0.03	0.69	1.08	0.52	0.43	2.72
2015	0.66	0.03	0.69	1.10	0.54	0.42	2.75
2016	0.67	0.03	0.70	1.11	0.55	0.44	2.80
2017	0.69	0.03	0.72	1.12	0.57	0.46	2.87

Sources: Municipal Tax Collector

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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

See independent auditors' report.

**HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Principal Property Taxpayers by Constituent District
Delaware Township
Current Year and Nine Years Prior**

	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
	Texas Eastern Transmission Corp	\$ 3,426,400	1	0.43%	\$ 3,984,900	1
Trap Rock Industries Inc.	3,173,800	2	0.40%	3,752,600	2	0.42%
Holly Farm Partners	2,720,900	3	0.34%	-	-	-
Sentinel Self Storage LLC	2,467,700	4	0.31%	-	-	-
Cane Poultry Farm Inc.	2,442,700	5	0.31%	3,028,600	3	0.34%
Individual Property Owner #1	2,222,000	6	0.28%	2,537,100	4	0.28%
Individual Property Owner #2	2,092,900	7	0.26%	2,380,400	5	0.27%
Individual Property Owner #3	1,921,900	8	0.24%	2,257,600	6	0.25%
Individual Property Owner #4	1,902,400	9	0.24%	1,946,500	8	0.22%
Individual Property Owner #5	1,788,800	10	0.22%	1,877,300	9	0.21%
Tulach Mhoir LLC	-	-	-	2,009,100	7	0.22%
Brook Hollow Farms of Sergeantsville LLC	-	-	-	1,667,800	10	0.19%
	<u>\$ 24,159,500</u>		<u>3.03%</u>	<u>\$ 25,441,900</u>		<u>2.83%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Principal Property Taxpayers by Constituent District
East Amwell Township
Current Year and Nine Years Prior

	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
	Texas Eastern Transmission Corp	\$ 37,706,600	1	5.61%	\$ 42,282,000	1
The Ridge at Back Brook Road	10,500,000	2	1.56%	19,756,700	2	2.50%
Algonquin Gas Trans c/o Duke Energy	6,536,100	3	0.97%	8,288,100	3	1.05%
Bosum/Neely Partnership	3,527,000	4	0.52%	1,741,800	10	0.22%
Individual Property Owner #1	2,266,100	5	0.34%	1,947,700	6	0.25%
Hunterdon Storage Inc.	1,781,000	6	0.26%	2,781,000	4	0.35%
Southwick Farm LLC	1,720,900	7	0.26%	-	-	-
Back Brook Farm LLC	1,708,300	8	0.25%	-	-	-
Ringoes TLC LLC	1,513,000	9	0.23%	-	-	-
Jordan, Sidney & T/A Ifida Realty	1,511,900	10	0.22%	1,811,600	7	0.23%
Buckeye Pipeline Inc.	-	-	-	2,639,700	5	0.33%
Individual Property Owner #2	-	-	-	1,766,100	8	0.22%
Individual Property Owner #3	-	-	-	1,754,200	9	0.22%
	<u>\$ 68,770,900</u>		<u>10.23%</u>	<u>\$ 84,768,900</u>		<u>10.71%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Principal Property Taxpayers by Constituent District
Flemington Borough
Current Year and Nine Years Prior

	2017			2008		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Flemington South	\$ 21,206,000	1	4.70%	\$ 8,831,500	5	1.64%
Flemington Apartments LLC	15,847,000	2	3.52%	14,464,700	2	2.68%
Liberty Village	14,909,000	3	3.31%	34,236,100	1	6.35%
Biltmore Realty Company	12,330,000	4	2.74%	11,700,000	3	2.17%
Hunterdon Shopping Center	7,687,000	5	1.71%	9,041,000	4	1.68%
Flemington Fidelco	7,672,000	6	1.70%	7,280,000	7	1.35%
Roho LLC	6,700,000	7	1.49%	8,650,000	6	1.60%
John M Saums & Sons	4,055,000	8	0.90%	5,335,000	8	0.99%
Hunterdon Mews LLC	3,900,000	9	0.87%	-	-	-
Acramal	3,780,000	10	0.84%	-	-	-
Flemington Circle Park Associates	-		-	4,410,400	9	0.82%
NJN Associates	-		-	4,390,000	10	0.81%
	<u>\$ 98,086,000</u>		<u>21.76%</u>	<u>\$ 108,338,700</u>		<u>20.09%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Principal Property Taxpayers by Constituent District
Raritan Township
Current Year and Nine Years Prior

	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
	Flemington Fair Association	\$ 50,942,800	1	1.27%	\$ -	-
Bedford Falls LLC	35,525,500	2	0.88%	21,401,200	5	0.50%
Hunterdon Medical Center	31,708,400	3	0.79%	21,173,100	6	0.49%
Flemington Mall Ltd	26,000,000	4	0.65%	34,100,600	1	0.79%
Johanna Foods, Inc.	19,891,600	5	0.49%	12,104,200	10	0.28%
Clojo Circle LLC c/o Flem Retail	19,486,900	6	0.48%	22,808,600	3	0.53%
1200 Route 523 LLC	16,850,000	7	0.42%	-	-	-
Raritan Village Shopping Center LLC	16,657,500	8	0.41%	-	-	-
M R Development Corp	15,615,000	9	0.39%	16,285,000	8	0.38%
Foremost Realty LP	15,181,000	10	0.38%	-	-	-
Equity Industrial Flemington LLC	-	-	-	26,543,200	2	0.62%
Raritan Valley Developers Inc	-	-	-	22,557,800	4	0.52%
FBS Partners III, LP	-	-	-	18,306,500	7	0.42%
Macedo Industrial Park	-	-	-	15,661,400	9	0.36%
	<u>\$ 247,858,700</u>		<u>6.16%</u>	<u>\$ 210,941,600</u>		<u>4.90%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

**HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Principal Property Taxpayers by Constituent District
Readington Township
Current Year and Nine Years Prior**

	2017			2008		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Merck & Co	\$ 126,457,230	1	4.84%	\$ 228,709,404	1	8.06%
Federal Insurance Co	55,507,800	2	2.12%	63,285,000	2	2.23%
Lamington River Farms	12,303,270	3	0.47%	14,525,500	3	0.51%
Individual Property Owner #1	9,867,171	4	0.38%	-	-	-
Toll NJ I LLC	8,880,000	5	0.34%	-	-	-
Transcontinental Gas Pipeline	8,274,600	6	0.32%	8,334,400	4	0.29%
Whitehouse Mall	6,587,400	7	0.25%	6,587,400	6	0.23%
Somerville Associates	5,700,000	8	0.22%	5,700,000	7	0.20%
Salem Realty II LLC	5,539,700	9	0.21%	5,500,000	9	0.19%
Bishop & Bishop Land Partnership	5,539,700	10	0.21%	5,539,700	8	0.20%
Stanton Golf Properties	-	-	-	7,492,500	5	0.26%
Readington Farms Inc.	-	-	-	5,370,500	10	0.19%
	<u>\$ 244,656,871</u>		<u>9.37%</u>	<u>\$ 351,044,404</u>		<u>12.37%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Property Tax Levies and Collections
All Constituent Districts
Last Ten Years

Year Ending December 31,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2007	\$ 199,664,459	\$ 196,902,264	98.62%
2008	202,949,924	200,097,313	98.59%
2009	206,675,478	203,989,490	98.70%
2010	210,238,288	207,262,620	98.58%
2011	210,351,582	207,303,404	98.55%
2012	209,739,857	205,976,156	98.21%
2013	212,373,073	209,490,345	98.64%
2014	213,387,141	210,432,585	98.62%
2015	215,893,992	213,392,021	98.84%
2016	220,149,514	217,792,513	98.93%

Source: 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.

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Property Tax Levies and Collections
Delaware Township
Last Ten Years

Year Ending December 31,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2007	\$ 18,370,000	\$ 18,160,970	98.86%
2008	18,647,744	18,435,074	98.86%
2009	18,706,104	18,466,104	98.72%
2010	18,887,078	18,422,195	97.54%
2011	18,850,610	18,465,116	97.96%
2012	19,188,246	18,796,219	97.96%
2013	19,004,642	18,649,706	98.13%
2014	19,547,863	19,186,609	98.15%
2015	20,039,700	19,764,316	98.63%
2016	19,861,875	19,573,620	98.55%

Source: 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.

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Property Tax Levies and Collections
East Amwell Township
Last Ten Years

Year Ending December 31,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2007	\$ 14,156,590	\$ 13,960,492	98.61%
2008	14,098,240	13,860,767	98.32%
2009	14,486,633	14,207,423	98.07%
2010	14,592,462	14,357,077	98.39%
2011	15,237,105	14,960,953	98.19%
2012	15,139,056	14,824,470	97.92%
2013	15,182,177	14,849,769	97.81%
2014	15,341,328	15,037,558	98.02%
2015	15,377,111	15,108,451	98.25%
2016	15,864,191	15,568,148	98.13%

Source: 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.

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Property Tax Levies and Collections
Flemington Borough
Last Ten Years

Year Ending December 31,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2007	\$ 11,974,444	\$ 11,626,930	97.10%
2008	11,981,757	11,699,318	97.64%
2009	12,066,573	11,840,123	98.12%
2010	12,368,776	12,016,633	97.15%
2011	12,895,597	12,570,448	97.48%
2012	12,605,496	12,220,686	96.95%
2013	12,751,585	12,532,700	98.28%
2014	13,439,219	12,927,822	96.19%
2015	13,972,093	13,605,192	97.37%
2016	14,400,529	14,074,328	97.73%

Source: 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.

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Property Tax Levies and Collections
Raritan Township
Last Ten Years

Year Ending December 31,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2007	\$ 84,531,460	\$ 83,567,051	98.86%
2008	86,218,138	85,203,207	98.82%
2009	87,838,814	86,999,863	99.04%
2010	90,012,565	89,150,832	99.04%
2011	89,947,971	88,787,651	98.71%
2012	90,985,865	89,365,597	98.22%
2013	92,777,393	91,768,547	98.91%
2014	92,413,832	91,492,345	99.00%
2015	94,274,701	93,444,937	99.12%
2016	97,017,955	96,366,632	99.33%

Source: 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.

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Property Tax Levies and Collections
Readington Township
Last Ten Years

Year Ending December 31,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2007	\$ 70,631,965	\$ 69,586,821	98.52%
2008	72,004,045	70,898,947	98.47%
2009	73,577,354	72,475,977	98.50%
2010	74,377,407	73,315,883	98.57%
2011	73,420,299	72,519,236	98.77%
2012	71,821,194	70,769,184	98.54%
2013	72,657,276	71,689,623	98.67%
2014	72,644,899	71,788,251	98.82%
2015	72,230,387	71,469,125	98.95%
2016	73,004,964	72,209,785	98.91%

Source: 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.

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2008	\$ 25,213,000	\$ -	\$ 593,250	\$ -	\$ -	\$ -	\$ 25,806,250	0.73%	\$ 496
2009	23,783,000	-	301,334	-	-	-	24,084,334	0.63%	462
2010	22,273,000	-	-	-	-	-	22,273,000	0.60%	426
2011	20,703,000	-	-	-	-	-	20,703,000	0.56%	402
2012	18,575,000	-	-	-	-	-	18,575,000	0.50%	361
2013	16,915,000	-	-	-	-	-	16,915,000	0.44%	330
2014	15,205,000	-	-	-	-	-	15,205,000	0.39%	297
2015	13,485,000	-	-	-	-	-	13,485,000	0.34%	264
2016	11,690,000	-	-	-	-	-	11,690,000	0.28%	229
2017	9,885,000	-	-	-	-	-	9,885,000	N/A	194

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

- (a) See Exhibit J-15 for personal income and population data.
These ratios are calculated using personal income and population for the prior calendar year.
- (b) Includes early retirement incentive plan (ERIP) funding

N/A Information is not available.

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds (c)	Deductions	Net General Bonded Debt Outstanding		
2008	\$ 25,213,000	\$ -	\$ 25,213,000	0.27%	\$ 484
2009	23,783,000	-	23,783,000	0.26%	456
2010	22,273,000	-	22,273,000	0.25%	426
2011	20,703,000	-	20,703,000	0.23%	402
2012	18,575,000	-	18,575,000	0.21%	361
2013	16,915,000	-	16,915,000	0.20%	330
2014	15,205,000	-	15,205,000	0.18%	297
2015	13,485,000	-	13,485,000	0.16%	264
2016	11,690,000	-	11,690,000	0.13%	229
2017	9,885,000	-	9,885,000	0.10%	194

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

- (a) See Exhibit J-7 for property tax data.
- (b) Population data can be found in Exhibit J-15.
- (c) Includes early retirement incentive plan (ERIP) funding
- N/A Information is not available.

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
Delaware Township
As of December 31, 2016

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Governmental Unit			
Debt repaid with property taxes			
Local School District	\$ 2,440,000	100.00%	\$ 2,440,000
Regional High School	10,025,000	9.67%	969,458
County general obligation debt	75,793,752	4.23%	<u>3,203,811</u>
Subtotal, overlapping debt			6,613,269
Municipal direct debt			<u>7,980,592</u>
Total direct and overlapping debt			<u><u>\$ 14,593,861</u></u>

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

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

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

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
East Amwell Township
As of December 31, 2016

Governmental Unit	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Local School District	\$ 420,000	100.00%	\$ 420,000
Regional High School	10,025,000	7.87%	788,716
County general obligation debt	75,793,752	3.44%	<u>2,606,504</u>
Subtotal, overlapping debt			3,815,219
Municipal direct debt			<u>4,139,454</u>
Total direct and overlapping debt			<u><u>\$ 7,954,673</u></u>

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

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

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

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
Flemington Borough
As of December 31, 2016

Governmental Unit	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Regional Grammar School	\$ 30,870,000	10.37%	\$ 3,200,080
Regional High School	10,025,000	5.04%	505,760
County general obligation debt	75,793,752	2.21%	<u>1,671,407</u>
Subtotal, overlapping debt			5,377,248
Municipal direct debt			<u>6,099,166</u>
Total direct and overlapping debt			<u><u>\$ 11,476,414</u></u>

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

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

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

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
Raritan Township
As of December 31, 2016

Governmental Unit	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Regional Grammar School	\$ 30,870,000	89.63%	\$ 27,669,920
Regional High School	10,025,000	43.62%	4,373,121
County general obligation debt	75,793,752	19.07%	<u>14,452,047</u>
Subtotal, overlapping debt			46,495,088
Municipal direct debt			<u>17,724,628</u>
Total direct and overlapping debt			<u><u>\$ 64,219,716</u></u>

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

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

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

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
Readington Township
As of December 31, 2016

Governmental Unit	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Local School District	\$ 20,200,000	100.00%	\$ 20,200,000
Regional High School	10,025,000	33.79%	3,387,945
County general obligation debt	75,793,752	14.77%	<u>11,196,292</u>
Subtotal, overlapping debt			34,784,236
Municipal direct debt			<u>54,763,556</u>
Total direct and overlapping debt			<u><u>\$ 89,547,792</u></u>

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

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

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

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized Valuation Basis	
	2016	\$ 9,393,740,923
	2015	9,236,765,199
	2014	9,017,580,887
		<u>\$ 27,648,087,009</u>
Average equalized valuation of taxable property		<u>\$ 9,216,029,003</u>
Debt limit (3.0% of average equalization value)		\$ 276,480,870
Total net debt applicable to limit		<u>9,885,000</u>
Legal debt margin		<u>\$ 266,595,870</u>

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt limit	\$ 289,904,045	\$ 278,800,482	\$ 273,067,184	\$ 272,384,814	\$ 276,480,870
Total net debt applicable	16,915,000	15,205,000	13,485,000	11,690,000	9,885,000
Legal debt margin	<u>\$ 272,989,045</u>	<u>\$ 272,989,045</u>	<u>\$ 259,582,184</u>	<u>\$ 260,694,814</u>	<u>\$ 266,595,870</u>
Total net debt applicable to the limit as a percentage of debt limit	5.83%	5.45%	4.94%	4.29%	3.58%

	Fiscal Year				
	2008	2009	2010	2011	2012
Debt limit	\$ 295,956,463	\$ 312,080,910	\$ 314,021,085	\$ 309,486,620	\$ 299,229,168
Total net debt applicable	25,631,275	24,201,275	22,691,275	20,703,000	18,575,000
Legal debt margin	<u>\$ 270,325,188</u>	<u>\$ 287,879,635</u>	<u>\$ 291,329,810</u>	<u>\$ 288,783,620</u>	<u>\$ 280,654,168</u>
Total net debt applicable to the limit as a percentage of debt limit	8.66%	7.75%	7.23%	6.69%	6.21%

Source: Equalized valuation bases were obtained from the annual report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 18A:24-19

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Demographic and Economic Statistics
All Constituent Districts
Last Ten Years

Year	Population (a)	Personal Income (b)	County of Hunterdon Per Capita Personal Income (c)	Average Unemployment Rate (d)
2008	52,109	\$ 3,840,172,755	\$ 73,695	5.7%
2009	52,281	3,739,555,368	71,528	5.8%
2010	51,480	3,668,413,320	71,259	5.7%
2011	51,456	3,747,386,112	72,827	5.9%
2012	51,224	3,875,044,376	75,649	5.9%
2013	51,129	3,853,337,085	75,365	5.6%
2014	51,048	4,006,604,376	78,487	4.5%
2015	51,001	4,118,789,759	80,759	3.8%
2016	50,824	N/A	N/A	3.6%
2017	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept. of Labor and Workforce
 - (b) Personal income has been estimated based upon the municipal population and per capita personal income presented
 - (c) Per capita personal income by County estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
 - (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development
- N/A Information is not available.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Demographic and Economic Statistics
Delaware Township
Last Ten Years

Year	Population (a)	Personal Income (b)	County of Hunterdon Per Capita Personal Income (c)	Unemployment Rate (d)
2008	4,705	\$ 346,734,975	\$ 73,695	4.5%
2009	4,708	336,753,824	71,528	4.6%
2010	4,564	325,226,076	71,259	4.5%
2011	4,543	330,853,061	72,827	4.7%
2012	4,523	342,160,427	75,649	4.7%
2013	4,517	340,423,705	75,365	3.9%
2014	4,511	354,054,857	78,487	3.9%
2015	4,492	362,769,428	80,759	3.3%
2016	4,460	N/A	N/A	3.4%
2017	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept. of Labor and Workforce
 - (b) Personal income has been estimated based upon the municipal population and per capita personal income presented
 - (c) Per capita personal income by County estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
 - (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development
- N/A Information is not available.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Demographic and Economic Statistics
East Amwell Township
Last Ten Years

Year	Population (a)	Personal Income (b)	County of Hunterdon Per Capita Personal Income (c)	Unemployment Rate (d)
2008	4,482	\$ 330,300,990	\$ 73,695	6.8%
2009	4,485	320,803,080	71,528	7.0%
2010	3,997	284,822,223	71,259	6.9%
2011	3,978	289,705,806	72,827	7.1%
2012	3,959	299,494,391	75,649	7.1%
2013	3,941	297,013,465	75,365	7.2%
2014	3,929	308,375,423	78,487	4.6%
2015	3,909	315,686,931	80,759	3.9%
2016	3,909	N/A	N/A	3.3%
2017	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept. of Labor and Workforce
 - (b) Personal income has been estimated based upon the municipal population and per capita personal income presented
 - (c) Per capita personal income by County estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
 - (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development
- N/A Information is not available.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Demographic and Economic Statistics
Flemington Borough
Last Ten Years

Year	Population (a)	Personal Income (b)	County of Hunterdon Per Capita Personal Income (c)	Unemployment Rate (d)
2008	4,307	\$ 317,404,365	\$ 73,695	7.3%
2009	4,403	314,937,784	71,528	7.5%
2010	4,588	326,936,292	71,259	7.4%
2011	4,743	345,418,461	72,827	7.6%
2012	4,715	356,685,035	75,649	7.6%
2013	4,694	353,763,310	75,365	4.8%
2014	4,671	366,612,777	78,487	4.7%
2015	4,648	375,367,832	80,759	4.1%
2016	4,621	N/A	N/A	3.8%
2017	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept. of Labor and Workforce
 - (b) Personal income has been estimated based upon the municipal population and per capita personal income presented
 - (c) Per capita personal income by County estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
 - (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development
- N/A Information is not available.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Demographic and Economic Statistics
Raritan Township
Last Ten Years

Year	Population (a)	Personal Income (b)	County of Hunterdon Per Capita Personal Income (c)	Unemployment Rate (d)
2008	22,474	\$ 1,656,221,430	\$ 73,695	3.7%
2009	22,516	1,610,524,448	71,528	3.8%
2010	22,209	1,582,591,131	71,259	3.7%
2011	22,144	1,612,681,088	72,827	3.8%
2012	22,069	1,669,497,781	75,649	3.8%
2013	22,030	1,660,290,950	75,365	5.8%
2014	22,027	1,728,833,149	78,487	4.7%
2015	22,039	1,779,847,601	80,759	3.9%
2016	21,959	N/A	N/A	3.6%
2017	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept. of Labor and Workforce
 - (b) Personal income has been estimated based upon the municipal population and per capita personal income presented
 - (c) Per capita personal income by County estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
 - (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development
- N/A Information is not available.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Demographic and Economic Statistics
Readington Township
Last Ten Years

Year	Population (a)	Personal Income (b)	County of Hunterdon Per Capita Personal Income (c)	Unemployment Rate (d)
2008	16,141	\$ 1,189,510,995	\$ 73,695	6.0%
2009	16,169	1,156,536,232	71,528	6.2%
2010	16,122	1,148,837,598	71,259	6.1%
2011	16,048	1,168,727,696	72,827	6.3%
2012	15,958	1,207,206,742	75,649	6.3%
2013	15,947	1,201,845,655	75,365	6.3%
2014	15,910	1,248,728,170	78,487	4.7%
2015	15,913	1,285,117,967	80,759	3.9%
2016	15,875	N/A	N/A	3.7%
2017	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept. of Labor and Workforce
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (c) Per capita personal income by County estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development
N/A Information is not available.

**HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago**

2017

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2008

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction										
Regular	221.5	221.9	215.5	210.0	208.7	210.0	208.7	209.0	207.5	206.5
Special education	82.0	85.0	75.5	78.0	78.0	82.6	82.6	80.7	85.5	86.5
Other special education	4.0	4.0	4.3	4.2	4.2	2.0	2.0	3.0	2.0	2.0
Other instruction	5.0	5.0	5.0	5.0	5.0	4.0	4.0	5.0	4.0	4.0
Support services										
Student and instruction related services	76.0	77.8	79.0	78.2	78.0	82.0	81.0	76.9	74.4	78.4
General administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administration services	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	13.0	13.0
Central services	10.0	11.0	12.8	11.8	11.8	11.8	11.8	11.8	12.0	11.8
Administrative information technology	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Plant operations and maintenance	48.0	48.0	48.0	44.0	44.0	44.0	44.0	44.0	43.0	43.0
Pupil transportation	61.0	66.0	66.0	64.0	64.0	64.0	64.0	64.0	64.0	62.0
Total	526.5	537.7	525.1	513.2	511.7	518.4	516.1	512.4	509.4	511.2

Source: District Personnel Records

See independent auditors' report.

**HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years**

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2008	3,042	\$ 54,774,163	\$ 18,006	2.40%	284	1 to 12.00	3,027.0	2,977.3	4.65%	98.36%
2009	3,092	54,266,859	17,551	-2.53%	287	1 to 12.00	2,981.4	2,889.0	-1.51%	96.90%
2010	3,121	54,524,213	17,470	-0.46%	282	1 to 12.30	2,986.1	2,941.9	0.16%	98.52%
2011	3,057	53,350,211	17,452	-0.10%	278	1 to 12.50	2,911.1	2,828.0	-2.51%	97.15%
2012	3,045	54,331,108	17,843	2.24%	275	1 to 12.50	2,897.6	2,857.8	-0.46%	98.63%
2013	3,012	54,719,771	18,167	1.82%	276	1 to 12.50	3,036.3	2,919.5	4.79%	96.15%
2014	2,932	55,203,488	18,828	3.64%	274	1 to 12.70	2,927.2	2,830.5	-3.59%	96.70%
2015	2,962	55,789,998	18,835	0.04%	273	1 to 12.60	2,923.6	2,826.2	-0.12%	96.67%
2016	3,029	57,991,341	19,145	1.65%	278	1 to 12.30	2,935.5	2,839.3	0.41%	96.72%
2017	2,961	60,385,306	20,394	6.52%	279	1 to 12.20	2,986.4	2,872.7	1.73%	96.19%

Source: District Records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
High School square footage										
100 level (1955/1962/2007)	144,828	144,828	144,828	144,828	144,828	144,828	144,828	144,828	144,828	144,828
200/300 level (1958/2007)	67,170	67,170	67,170	67,170	67,170	67,170	67,170	67,170	67,170	67,170
600 level (1971)	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700
700 level (1971/1998)	32,345	32,345	32,345	32,345	32,345	32,345	32,345	32,345	32,345	32,345
Media center (1971/2007)	21,799	21,799	21,799	21,799	21,799	21,799	21,799	21,799	21,799	21,799
Music building (1971/2007)	12,681	12,681	12,681	12,681	12,681	12,681	12,681	12,681	12,681	12,681
Field house (1971/1998)	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031
Communications building (1992)	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750
Administrative wing (1996)	3,505	3,505	3,505	3,505	3,505	3,505	3,505	3,505	3,505	3,505
800/900 level (1998/2007)	119,020	119,020	119,020	119,020	119,020	119,020	119,020	119,020	119,020	119,020
Alternative education (2009)	-	3,476	3,476	3,476	3,476	3,476	3,476	3,476	3,476	3,476
Subtotal	<u>474,829</u>	<u>478,305</u>	<u>478,305</u>	<u>478,305</u>	<u>478,305</u>	<u>478,305</u>	<u>478,305</u>	<u>478,305</u>	<u>478,305</u>	<u>478,305</u>
Business office building	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Operations buildings	9,380	9,380	9,380	9,380	9,380	7,580	7,580	7,580	7,580	7,580
Operations storage building (2013)	-	-	-	-	-	-	2,640	2,640	2,640	2,640
Trailers	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600
Transportation building (1977)	3,435	3,435	3,435	3,435	3,435	3,435	3,435	3,435	3,435	3,435
Transportation maint. garage (2010)	-	-	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
Subtotal	<u>17,415</u>	<u>17,415</u>	<u>22,815</u>	<u>22,815</u>	<u>22,815</u>	<u>21,015</u>	<u>23,655</u>	<u>23,655</u>	<u>23,655</u>	<u>23,655</u>
Total building square footage	492,244	495,720	501,120	501,120	501,120	499,320	501,960	501,960	501,960	501,960
Capacity (students)	3,120	3,170	3,170	3,170	3,170	3,170	3,170	3,170	3,170	3,170
Average daily Enrollment	3,027.0	2,981.4	2,986.1	2,911.1	2,897.6	3,036.3	2,927.2	2,923.6	2,935.5	2,986.4

Number of schools at June 30, 2017

Senior high school - 1

Source: District Facilities Office

N/A = Not Available

NOTE: Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions. Enrollment is based on the annual October District count.

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facility
Last Ten Fiscal Years

Undistributed expenditures - Required maintenance for school facilities

<u>Fiscal Year Ending</u>	<u>District Wide Campus*</u>	<u>Total</u>
2008	\$ 1,015,201	\$ 1,015,201
2009	1,094,536	1,094,536
2010	1,119,818	1,119,818
2011	917,152	917,152
2012	1,829,288	1,829,288
2013	1,517,389	1,517,389
2014	1,508,790	1,508,790
2015	1,029,045	1,029,045
2016	1,136,699	1,136,699
2017	1,039,715	1,039,715
Total school facilities	<u><u>\$ 12,207,633</u></u>	<u><u>\$ 12,207,633</u></u>

* School Facilities as Defined Under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Insurance Schedule
June 30, 2017
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Worker's Compensation - New Jersey Schools Insurance Group		
Injury per Accident	\$ 2,000,000	\$ -
Disease per employee	2,000,000	-
Disease Policy Limit	2,000,000	-
School Package Policy - Utica National Insurance Group		
Property - Blanket Building & Contents	109,291,848	1,000
Comprehensive General Liability	1,000,000	-
Blanket Dishonesty Bond	100,000	500
Excess Umbrella - Utica National Insurance Group		
Policy Limit	10,000,000	10,000
Storage Tank Liability - ACE American Insurance Company		
Policy Limit	1,000,000	25,000
School Board Legal Liability Insurance - Utica National Insurance Group		
Policy Limit (per occurrence)	1,000,000	10,000
Policy Limit (aggregate)	3,000,000	-
Student Accident Insurance - Berkley Life and Health Insurance Company through BMI		
Policy Limit	5,000,000	-
Broadcasters Liability - Federal Insurance Company		
Policy Limit	2,000,000	5,000
Transportation Jointure Package Policy - New Jersey Schools Insurance Group		
Comprehensive General Liability	31,000,000	-
Public Employees' Faithful Performance - Selective Insurance Company		
Treasurer of School Monies Bond	330,000	-
Business Administrator's Bond	250,000	-
Commercial Automobile - Utica National Insurance Group		
Policy Limit	1,000,000	1,000

Source: District Records

See independent auditors' report.



**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***

Honorable President and
Members of the Board of Education
Hunterdon Central Regional High School District
County of Hunterdon, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Hunterdon Central Regional High School District, County of Hunterdon, the State of New Jersey, (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 29, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Hunterdon Central Regional High School 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 entity'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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies as findings number 2017-001 and 2017-002.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as findings number 2017-001 and 2017-002.

Hunterdon Central Regional High School Districts Response to Findings

Hunterdon Central Regional High School District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bedard, Kurowicki & Co.
BEDARD, KUROWICKI & CO., CPA'S, PC

William Colantano

William M. Colantano, Jr.
Public School Accountant
No. CS 0128

November 29, 2017
Flemington, New Jersey



**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by The Uniform Guidance and New Jersey
OMB Circular Letter 15-08**

Honorable President and
Members of the Board of Education
Hunterdon Central Regional High School District
County of Hunterdon, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Hunterdon Central Regional High School District's, (the District), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the New Jersey OMB Circular Letter 15-08 that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2017. Hunterdon Central Regional High School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08. Those standards, the Uniform Guidance and 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 federal or 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 federal and state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal and 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 federal and state programs for the fiscal year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of non-compliance, which is required to be reported in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08 and which is described in the accompanying schedule of findings and questioned costs as finding number 2017-002. Our opinion on each major federal and state program is not modified with respect to this matter.

The District's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the Hunterdon Central Regional High School District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 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 Hunterdon Central Regional High School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as finding no. 2017 - 002 which we consider to be a significant deficiency.

The District's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

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

Bedard, Kurowicki & Co.
BEDARD, KUROWICKI & CO., CPA'S, PC



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

November 29, 2017
Flemington, New Jersey

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards - Schedule A
For the Fiscal Year Ended June 30, 2017

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance 06/30/16	Carryover Amount	Cash Received	Budgetary Expenditure	Adjust- ment	Repayment of Prior Year Balance	Balance June 30, 2017					
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor			
U.S. Departments of Education and Health & Human services																		
General fund																		
ARRA - Medical assistance program	93.778	1705NJ5MAP	ARRA-2300	\$ 1,264	04/01/09	12/31/10	\$ -	\$ -	\$ 1,264	\$ 1,264	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Medical assistance program	93.778	1605NJ5MAP	N/A	32,786	07/01/15	06/30/16	(5,429)	-	5,429	-	-	-	-	-	-	-		
Medical assistance program	93.778	1705NJ5MAP	N/A	23,678	07/01/16	06/30/17	-	-	23,678	23,678	-	-	-	-	-	-		
Total general fund							(5,429)	-	30,371	24,942	-	-	-	-	-	-		
U.S. Department of Education passed through State Department of Education																		
Special revenue fund																		
NCLB Title I A	84.010A	S010A160030	NCLB-2300-17	\$ 57,824	07/01/16	06/30/17	-	-	4,212	57,824	-	-	(53,612)	-	-	-		
NCLB Title I A	84.010A	S010A150030	NCLB-2300-16	58,734	07/01/15	06/30/16	(2,193)	-	2,193	-	-	-	-	-	-	-		
NCLB Title II A	84.367A	S367A160029	NCLB-2300-17	40,787	07/01/16	06/30/17	-	-	24,282	40,787	-	-	(16,505)	-	-	-		
NCLB Title II A	84.367A	S367A150029	NCLB-2300-16	43,314	07/01/15	06/30/16	(9,035)	-	9,035	-	-	-	-	-	-	-		
NCLB Title III	84.365A	S365A160030	NCLB-2300-17	12,213	07/01/16	06/30/17	-	-	9,864	12,213	-	-	(2,349)	-	-	-		
NCLB Title III	84.365A	S365A150030	NCLB-2300-16	24,562	07/01/15	06/30/16	(138)	-	138	-	-	-	-	-	-	-		
NCLB Title III Immigrant	84.365A	S365A160030	NCLB-2300-17	4,155	07/01/16	06/30/17	-	-	-	1,273	-	-	(1,273)	-	-	-		
NCLB Title III Immigrant	84.365A	S365A150030	NCLB-2300-16	6,648	07/01/15	06/30/16	(1,431)	-	1,431	-	-	-	-	-	-	-		
IDEA Basic	84.027	H027A160100	IDEA-2300-17	550,961	07/01/16	06/30/17	-	-	550,961	550,961	-	-	-	-	-	-		
Total special revenue fund							(12,797)	-	602,116	663,058	-	-	(73,739)	-	-	-		
U.S. Department of Agriculture passed through State Department of Agriculture																		
Enterprise fund																		
Child nutrition cluster																		
National school lunch program cash assistance	10.555	1616NJ304N1099	N/A	115,505	07/01/15	06/30/16	(5,486)	-	5,486	-	-	-	-	-	-	-		
National school lunch program non-cash assistance (commodities)	10.555	1616NJ304N1099	N/A	39,041	07/01/15	06/30/16	3,916	-	-	3,916	-	-	-	-	-	-		
National school lunch program cash assistance	10.555	171NJ304N1099	N/A	130,282	10/01/16	09/30/17	-	-	124,848	130,282	-	-	(5,434)	-	-	-		
National school lunch program non-cash assistance (commodities)	10.555	171NJ304N1099	N/A	48,354	10/01/16	09/30/17	-	-	48,354	47,185	-	-	-	1,169	-	-		
School breakfast program	10.553	1616NJ304N1099	N/A	17,260	07/01/15	06/30/16	(1,351)	-	1,351	-	-	-	-	-	-	-		
School breakfast program	10.553	171NJ304N1099	N/A	21,378	10/01/16	09/30/17	-	-	20,120	21,378	-	-	(1,258)	-	-	-		
Total Child nutrition cluster and enterprise fund							(2,921)	-	200,159	202,761	-	-	(6,692)	1,169	-	-		
Total federal financial assistance							\$ (21,147)	\$ -	\$ 832,646	\$ 890,761	\$ -	\$ -	\$ (80,431)	\$ 1,169	\$ -	\$ -		

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B
For the Fiscal Year Ended June 30, 2017

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2016		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2017			Memo	
					Unearned Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General fund														
Equalization aid	17-495-034-5120-078	\$ 3,185,863	07/01/16	06/30/17	\$ -	\$ -	\$ 2,891,804	\$ 3,185,863	\$ -	\$ -	\$ -	\$ -	\$ 294,059	\$ 3,185,863
Transportation aid	17-495-034-5120-014	308,410	07/01/16	06/30/17	-	-	279,943	308,410	-	-	-	-	28,467	308,410
Special education categorical aid	17-495-034-5120-089	1,840,406	07/01/16	06/30/17	-	-	1,670,535	1,840,406	-	-	-	-	169,871	1,840,406
Security aid	17-495-034-5120-084	48,383	07/01/16	06/30/17	-	-	43,917	48,383	-	-	-	-	4,466	48,383
School choice aid	17-495-034-5120-068	233,342	07/01/16	06/30/17	-	-	211,804	233,342	-	-	-	-	21,538	233,342
PARCC Readiness aid	17-495-034-5120-098	29,880	07/01/16	06/30/17	-	-	27,122	29,880	-	-	-	-	2,758	29,880
Per pupil growth aid	17-495-034-5120-097	29,880	07/01/16	06/30/17	-	-	27,122	29,880	-	-	-	-	2,758	29,880
Professional learning community aid	17-495-034-5120-101	29,810	07/01/16	06/30/17	-	-	27,059	29,810	-	-	-	-	2,751	29,810
Extraordinary aid	17-495-034-5120-044	461,590	07/01/16	06/30/17	-	-	-	461,590	-	(461,590)	-	-	-	461,590
Extraordinary aid	16-495-034-5120-044	449,131	07/01/15	06/30/16	(449,131)	-	449,131	-	-	-	-	-	-	449,131
Non-public transportation aid	16-495-034-5120-014	17,651	07/01/15	06/30/16	(21,788)	-	21,788	-	-	-	-	-	-	17,651
Non-public transportation aid	17-495-034-5120-014	15,127	07/01/16	06/30/17	-	-	-	15,127	-	(15,127)	-	-	-	15,127
Payment for institutionalized children unknown residence	16-495-034-5120-005	178,639	07/01/15	06/30/16	(1,897)	-	1,897	-	-	-	-	-	-	178,639
Payment for institutionalized children unknown residence	17-495-034-5120-005	106,896	07/01/16	06/30/17	-	-	98,640	106,896	-	(8,256)	-	-	-	106,896
On behalf TPAF pension contribution - Post retirement medical	17-495-034-5094-001	2,292,549	07/01/16	06/30/17	-	-	2,292,549	2,292,549	-	-	-	-	-	2,292,549
On behalf TPAF pension contribution - Non-contributory insurance	17-495-034-5094-004	83,064	07/01/16	06/30/17	-	-	83,064	83,064	-	-	-	-	-	83,064
On behalf TPAF pension contribution - Long term disability insurance	17-495-034-5094-004	5,177	07/01/16	06/30/17	-	-	5,177	5,177	-	-	-	-	-	5,177
On behalf TPAF pension contribution - Teachers' pension & annuity fund	17-495-034-5094-002	1,979,427	07/01/16	06/30/17	-	-	1,979,427	1,979,427	-	-	-	-	-	1,979,427
Reimbursed TPAF Social Security contribution	17-495-034-5094-003	1,573,454	07/01/16	06/30/17	-	-	1,396,104	1,573,454	-	(177,350)	-	-	-	1,573,454
Reimbursed TPAF Social Security contribution	16-495-034-5094-003	1,522,127	07/01/15	06/30/16	(74,611)	-	74,611	-	-	-	-	-	-	1,522,127
Total general fund					<u>(547,427)</u>	<u>-</u>	<u>11,581,694</u>	<u>12,223,258</u>	<u>-</u>	<u>(662,323)</u>	<u>-</u>	<u>-</u>	<u>526,668</u>	<u>14,390,806</u>
Special revenue fund														
NJ Nonpublic aid														
Nonpublic textbook aid	17-100-034-5120-064	58	07/01/16	06/30/17	-	-	58	-	-	-	-	58	-	-
Nonpublic technology initiative aid	17-100-034-5120-064	26	07/01/16	06/30/17	-	-	26	-	-	-	-	26	-	-
Nonpublic nursing aid	17-100-034-5120-070	90	07/01/16	06/30/17	-	-	90	90	-	-	-	-	-	90
Total capital projects fund					<u>-</u>	<u>-</u>	<u>174</u>	<u>90</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84</u>	<u>-</u>	<u>90</u>
NJ School development authority														
Capital projects fund														
11/12 Wing roof replacement	2300-050-14-1014	549,200	07/01/13	06/30/17	(549,200)	-	549,200	-	-	-	-	-	-	549,200
Total capital projects fund					<u>(549,200)</u>	<u>-</u>	<u>549,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>549,200</u>

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B (continued)
For the Fiscal Year Ended June 30, 2017

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2016		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2017			Memo	
					Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Agriculture														
Enterprise fund														
State school lunch program	16-100-010-3350-023	5,346	07/01/16	06/30/17	\$ -	\$ -	\$ 5,126	\$ 5,346	\$ -	\$ (220)	\$ -	\$ -	\$ -	\$ 5,346
State school lunch program	16-100-010-3350-023	4,999	07/01/15	06/30/16	(230)	-	230	-	-	-	-	-	-	4,999
Total enterprise fund					(230)	-	5,356	5,346	-	(220)	-	-	-	10,345
Total State financial assistance					\$ (1,096,857)	\$ -	\$ 12,136,424	12,228,694	\$ -	\$ (662,543)	\$ -	\$ 84	\$ 526,668	\$ 14,950,441
Less: On behalf TPAF Pension system contributions								(4,360,217)						
Total for State financial assistance - major program determination								\$ 7,868,477						

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
June 30, 2017

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all Federal and State financial assistance of the Board of Education, Hunterdon Central Regional High School District. The Board of Education is defined in Note 1 (A) to the Board's financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's financial statements.

Note 3 - Relationship to basic financial statements

The financial statements present the General Fund and Special Revenue Fund on a GAAP basis. Budgetary comparison statements or schedules are presented for the General Fund and Special Revenue Fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General Fund is presented in the accompanying Schedules on the modified accrual basis with the exception of the revenue recognition of the last State Aid payment in the current budget year, which is mandated pursuant to PL 2003, Ch. 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the State deferred and recording of the last State Aid payment in the subsequent year. The Special Revenue Fund is presented in the accompanying Schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$15,111) for the General Fund, (\$19) for the Special Revenue Fund and \$18,122 for the Capital Projects Fund. For a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds, see Exhibit C-3 and for the Capital Projects Fund see Exhibit F-2.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
June 30, 2017

Note 3 - Relationship to basic financial statements (continued)
 Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	Local	Federal	State	Total
General Fund	\$ -	\$ 24,942	\$ 12,208,147	\$ 12,233,089
Special Revenue Fund	38,822	663,039	90	701,951
Capital Projects Fund			18,122	18,122
Food Service Fund	-	202,761	5,346	208,107
Total	\$ 38,822	\$ 890,742	\$ 12,231,705	\$ 13,161,269

Note 4 - Relationship to federal and state financial reports
 Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 5 - Other
 Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2017. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2017.

Note 6 - Indirect costs
 The District has elected not to utilize the 10% de minimis indirect cost rate.

**HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section I
For the Fiscal Year Ended June 30, 2017**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified? Yes No
2. Were significant deficiencies identified? Yes None reported

Noncompliance material to basic financial statements noted?

Yes No

Federal Awards

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes No
2. Were significant deficiencies identified? Yes None reported

What was the type of auditor's report issued on compliance for major programs?

Unmodified

Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a)?

Yes No

Identification of Major Programs:

CFDA Number(s)	FEIN Number(s)	Name of Federal Program or Cluster
84.027	H027A160100	IDEA Basic
		Child Nutrition Cluster
10.555	171NJ304N1099	National School Lunch Program
10.553	171NJ304N1099	School Breakfast Program

What was the dollar threshold used to distinguish between Type A and Type B programs?

\$750,000

Did the auditee qualify as a low-risk auditee?

Yes No

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section I
For the Fiscal Year Ended June 30, 2017

Section I - Summary of Auditor's Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? Yes No

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified? Yes No
- 2. Were there significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

What was the type of auditor's report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable? Yes No

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
	<i>State Aid Public Cluster:</i>
<u>17-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>17-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>17-495-034-5120-084</u>	<u>Security Aid</u>
<u>17-495-034-5120-068</u>	<u>School Choice Aid</u>
<u>17-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>17-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>17-495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u>17-495-034-5120-014</u>	<u>Transportation Aid</u>
<u>17-495-034-5120-044</u>	<u>Extraordinary Aid</u>

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Sections II and III
For the Fiscal Year Ended June 30, 2017

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding 2017-001

Criteria

The District is responsible for the proper maintenance of the payroll records and for the correct processing of employee information, which is vital to ensure that the reporting of information is accurate.

Condition

The District over paid several employees, penalties were assessed for late enrollment on employee pensions, and the bank reconciliation for the net payroll bank account had several errors.

Context

Overpayments were made to four employees in the payroll account, which the District identified and is collecting from the employees. The processing of an employee's information by the District's Human Resources Department was delayed which caused the enrollment of the employee in the PERS pension system to be late. Several of the monthly bank reconciliations were inaccurate and required adjustments to correct.

Cause

Unknown

Effect

The District did not report and process accurate information in the payroll account and late processing by the Human Resources Department of employee information caused a late filing penalty.

Recommendation

The records and processes for the payroll fund should be maintained and performed in a complete and accurate manner.

Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Sections II and III
For the Fiscal Year Ended June 30, 2017

Section II - Financial Statement Findings (continued)

Finding 2017-002

Criteria

The District is responsible for the proper maintenance of the accounting records that include all financial transactions for its fiscal year. This enables for the preparation of financial statements that are complete and present fairly the financial position of the District in accordance with accounting principles generally accepted in the United States of America.

Condition

The District's accounting records for the General Fund had several posting errors for revenues and receipts.

Context

Receipts for tax levy and State Aid should have reduced the corresponding receivable accounts in the District's general ledger but increased the revenue account in error. As a result, revenues in the financial statements were overstated.

Cause

Unknown

Effect

The District did not report accurate information in their financial statements for the General Fund.

Recommendation

Greater care be taken in the recording of General Fund revenues and receipts to ensure they are reported accurately.

Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Section III - Federal Awards Findings and Questioned Costs

There were no findings or questioned costs for the year ended June 30, 2017.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs – Sections II and III
For the Fiscal Year Ended June 30, 2017

Section III - State Financial Assistance Findings and Questioned Costs

Finding 2017-002

Criteria

The District is responsible for the proper maintenance of the accounting records that include all financial transactions for its fiscal year. This enables for the preparation of financial statements that are complete and present fairly the financial position of the District in accordance with accounting principles generally accepted in the United States of America.

Condition

The District's accounting records for the General Fund reflected material posting errors for revenues and receipts.

Questioned Costs

None

Context

Several receipts were incorrectly posted in the general ledger and had to be adjusted. The revenues for the tax levy and State Aid were overstated for receipts that should have reduced the corresponding receivable account but increased the revenue account in error and had to be adjusted.

Cause

Unknown

Effect

The District did not report accurate information for the General Fund for several revenue accounts and for several balance sheet accounts.

Recommendation

Greater care be taken in the recording of General Fund revenues and receipts to ensure they are reported accurately.

Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Summary Schedule of Prior - Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2017**

Status of Prior Year Findings

There were no prior year findings or questioned costs.