

**HIGH POINT REGIONAL
HIGH SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018**

**Comprehensive Annual
Financial Report**

of the

**High Point Regional
High School District**

Sussex, New Jersey

For the Fiscal Year Ended June 30, 2018

Prepared by

**High Point Regional High School
For the Fiscal Year Ended June 30, 2018**

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INTRODUCTORY SECTION

HIGH POINT REGIONAL HIGH SCHOOL

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Superintendent
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Jim Minkewicz
Business Administrator/Board Secretary
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January 18, 2019

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

Dear Board Members:

The comprehensive annual financial report of the High Point Regional High School District (the "District") for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, financial trends and fiscal capacity, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels 9 through 12 for the students residing in the Borough of Branchville, Township of Frankford, Township of Lafayette, Borough of Sussex, Township of Wantage, and Township of Montague. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2017-2018 fiscal year with an average daily enrollment of 899 students, which is a decrease of 11 students from the previous year's average daily enrollment.

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

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

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

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

During the 2018-19 school year, we will continue to build upon our stated academic vision and the aforementioned initiatives with the following: daily PLC planning time among educational professionals so as to utilize data to inform instruction; a literacy initiative in which pre and post test data is utilized to bring every student to grade level literacy; continued efforts to institutionalize Positive Behavioral Interventions and Supports (PBIS) and Restorative Practices (RP) to inspire a student culture of restoration of relationships and proactive supports to ensure student well-being and academic success; a more systematic approach to providing students pathways to career success upon graduation; a continued focus on fiscal responsibility.

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

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

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

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

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2018.

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

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

The Honorable President and Members of
the Board of Education
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9) OTHER INFORMATION:

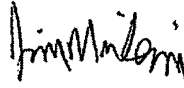
State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the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

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

Respectfully submitted,

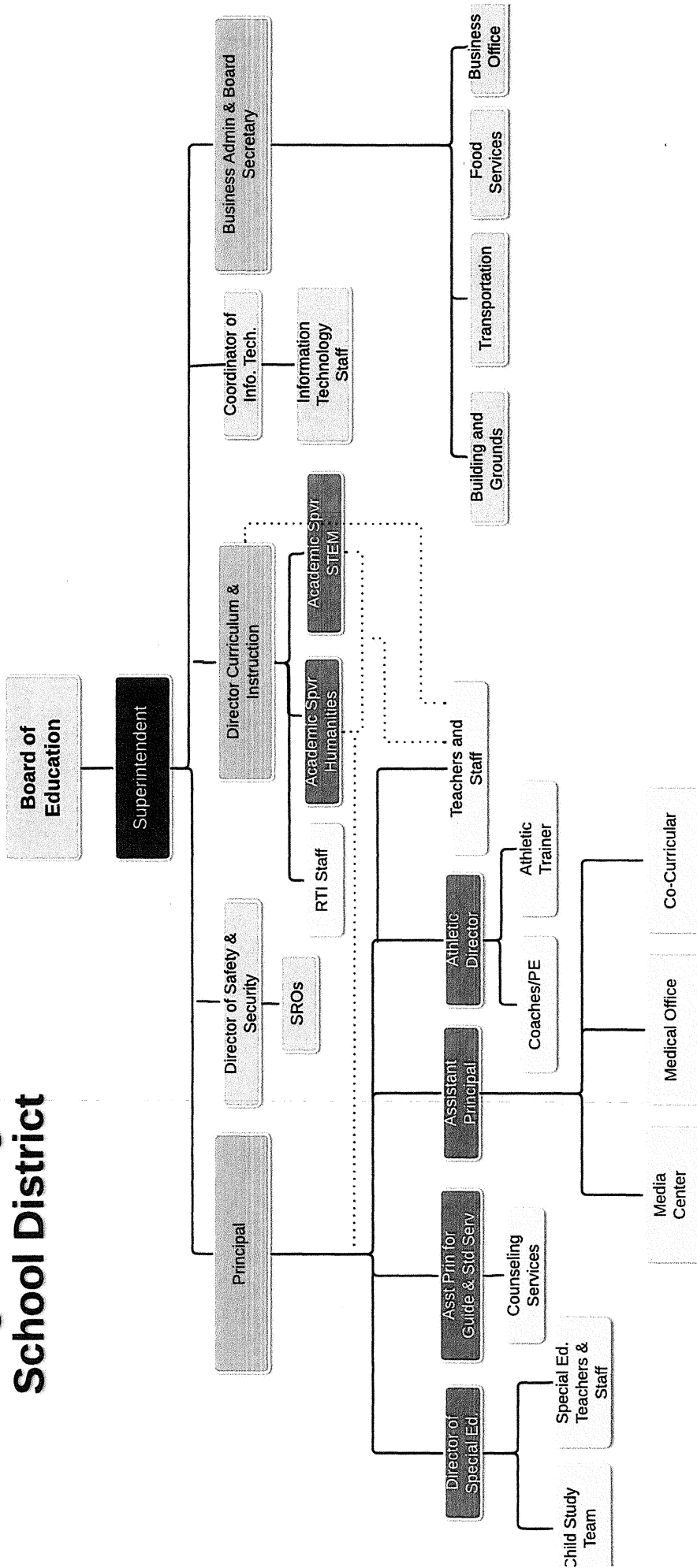


Scott D. Ripley
Superintendent and Chief School Administrator



Jim Minkewicz
Business Administrator/Board Secretary

High Point Regional High School District



**HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2018**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Kyle Vealey, President	Wantage Township	2019
Todd Miller, Vice President	Lafayette Township	2018
Deborah Anderson	Branchville Township	2018
John Notaro	Wantage Township	2018
William Kehoe	Wantage Township	2019
Tom Antcliff	Borough of Sussex	2020
Karen Kymer	Frankford Township	2020
Michael Voitcu	Frankford Township	2018
Wayne Dunn	Wantage Township	2020

Other Officers

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

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

Audit Firm

Nisivoccia LLP, CPAs
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Mount Arlington, NJ 07856
and
Lawrence Business Park
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Attorney

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Metuchen, NJ 08840

Official Depository

Sussex Bank
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Architect

HQW Architects, LLC
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Newton, NJ 07860

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the High Point Regional High School District (the "District") in the County of Sussex, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the High Point Regional High School District, in the County of Sussex, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, during the fiscal year ended June 30, 2018. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the pension schedules and postemployment benefit schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2019 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.

January 18, 2019
Mount Arlington, New Jersey

NISIVOCIA LLP



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

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited**

This section of High Point Regional High School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2018. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the entire District, presenting both an aggregate view of the 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 show how services were financed in the short-term as well as what remains for future spending. The fund financial statements present all funds of the District. The General Fund is by far the most significant fund.

Overview of the Financial Statements

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

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

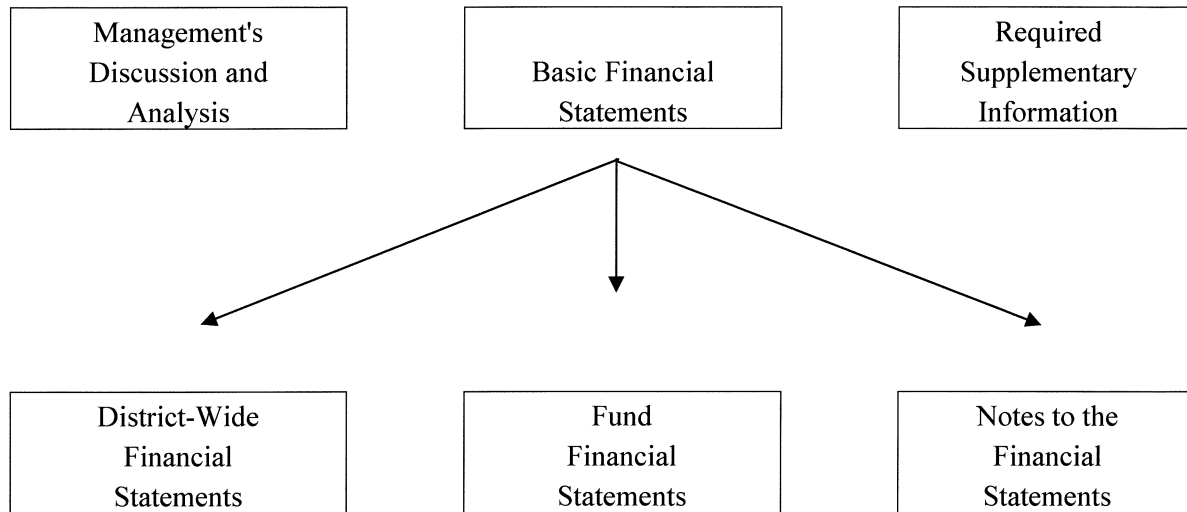


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Notes to the Basic Financial Statements: The notes provide information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

Financial Analysis of the District as a Whole

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

The District's financial position is the product of financial transactions including the net results of activities, the acquisition of capital assets, and the depreciation of capital assets.

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2016/17 (as Restated)	2017/18	2016/17 (as Restated)	2017/18	2016/17 (as Restated)	2017/18	
Current and							
Other Assets	\$ 1,582,137	\$ 1,641,746	\$ 314,667	\$ 367,551	\$ 1,896,804	\$ 2,009,297	
Capital Assets, Net	5,050,769	4,703,580	6,645	3,412	5,057,414	4,706,992	
Total Assets	6,632,906	6,345,326	321,312	370,963	6,954,218	6,716,289	-3.42%
Deferred Outflows of Resources	3,414,117	2,506,252			3,414,117	2,506,252	-26.59%
Other Liabilities	321,638	433,236	16,389	11,076	338,027	444,312	
Long-term Liabilities	11,632,068	9,434,971			11,632,068	9,434,971	
Total Liabilities	11,953,706	9,868,207	16,389	11,076	11,970,095	9,879,283	-17.47%
Deferred Inflows of Resources	289,583	1,724,137			289,583	1,724,137	495.39%
Net Investment in Capital Assets	4,037,258	3,776,813	6,645	3,412	4,043,903	3,780,225	
Restricted	1,173,366	724,918			1,173,366	724,918	
Unrestricted/(Deficit)	(7,406,890)	(7,242,497)	298,278	356,475	(7,108,612)	(6,886,022)	
Total Net Position/ (Deficit)	\$ (2,196,266)	\$ (2,740,766)	\$ 304,923	\$ 359,887	\$ (1,891,343)	\$ (2,380,879)	-25.88%

Changes in Net Position. The District's *combined* net position was (\$2,380,879) on June 30, 2018, \$489,536 less than it was the year before. (See Figure A-3). The net position of the governmental activities and business-type activities decreased \$544,500 and increased \$54,964, respectively (See Figure A-4).

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

	Governmental Activities		Business-Type Activities		Total School District		% Change
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	
Revenue:							
Program Revenue:							
Charges for Services	\$ 895,190	\$ 1,275,757	\$1,348,672	\$1,302,743	\$ 2,243,862	\$ 2,578,500	
Operating Grants & Contributions	14,245,327	14,940,690	74,522	73,208	14,319,849	15,013,898	
Capital Grants & Contributions	628,906				628,906		
General Revenue:							
Property Taxes	15,401,826	14,356,619			15,401,826	14,356,619	
Other	79,449	22,129	5,468	59	84,917	22,188	
Total Revenue	31,250,698	30,595,195	1,428,662	1,376,010	32,679,360	31,971,205	-2.17%
Expenses:							
Instruction	19,910,123	19,833,327			19,910,123	19,833,327	
Pupil and Instruction Services	5,151,581	4,940,490			5,151,581	4,940,490	
Administrative and Business	2,111,418	1,973,570			2,111,418	1,973,570	
Maintenance and Operations	2,983,794	2,247,712			2,983,794	2,247,712	
Transportation	1,911,202	1,908,858			1,911,202	1,908,858	
Other	35,661	235,738	1,535,328	1,321,046	1,570,989	1,556,784	
Total Expenses	32,103,779	31,139,695	1,535,328	1,321,046	33,639,107	32,460,741	-3.50%
Increase/(Decrease) in Net Position	\$ (853,081)	\$ (544,500)	\$ (106,666)	\$ 54,964	\$ (959,747)	\$ (489,536)	48.99%

Governmental Activities

The financial position of the District is decreasing. Maintaining existing programs with a decreasing regular pupil enrollment and the provision of a multitude of special programs and services for disabled pupils has placed great demands on the District's resources.

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

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

Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

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

Figure A-5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2016/17	2017/18	2016/17	2017/18
Instruction	\$ 19,910,123	\$19,833,327	\$ 6,736,005	\$ 4,727,325
Pupil and Instruction Services	5,151,581	4,940,490	4,256,391	4,940,490
Administrative and Business	2,111,418	1,973,570	1,804,274	1,614,267
Maintenance and Operations	2,983,794	2,247,712	2,354,888	2,247,712
Transportation	1,911,202	1,908,858	1,147,137	1,157,716
Other	35,661	235,738	35,661	235,738
	<u>\$ 32,103,779</u>	<u>\$ 31,139,695</u>	<u>\$ 16,334,356</u>	<u>\$14,923,248</u>

Business-Type Activities

Net position from the District’s business-type activities increased by \$54,964. (Refer to Figure A-4). Factors contributing to these results included:

- Food services revenues exceeded revenue by \$6,029, accounting for part of the increase in the net position of the business-type activities.
- Other enterprise funds revenues exceeded revenue by \$48,935 accounting for the majority of the increase in the net position of the business-type activities.

Financial Analysis of the District’s Funds

The District’s financial position remains relatively stable despite significant changes in the student clientele and difficult economic conditions. Salaries of staff have been increased by prior year negotiated agreements. Health costs have been contained for several years, however, significantly increased premiums are anticipated in the next few years. The Board has been able to save health premium costs by offering a program to staff whereby they can waive certain benefits under certain conditions.

General Fund Budgetary Highlights

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

Capital Asset and Long-term Liabilities

**Figure A-6
Capital Assets (Net of Depreciation)**

	Government Activities		Business-Type Activities		Total School District		Percentage
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	Change
	(as Restated)		(as Restated)		(as Restated)		2017/18
Land	\$ 50,000	\$ 50,000			\$ 50,000	\$ 50,000	
Land, Buildings, and Site Improvements	4,354,554	4,119,300			4,354,554	4,119,300	
Furniture, Machinery, and Equipment	646,215	534,280	\$ 6,645	\$ 3,412	652,860	537,692	
Total Capital Assets - (Net of Depreciation)	<u>\$ 5,050,769</u>	<u>\$ 4,703,580</u>	<u>\$ 6,645</u>	<u>\$ 3,412</u>	<u>\$ 5,057,414</u>	<u>\$ 4,706,992</u>	-6.93%

During the year the District purchased equipment for maintenance and grounds, athletic equipment and security equipment amounting to \$110,415 and disposed of equipment amounting to \$203 net of depreciation. The depreciation factored into the governmental-type activities totaled \$457,401 and into the business-type activities totaled \$3,233. (More detailed information about the District’s capital assets is presented in Note 7 to the financial statements.)

Long-term Liabilities

At year-end, the District had no general obligation bonds outstanding at year end as shown in Figure A-7. (More detailed information about the District’s long-term liabilities is presented in Note 8 to the financial statements.)

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percentage Change
	2016/17	2017/18	
Capital Leases Payable	\$ 1,013,511	\$ 926,767	
Net Pension Liability	9,473,067	7,462,461	
Other Long Term Liabilities	1,145,490	1,045,743	
	<u>\$ 11,632,068</u>	<u>\$ 9,434,971</u>	-18.89%

- The 18.89% decrease in the District’s long-term liabilities is primarily due to a large decrease in the net pension liability along with the District continuing to pay down its energy savings capital lease.

Factors Bearing on the District’s Future Revenue/Expense Changes

- The High Point Regional High School District remains in good financial condition. The District is proud of its community support of the public school and the pride that the students take in their building.
- High Point Regional High School District’s tax levy for 2018-19 was reduced to address the significant drop in student enrollment over the past decade; High Point currently has 915 students on-roll, which is a reduction from over 1,400 ten years ago. The tax levy has been reduced by more than \$1.9 million, or 12% over the last five years. This reduction was manifest to a large degree through support staff reductions, with limited classroom instructional impact.
- The District routinely monitors the rules and regulations of the Elementary and Secondary Education Act federal legislation to assess and ensure financial compliance.

- It is important that the District continues to be able to maintain the physical plant of the School; this may require a financial commitment for the 19-20 budget.
- The District continues our send-receive relationship with Montague that has affected enrollment in the District and increased tuition revenue, thereby helping to reduce the tax impact on constituents and reduce overall pupil costs.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 27,478	\$ 223,148	\$ 250,626
Receivables from Federal Government	680	4,122	4,802
Receivables from State Government	164,948	168	165,116
Receivables from Other Governments	663,604	123,889	787,493
Tax Levy Receivable	45,352		45,352
Interfund Receivable	13,938		13,938
Other Receivables	828	540	1,368
Inventory		15,684	15,684
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	366,799		366,799
Maintenance Reserve Account - Cash and Cash Equivalents	358,119		358,119
Capital Assets:			
Land	50,000		50,000
Depreciable Buildings and Building Improvements, Site and Land Improvements, Furniture, Machinery and Equipment	4,653,580	3,412	4,656,992
Total Assets	<u>6,345,326</u>	<u>370,963</u>	<u>6,716,289</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows - Pension	2,506,252		2,506,252
Total Deferred Outflows of Resources	<u>2,506,252</u>		<u>2,506,252</u>
LIABILITIES			
Accounts Payable	399,871	7,679	407,550
Unearned Revenue	27,478	3,397	30,875
Interfund Payable	5,887		5,887
Noncurrent Liabilities:			
Due Within One Year	88,676		88,676
Due Beyond One Year	9,346,295		9,346,295
Total Liabilities	<u>9,868,207</u>	<u>11,076</u>	<u>9,879,283</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows - Pensions	1,724,137		1,724,137
Total Deferred Inflows of Resources	<u>1,724,137</u>		<u>1,724,137</u>
NET POSITION			
Net Investment in Capital Assets	3,776,813	3,412	3,780,225
Restricted for:			
Capital Projects	366,799		366,799
Maintenance Reserve	358,119		358,119
Unrestricted/(Deficit)	(7,242,497)	356,475	(6,886,022)
Total Net Position/(Deficit)	<u>\$ (2,740,766)</u>	<u>\$ 359,887</u>	<u>\$ (2,380,879)</u>

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 15,131,107	\$ 1,275,757	\$ 12,315,044	\$ (1,540,306)	\$	\$ (1,540,306)
Special Education	3,345,227		1,515,201	(1,830,026)		(1,830,026)
Other Special Instruction	1,090,651			(1,090,651)		(1,090,651)
Other Instruction	266,342			(266,342)		(266,342)
Support services:						
Tuition	1,310,444			(1,310,444)		(1,310,444)
Student & Instruction Related Services	3,630,046			(3,630,046)		(3,630,046)
General Administrative Services	511,751			(511,751)		(511,751)
School Administrative Services	1,001,460		359,303	(642,157)		(642,157)
Central Services	438,325			(438,325)		(438,325)
Administrative Technology Information	22,034			(22,034)		(22,034)
Plant Operations and Maintenance	2,247,712			(2,247,712)		(2,247,712)
Pupil Transportation	1,908,858		751,142	(1,157,716)		(1,157,716)
Unallocated Depreciation	224,145			(224,145)		(224,145)
Capital Outlay	11,593			(11,593)		(11,593)
Total Governmental Activities	31,139,695	1,275,757	14,940,690	(14,923,248)	\$ -0-	(14,923,248)

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Positions		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business Type Activities:						
Food Service	\$ 351,359	\$ 284,133	\$ 73,208	\$	\$ 5,982	\$ 5,982
Adult School	6,780	4,407			(2,373)	(2,373)
School Store	6,936	10,584			3,648	3,648
Transportation Services	955,971	1,003,619			47,648	47,648
Total Business-Type Activities	1,321,046	1,302,743	73,208		54,905	54,905
Total Primary Government	\$ 32,460,741	\$ 2,578,500	\$ 15,013,898	\$ (14,923,248)	\$ 54,905	\$ (14,868,343)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				14,356,619		14,356,619
Unrestricted Federal Aid				9,351		9,351
Interest Earnings				2,003	59	2,062
Miscellaneous Income				10,775		10,775
Total General Revenues				14,378,748	59	14,378,807
Change in Net Position				(544,500)	54,964	(489,536)
Net Position/(Deficit) - Beginning as Restated				(2,196,266)	304,923	(1,891,343)
Net Position/(Deficit) - Ending				\$ (2,740,766)	\$ 359,887	\$ (2,380,879)

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

FUND FINANCIAL STATEMENTS

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents		\$ 27,478	\$ 27,478
Receivables From Federal Government	\$ 680		680
Receivables From State Government	164,948		164,948
Receivables From Other Governments	663,604		663,604
Interfund Receivable	13,938		13,938
Tax Levy Receivable	45,352		45,352
Other Receivable	828		828
Restricted Cash and Cash Equivalents	724,918		724,918
Total Assets	\$ 1,614,268	\$ 27,478	\$ 1,641,746
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 81,243		\$ 81,243
Interfund Payable	5,887		5,887
Unearned Revenue		\$ 27,478	27,478
Total Liabilities	87,130	27,478	114,608
Fund Balances:			
Restricted for:			
Capital Reserve Account	366,799		366,799
Maintenance Reserve Account	358,119		358,119
Assigned to:			
Year-end Encumbrances	515,255		515,255
Designated for Subsequent Year's Expenditures	286,965		286,965
Total Fund Balances	1,527,138		1,527,138
Total Liabilities and Fund Balances	\$ 1,614,268	\$ 27,478	

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

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.	\$ 4,703,580
Other long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(1,972,510)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(7,462,461)
Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Deferred Outflows for Pensions	2,187,624
Deferred Inflows for Pensions	(1,724,137)
Net Position/(Deficit) of Governmental Activities	\$ (2,740,766)

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUE:				
Local Sources:				
Local Tax Levy	\$ 14,356,619			\$ 14,356,619
Tuition from Other LEAs within State	1,264,398			1,264,398
Tuition from Individuals	11,359			11,359
Unrestricted Miscellaneous	12,778	\$ 1,196		13,974
Total - Local Sources	15,645,154	1,196		15,646,350
State Sources	9,514,688			9,514,688
Federal Sources	9,351	316,852		326,203
Total Revenue	25,169,193	318,048		25,487,241
EXPENDITURES:				
Current:				
Regular Instruction	6,729,285	123,526		6,852,811
Special Education Instruction	1,418,267	194,522		1,612,789
Other Special Instruction	978,951			978,951
Support Services and Undistributed Costs:				
Tuition	1,310,444			1,310,444
Student & Instruction Related Services	2,768,836			2,768,836
General Administrative Services	446,470			446,470
School Administrative Services	530,458			530,458
Central Services	325,960			325,960
Administrative Information Technology	22,034			22,034
Plant Operations and Maintenance	2,107,812			2,107,812
Pupil Transportation	1,798,127			1,798,127
Unallocated Benefits	6,643,902			6,643,902
Capital Outlay	122,008			122,008
Total Expenditures	25,202,554	318,048		25,520,602
Excess/(Deficiency) of Revenue over/(under) Expenditures	(33,361)			(33,361)
OTHER FINANCING SOURCES/(USES):				
Transfers In	2			2
Transfers Out			\$ (2)	(2)
Total Other Financing Sources/(Uses)	2		(2)	
Net Change in Fund Balances	(33,359)		(2)	(33,361)
Fund Balance - July 1 as Restated	1,560,497		\$ 2	1,560,499
Fund Balance - June 30	<u>\$ 1,527,138</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,527,138</u>

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (33,361)

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

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

	\$ (457,401)
Capital Asset Deletions, Net of Depreciation	(203)
Capital outlays	110,415
	(347,189)

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

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

Change in Net Pension Liability	2,010,606
Change in Deferred Outflows	(926,493)
Change in Deferred Inflows	(1,434,554)
	86,744

Repayment of capital leases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.

Change in Net Position of Governmental Activities (Exhibit A-2) \$ (544,500)

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	<u>Major Funds</u>		<u>Non-Major Funds</u>	<u>Totals</u>
	<u>Food Service Fund</u>	<u>Transportation Services</u>		
<u>ASSETS:</u>				
Current Assets:				
Cash and Cash Equivalents	\$ 26,791	\$ 176,630	\$ 19,727	\$ 223,148
Accounts Receivable:				
State	168			168
Federal	4,122			4,122
Intergovernmental - Other		123,889		123,889
Other	540			540
Inventories	7,076		8,608	15,684
Total Current Assets	<u>38,697</u>	<u>300,519</u>	<u>28,335</u>	<u>367,551</u>
Non-Current Assets:				
Capital Assets	321,407			321,407
Less: Accumulated Depreciation	<u>(317,995)</u>			<u>(317,995)</u>
Total Non-Current Assets	<u>3,412</u>			<u>3,412</u>
Total Assets	<u>42,109</u>	<u>300,519</u>	<u>28,335</u>	<u>370,963</u>
<u>LIABILITIES:</u>				
Current Liabilities:				
Accounts Payable	7,679			7,679
Unearned Revenue - Prepaid Sales	2,252			2,252
Unearned Revenue - Donated Commodities	1,145			1,145
Total Current Liabilities	<u>11,076</u>			<u>11,076</u>
<u>NET POSITION:</u>				
Investment in Capital Assets	3,412			3,412
Unrestricted	<u>27,621</u>	<u>300,519</u>	<u>28,335</u>	<u>356,475</u>
Total Net Position	<u>\$ 31,033</u>	<u>\$ 300,519</u>	<u>\$ 28,335</u>	<u>\$ 359,887</u>

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Major Funds		Non-Major Funds	Totals
	Food Service Fund	Transportation Services		
Operating Revenue:				
Local Sources:				
Daily Sales - Reimbursable Programs	\$ 134,465			\$ 134,465
Daily Sales - Non Reimbursable Programs	149,668			149,668
Program Fees		\$ 1,003,619	\$ 14,991	1,018,610
Total Operating Revenue	<u>284,133</u>	<u>1,003,619</u>	<u>14,991</u>	<u>1,302,743</u>
Operating Expenses:				
Cost of Sales - Reimbursable Programs	72,576			72,576
Cost of Sales - Non Reimbursable Programs	80,781			80,781
Salaries & Payroll Taxes	158,427			158,427
Other Purchased Services		955,971		955,971
Management Fee	15,990			15,990
Depreciation Expense	3,233			3,233
Other Miscellaneous Expenses	20,352		13,716	34,068
Total Operating Expenses	<u>351,359</u>	<u>955,971</u>	<u>13,716</u>	<u>1,321,046</u>
Operating Income/(Loss)	(67,226)	47,648	1,275	(18,303)
Non-Operating Revenue:				
State Sources:				
State School Lunch Program	2,609			2,609
Federal Sources:				
National School Lunch Program	60,275			60,275
Food Distribution Program	10,324			10,324
Local Sources:				
Interest Income	47		12	59
Total Non-Operating Revenue	<u>73,255</u>		<u>12</u>	<u>73,267</u>
Change in Net Position	6,029	47,648	1,287	54,964
Net Position - Beginning of Year as Restated	<u>25,004</u>	<u>252,871</u>	<u>27,048</u>	<u>304,923</u>
Net Position - End of Year	<u>\$ 31,033</u>	<u>\$ 300,519</u>	<u>\$ 28,335</u>	<u>\$ 359,887</u>

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Major Funds		Non-Major Funds	Totals
	Food Service Fund	Transportation Services		
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 283,593	\$ 1,144,834	\$ 14,991	\$ 1,443,418
Payments to Employees	(158,427)			(158,427)
Payments to Food Service Vendor	(151,276)			(151,276)
Payments to Suppliers	(20,352)	(955,971)	(18,139)	(994,462)
Net Cash Provided by/(Used for) Operating Activities	(46,462)	188,863	(3,148)	139,253
Cash Flows from Noncapital Financing Activities:				
Cash Received from Federal and State Sources	61,938			61,938
Net Cash Provided by Noncapital Financing Activities	61,938			61,938
Cash Flows from Investing Activities:				
Investment Income	47		12	59
Net Cash Flows Provided by Investing Activities:	47		12	59
Net Increase/(Decrease) in Cash and Cash Equivalents	15,523	188,863	(3,136)	201,250
Cash and Cash Equivalents/(Deficit), July 1	11,268	(12,233)	22,863	21,898
Cash and Cash Equivalents, June 30	\$ 26,791	\$ 176,630	\$ 19,727	\$ 223,148

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Major Funds			Non-Major Funds	Totals
	Food Service Fund	Transportation Services			
Reconciliation of Operating (Loss) to Net Cash Provided by/(Used for)					
Operating Activities:					
Operating (Loss)	\$ (67,226)	\$ 47,648	\$ 1,275	\$ (18,303)	
Adjustment to Reconcile Operating (Loss) to Cash Provided by/ (Used for) Operating Activities:					
Federal Food Distribution Program	10,324			10,324	
Depreciation	3,233			3,233	
Changes in Assets and Liabilities:					
(Increase)/Decrease in Accounts Receivable	(540)	141,215		140,675	
(Increase)/Decrease in Inventory	827		(4,423)	(3,596)	
Increase in Accounts Payable	7,679			7,679	
(Decrease) in Unearned Revenue- Prepaid Sales	(192)			(192)	
(Decrease) in Unearned Revenue- Donated Commodities	(567)			(567)	
Net Cash Provided by/(Used for) Operating Activities	\$ (46,462)	\$ 188,863	\$ (3,148)	\$ 139,253	

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. donated commodities through the Food Distribution Program valued at \$9,757 and utilized commodities valued at \$10,324.

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	<u>Agency</u>	<u>Private Purpose Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 245,256	\$ 48,747	\$ 35,181
Interfunds Receivable - General Fund	5,887		
Total Assets	<u>251,143</u>	<u>48,747</u>	<u>35,181</u>
<u>LIABILITIES:</u>			
Net Salaries and Wages	6,970		
Payroll Deductions and Withholdings	135,201		
Interfund Payable - General Fund	13,938		
Due to Student Groups	95,034		
Total Liabilities	<u>251,143</u>		
<u>NET POSITION:</u>			
Held in Trust for Unemployment Claims			35,181
Restricted For Scholarships		48,747	
Total Net Position	<u>\$ -0-</u>	<u>\$ 48,747</u>	<u>\$ 35,181</u>

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Unemployment Compensation Trust	Scholarship Trust	Totals
ADDITIONS:			
Contributions:			
Donations	\$	10,105	\$ 10,105
Total Contributions		10,105	10,105
Investment Earnings:			
Interest	\$ 70	51	121
Net Investment Earnings	70	51	121
Total Additions	70	10,156	10,226
DEDUCTIONS:			
Scholarships Awarded		9,750	9,750
Total Deductions		9,750	9,750
Change in Net Position	70	406	476
Net Position - Beginning of the Year	35,111	48,341	83,452
Net Position - End of the Year	\$ 35,181	\$ 48,747	\$ 83,928

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

The District reports the following governmental funds:

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

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

The District reports the following proprietary fund:

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

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting:

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

C. Measurement Focus and Basis of Accounting: (Cont'd)

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2018 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Budget amendments/transfers are made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

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

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

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

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 25,155,210	\$ 340,222
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures, and Revenue while the GAAP Basis does not.		(22,174)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	629,968	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(615,985)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 25,169,193</u>	<u>\$ 318,048</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 25,202,554	\$ 340,222
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.		<u>(22,174)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 25,202,554</u>	<u>\$ 318,048</u>

E. Cash and Cash Equivalents and Investments:

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Amounts:

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

H. Encumbrances:

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

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

I. Short-Term Interfund Receivable/Payable:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2018.

K. Capital Assets:

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

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

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

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

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premiums and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2018.

N. Compensated Absences:

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$1,527,138 General Fund fund balance at June 30, 2018, \$366,799 is restricted in the capital reserve account, \$358,119 is restricted in the maintenance reserve, \$515,255 is assigned for year end encumbrances, and \$286,965 is fund balance designated for subsequent year's expenditures which has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2019. The assigned fund balance is \$171,969 less than the actual assigned fund balance due to the final two state aid payments, which are not recognized on a GAAP basis until the fiscal year ended June 30, 2019. Additionally, there is \$444,016 of unassigned fund balance which is not reported on a GAAP basis due to the final two state aid payments.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had no excess surplus at June 30, 2018.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

P. Fund Balance Appropriated (Cont'd)

The District's fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$615,985, (\$444,016 in unassigned fund balance, and \$171,969 in fund balance designated for subsequent year's expenditures) as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last two state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Deficit Net Position:

There is a \$7,242,497 deficit in unrestricted net position for the governmental activities and an overall deficit in net position for governmental activities of \$2,740,766 at June 30, 2018. These deficits are primarily from the inclusion of the net pension liability and compensated absences payable. These deficits do not indicate that the District is facing financial difficulties and is permitted practice under generally accepted accounting principles.

R. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows and outflows of resources at June 30, 2018 related to pensions.

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

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

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2018.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and fund balance designated for subsequent years' expenditures in the General Fund at June 30, 2018.

T. Revenue - Exchange and Non-exchange Transactions:

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

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

U. Operating Revenue and Expenses:

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

V. Management Estimates:

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

W. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

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

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law”, P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

Investments: (Cont'd)

- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52-18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.) ;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41);
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

As of June 30, 2018, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents Capital and Maintenance Reserve Accounts	Total
Checking and Savings Accounts	\$ 579,810	\$ 724,918	\$ 1,304,728
	\$ 579,810	\$ 724,918	\$ 1,304,728

During the period ended June 30, 2018, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents at June 30, 2018, was \$1,304,728 and the bank balance was \$1,573,358.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017 as Restated	\$ 374,088
Increased by:	
Interest Earned	690
Increase per Board Resolution	71,021
	445,799
Decreased by:	
Withdrawal by Resolution	(79,000)
Ending Balance, June 30, 2018	\$ 366,799

The June 30, 2018 LRFP balance of local support costs of uncompleted capital projects at June 30, 2018 is equal to or greater than \$366,799. Withdrawals from the capital reserve account were for use in DOE approved facilities projects, consistent with the District's LRFP.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT

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

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn for the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017	\$ 357,762
Increased by:	
Interest Earned	357
Ending Balance, June 30, 2018	\$ 358,119

NOTE 6. TRANSFER TO CAPITAL OUTLAY

During the year ended June 30, 2018, the District made transfers to capital outlay accounts in the amount of \$86,900 for equipment which did not require county superintendent approval.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2018 were as follows:

	<u>Balance as Restated</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 50,000			\$ 50,000
Total Capital Assets Not Being Depreciated	<u>50,000</u>			<u>50,000</u>
Capital Assets Being Depreciated:				
Land Improvements	1,017,683			1,017,683
Buildings, Building Improvements and Site Improvements	12,194,470			12,194,470
Machinery and Equipment	<u>3,936,824</u>	\$ 110,415	\$ (12,543)	<u>4,034,696</u>
Total Capital Assets Being Depreciated	<u>17,148,977</u>	<u>110,415</u>	<u>(12,543)</u>	<u>17,246,849</u>
Governmental Activities Capital Assets	<u>17,198,977</u>	<u>110,415</u>	<u>(12,543)</u>	<u>17,296,849</u>
Less Accumulated Depreciation for:				
Land Improvements	(609,597)	(45,017)		(654,614)
Buildings, Building Improvements and Site Improvements	(8,248,002)	(190,237)		(8,438,239)
Machinery and Equipment	<u>(3,290,609)</u>	<u>(222,147)</u>	12,340	<u>(3,500,416)</u>
	<u>(12,148,208)</u>	<u>(457,401)</u>	<u>12,340</u>	<u>(12,593,269)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 5,050,769</u>	<u>\$ (346,986)</u>	<u>\$ (203)</u>	<u>\$ 4,703,580</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 321,407			\$ 321,407
Less Accumulated Depreciation	<u>(314,762)</u>	\$ (3,233)		<u>(317,995)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 6,645</u>	<u>\$ (3,233)</u>	<u>\$ -0-</u>	<u>\$ 3,412</u>

The District had one uncompleted project as of June 30, 2018 which was related to the HVAC upgrades in the auditorium and gym, and the boiler replacement.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 67,363
Other Special Instruction	111,700
School Administrative Services	634
Central Services	310
Plant Operation and Maintenance	11,932
Pupil Transportation	28,977
Unallocated Depreciation	<u>236,485</u>
Total Depreciation Expense	<u>\$ 457,401</u>

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2018, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2017	Accrued	Retired	Balance 6/30/2018	Due Within One Year
Capital Leases Payable	\$ 1,013,511		\$ 86,744	\$ 926,767	\$ 88,676
Net Pension Liability	9,473,067		2,010,606	7,462,461	
Compensated Absences Payable	1,145,490		99,747	1,045,743	
	<u>\$11,632,068</u>	<u>\$ -0-</u>	<u>\$2,197,097</u>	<u>\$ 9,434,971</u>	<u>\$ 88,676</u>

A. Serial Bonds Payable:

The District had no serial bonds payable at June 30, 2018.

B. Bonds and Notes Authorized but not Issued:

The District had no bonds and notes authorized but not issued at June 30, 2018.

C. Capital Leases Payable:

The District is leasing equipment under an energy savings improvement program totaling \$1,327,620 of which \$400,853 had been amortized as of June 30, 2018. The capital lease is for a term of fourteen years. The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 2018.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

C. Capital Leases Payable: (Cont'd)

Year	Amount
2019	\$ 108,715
2020	108,715
2021	108,715
2022	108,715
2023	108,715
2024-2028	489,218
	1,032,793
Less: Amount representing interest	(106,026)
Present value of net minimum lease payments	\$ 926,767

The General Fund will be used to liquidate the capital lease. The current portion of capital leases payable is \$88,676, and the long-term portion is \$838,091.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$-0- and is separated from the long-term liability balance of compensated absences of \$1,045,743. Compensated absences will be liquidated through the General Fund.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2018, no liability existed for compensated absences in the Enterprise Funds.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2018 is \$-0- and the long-term portion is \$7,462,461. See Note 9 for further information on the PERS.

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Public Employee's Retirement System (PERS) of New Jersey; or the Teachers' Pension and Annuity Fund (TPAF); or the Defined Contribution Retirement Program (DCRP).

Plan Description

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Benefits Provided

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

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$300,962 for fiscal year 2018.

The employee contribution rate was 7.34% effective July 1, 2017. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

At June 30, 2018, the District reported a liability of \$7,462,461 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the District's proportion was 0.032%, which was an increase of 0.00007% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the District recognized pension expense of \$650,382. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	6.44	\$ 84,654	
	2015	5.72	356,584	
	2016	5.57	1,062,191	
	2017	5.48	<u>1,503,429</u>	<u>\$ 1,497,917</u>
				<u>1,497,917</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	6.44	(89,422)	
	2015	5.72	76,282	
	2016	5.57	319,841	
	2017	5.48	<u>(255,887)</u>	
			<u>50,814</u>	
Difference Between Expected and Actual Experience	2015	5.72	98,933	
	2016	5.57	32,235	
	2017	5.48	<u>44,548</u>	
			<u>175,716</u>	
Changes in Proportion	2014	5.00	145,321	
	2015	5.00	299,448	
	2016	5.00		226,220
	2017	5.00	<u>12,896</u>	
			<u>457,665</u>	<u>226,220</u>
Contribution Subsequent to Measurement Date	2017	1.00	<u>318,628</u>	
			<u>\$ 2,506,252</u>	<u>\$ 1,724,137</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2018	\$ 175,674
2019	265,096
2020	160,634
2021	(213,644)
2022	(155,717)
	\$ 232,042

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2017 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
District's proportionate share of the Net Pension Liability	\$ 9,257,689	\$ 7,462,461	\$ 5,966,813

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2018, the State of New Jersey contributed \$1,437,843 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$4,597,968.

The employee contribution rate was 7.34% effective July 1, 2017. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2018, the State's proportionate share of the net pension liability associated with the District was \$66,372,754. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the District's proportion was 0.098%, which was an increase of 0.004% from its proportion measured as of June 30, 2016.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		66,372,754
Total	\$	66,372,754

For the fiscal year ended June 30, 2018, the State recognized pension expense on behalf of the District in the amount of \$4,597,968 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2018 financial statements.

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

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	8.5	\$ 1,383,974,317	
	2015	8.3	3,776,126,119	
	2016	8.3	8,218,154,928	
	2017	8.3		\$ 11,684,858,458
			13,378,255,364	11,684,858,458
Difference Between Expected and Actual Experience	2014	8.5		13,181,413
	2015	8.3	233,218,057	
	2016	8.3		102,199,790
	2017	8.3	207,898,332	
			441,116,389	115,381,203
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.0	(435,309,142)	
	2015	5.0	385,284,122	
	2016	5.0	1,295,565,574	
	2017	5.0	(904,033,050)	
			341,507,504	
		\$ 14,160,879,257	\$ 11,800,239,661	

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2018	\$ 740,341,056
2019	1,175,650,200
2020	983,008,137
2021	551,152,948
2022	624,850,883
Thereafter	<u>(1,714,363,628)</u>
	<u>\$ 2,360,639,596</u>

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2017 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

	June 30, 2017		
	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
Total Net Pension Liability	\$ 78,851,859	\$ 66,372,754	\$ 56,090,794

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$5,443 for the fiscal year ended June 30, 2018. Employee contributions to DCRP amounted to \$2,970 for the fiscal year ended June 30, 2018.

NOTE 10. RISK MANAGEMENT

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

Property and Liability

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

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

The June 30, 2018 audit report for the Fund is not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2017 is as follows:

	School Alliance Insurance Fund
Total Assets	\$ 41,637,320
Net Position	\$ 10,127,373
Total Revenue	\$ 41,896,275
Total Expenses	\$ 41,231,917
Change in Net Position	\$ 664,358
Member Dividends	\$ -0-

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

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

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the District is required to remit employee withholdings to the State on a quarterly basis. All of the District's claims are paid by the State of New Jersey.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the fund financial statements at June 30, 2018:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 13,938	\$ 5,887
Fiduciary Funds	5,887	13,938
	<u>\$ 19,825</u>	<u>\$ 19,825</u>

The \$13,928 interfund between the Net Payroll account and General Fund is for excess funds transferred that have not been returned to the General Fund. The \$5,887 was an outstanding interfund from the prior year between the Payroll Agency account and General Fund that has not yet been liquidated.

NOTE 12. ACCOUNTS PAYABLE

Payables as of June 30, 2018, were:

	<u>General Fund</u>	<u>District Contribution Subsequent to Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Total Business Type-Activities</u>
Vendors				\$ 7,679
Cash Deficit	\$ 81,243		\$ 81,243	
State of New Jersey		\$ 318,628	318,628	
	<u>\$ 81,243</u>	<u>\$ 318,628</u>	<u>\$ 399,871</u>	<u>\$ 7,679</u>

NOTE 13. ECONOMIC DEPENDENCY

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

NOTE 14. DEFERRED COMPENSATION

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

VALIC
Equitable Financial Companies
Metropolitan Life

Lincoln National
Siracusa Benefits

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

NOTE 15. TAX CALENDAR

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

NOTE 16. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2018, there were encumbrances as detailed below in the governmental funds.

<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
\$ 515,255	\$ 22,174	\$ 537,429
<u>\$ 515,255</u>	<u>\$ 22,174</u>	<u>\$ 537,429</u>

On the District's Governmental Funds Balance Sheet as of June 30, 2018, \$-0- is assigned for year-end encumbrances in the Special Revenue fund, which is \$22,174 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivable or an increase in unearned revenue.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

NOTE 17. PRIOR PERIOD ADJUSTMENT

The District made a prior year adjustment in the District Wide Financial Statements to record an adjustment for a reappraisal of capital assets. In addition, an adjustment was made to reflect restatement of the Cash and Cash Equivalents of the Capital Reserve.

	6/30/2017 Balance as Previously Reported	Retroactive Adjustments	6/30/2017 Balance as Restated
Statement of Net Position			
Governmental Activities:			
Restricted Cash and Cash Equivalents	\$ 1,360,756	\$ (628,906)	\$ 731,850
Capital Assets:			
Depreciable Buildings and Building Improvements, Site & Land Improvements, Furniture, Machinery & Equipment	7,886,053	(2,885,284)	5,000,769
Total Assets	10,147,096	(3,514,190)	6,632,906
Net Investment in Capital Assets	6,922,542	(2,885,284)	4,037,258
Restricted for:			
Capital Projects	1,002,994	(628,906)	374,088
Total Net Position/(Deficit)	1,317,924	(3,514,190)	(2,196,266)
 Business-type Activities:			
Capital Assets:			
Depreciable Buildings and Building Improvements, Site & Land Improvements, Furniture, Machinery & Equipment	30,588	(23,943)	6,645
Total Assets	345,255	(23,943)	321,312
Net Investment in Capital Assets	30,588	(23,943)	6,645
Total Net Position	328,866	(23,943)	304,923
 Balance Sheet - Governmental Funds			
<u>General Fund</u>			
Restricted Cash and Cash Equivalents	1,360,756	(628,906)	731,850
Restricted for:			
Capital Reserve Account	1,002,994	(628,906)	374,088

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Statement No. 75, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

Employees Covered by Benefit Terms

At June 30, 2016, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	142,331
Active Plan Members	223,747
Total	366,078

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases: Through 2026	1.55 - 4.55% based on years of service	2.15 - 4.15% based on age	2.10 - 8.98% based on age
Thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based on age	3.10 - 9.98% based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF, PFRS and PERS, respectively.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% and decreases to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is 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.

Changes in the State's Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2016	\$ 57,831,784,184
Changes for Year:	
Service Cost	2,391,878,884
Interest on the Total OPEB Liability	1,699,441,736
Changes of Assumptions	(7,086,599,129)
Gross Benefit Payments by the State	(1,242,412,566)
Contributions from Members	45,748,749
Net Changes	(4,191,942,326)
Balance at June 30, 2017	\$ 53,639,841,858

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2017 and 2016, respectively, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
Total OPEB Liability Attributable to the District	\$ 63,113,465	\$ 53,167,337	\$ 45,277,974

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate (Cont'd)

	June 30, 2016		
	At 1% Decrease (1.85%)	At Discount Rate (2.85%)	At 1% Increase (3.85%)
	Total OPEB Liability Attributable to the District	\$ 68,897,089	\$ 57,509,072

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2017 and 2016, respectively, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
	Total OPEB Liability Attributable to the District	\$ 43,724,995	\$ 53,167,337

	June 30, 2016		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
	Total OPEB Liability Attributable to the District	\$ 47,187,795	\$ 57,509,072

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018 the District recognized OPEB expense of \$1,346,583 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

In accordance with GASB Statement 75, as the District's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2017 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
(Cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption Changes		\$ (6,343,769,032)
Contributions Made in Fiscal Year Ending 2018 After June 30, 2017 Measurement Date	\$ 1,190,373,242	
	\$ 1,190,373,242	\$ (6,343,769,032)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	(2,629,618,547)
	\$ (6,343,769,032)

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
District's proportion of the net pension liability	0.0304907081%	0.0337620405%	0.0337620405%
District's proportionate share of the net pension liability	\$ 5,708,697	\$ 7,578,902	\$ 9,473,067
District's covered employee payroll	\$ 2,183,844	\$ 2,228,210	\$ 2,154,231
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	261.41%	340.13%	439.74%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%
			2018
			0.0320574460%
			\$ 7,462,461
			\$ 2,047,976
			364.38%
			48.10%

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

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
Contractually required contribution	\$ 251,361	\$ 290,263	\$ 289,113
Contributions in relation to the contractually required contribution	<u>(251,361)</u>	<u>(290,263)</u>	<u>(289,113)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 2,085,631	\$ 2,183,844	\$ 2,228,210
Contributions as a percentage of covered employee payroll	12.05%	13.29%	12.98%
			13.97%
			300,962
			(300,962)

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

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
State's proportion of the net pension liability attributable to the District	0.0961169728%	0.0916826155%	0.0937156978%
State's proportionate share of the net pension liability attributable to the District	\$ 51,371,394	\$ 57,947,328	\$ 73,722,735
District's covered employee payroll	\$ 9,297,024	\$ 10,011,720	\$ 9,881,376
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	552.56%	578.79%	746.08%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%
			25.41%
			691.25%

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

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
	2015	2016	2017
Contractually required contribution	\$ 2,764,263	\$ 3,538,208	\$ 5,539,238
Contributions in relation to the contractually required contribution	(495,670)	(750,324)	(1,068,556)
Contribution deficiency/(excess)	\$ 2,268,593	\$ 2,787,884	\$ 4,470,682
District's covered employee payroll	\$ 9,297,024	\$ 10,011,720	\$ 9,881,376
Contributions as a percentage of covered employee payroll	5.33%	7.49%	10.81%
			14.97%
			4,597,968
			(1,437,843)
			3,160,125
			9,601,895

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TWO FISCAL YEARS
UNAUDITED

	Fiscal Years Ending	
	June 30, 2016	June 30, 2017
Total OPEB Liability		
Service Cost	\$ 1,723,999,319	\$ 2,391,878,884
Interest Cost	1,823,643,792	1,699,441,736
Changes in Assumptions	8,611,513,521	(7,086,599,129)
Member Contributions	46,273,747	45,748,749
Gross Benefit Payments	<u>(1,223,298,019)</u>	<u>(1,242,412,566)</u>
Net Change in Total OPEB Liability	10,982,132,360	(4,191,942,326)
Total OPEB Liability - Beginning	<u>46,849,651,824</u>	<u>57,831,784,184</u>
Total OPEB Liability - Ending	<u>\$57,831,784,184</u>	<u>\$53,639,841,858</u>
State's Covered Employee Payroll *	\$ 13,493,400,208	\$ 13,493,400,208
Total OPEB Liability as a Percentage of Covered Employee Payroll	429%	398%

* - Covered payroll for the fiscal years ending June 30, 2016 and June 30, 2017 is based on the payroll on the June 30, 2016 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.98% as of June 30, 2016 to 5.00% as of June 30, 2017. The municipal bond rate changed from 2.85% to 3.58%. The long-term expected rate of return on pension plan investments changed from 7.65% to 7.00%.

The inflation rate changed from 3.08% as of June 30, 2016 to 2.25% as of June 30, 2017.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.22% as of June 30, 2016 to 4.25% as of June 30, 2017. The municipal bond rate changed from 2.85% to 3.58%. The long-term expected rate of return on pension plan investments changed from 7.65% to 7.00%.

The inflation rate changed from 2.50% as of June 30, 2016 to 2.25% as of June 30, 2017.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEN PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

BUDGETARY COMPARISON SCHEDULES

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 14,356,619		\$ 14,356,619	\$ 14,356,619	
Tuition from Other LEAs within State	1,078,420		1,078,420	1,264,398	\$ 185,978
Tuition from Individuals				11,359	11,359
Interest Earned on Maintenance Reserve Funds	357		357	357	
Interest Earned on Capital Reserve Funds	690		690	690	
Unrestricted Miscellaneous	48,953		48,953	11,731	(37,222)
Total - Local Sources	15,485,039		15,485,039	15,645,154	160,115
State Sources:					
School Choice Aid	31,416		31,416	31,416	
Transportation Aid	748,822		748,822	748,822	
Special Education Aid	606,486		606,486	606,486	
Equalization Aid	4,284,622		4,284,622	4,284,622	
Security Aid	86,130		86,130	86,130	
Adjustment Aid	495,765		495,765	495,765	
PARCC Readiness Aid	9,510		9,510	9,510	
Per Pupil Growth Aid	9,510		9,510	9,510	
Professional Learning Commission Aid	9,190		9,190	9,190	
Extraordinary Aid	100,000		100,000	99,162	(838)
Non-public Transportation Aid				2,320	2,320
TPAF Pension Contributions (Non-Budgeted)				1,437,843	1,437,843
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				951,209	951,209
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				34,893	34,893
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				1,226	1,226
TPAF Social Security Contributions (Reimbursed - Non-Budgeted)				692,601	692,601
Total State Sources	6,381,451		6,381,451	9,500,705	3,119,254

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Federal Sources:					
Medicaid Assistance Program	\$ 17,933		\$ 17,933	\$ 9,351	\$ (8,582)
Total Federal Sources	17,933		17,933	9,351	(8,582)
TOTAL REVENUES	<u>21,884,423</u>		<u>21,884,423</u>	<u>25,155,210</u>	<u>3,270,787</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	6,129,002	\$ 43,163	6,172,165	6,172,163	2
Unused Vacation Payment		44,965	44,965	44,965	
Unused Sick Payment		14,875	14,875		14,875
Regular Programs - Home Instruction:					
Salaries of Teachers	20,000	17,170	37,170	37,170	
Purchased Professional/Educational Services	5,000	5,400	10,400	9,400	1,000
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	30,000	(6,116)	23,884	23,884	
Purchased Professional/Educational Services	38,632	(14,633)	23,999	23,999	
Other Purchased Services (400-500 series)	91,730	(16,581)	75,149	75,023	126
General Supplies	281,859	154,319	436,178	292,893	143,285
Textbooks	32,685	(11,096)	21,589	21,589	
Other Objects	27,352	847	28,199	28,199	
Total Regular Programs - Instruction	<u>6,656,260</u>	<u>232,313</u>	<u>6,888,573</u>	<u>6,729,285</u>	<u>159,288</u>

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Special Education - Instruction:					
Cognitive - Mild:					
Salaries of Teachers	\$ 77,293	\$ 2,456	\$ 79,749	\$ 79,749	
Purchased Professional/Educational Services	648	(648)			
General Supplies	5,000	(122)	4,878	4,878	
Other Objects	400	(400)			
Total Cognitive- Mild	<u>83,341</u>	<u>1,286</u>	<u>84,627</u>	<u>84,627</u>	
Learning and/or Language Disabilities:					
Salaries of Teachers	76,140	20,424	96,564	96,564	
General Supplies	2,000	(1,364)	636	635	\$ 1
Other Objects	1,000	(1,000)			
Total Learning and/or Language Disabilities	<u>79,140</u>	<u>18,060</u>	<u>97,200</u>	<u>97,199</u>	<u>1</u>
Multiple Disabilities:					
Salaries of Teachers	69,868	(14,140)	55,728	55,728	
Other Salaries for Instruction	76,236	(12,961)	63,275	63,275	
Purchased Professional / Educational Services	16,728	(16,728)			
General Supplies	3,500	(1,234)	2,266	2,196	70
Other Objects	465	(465)			
Total Multiple Disabilities	<u>166,797</u>	<u>(45,528)</u>	<u>121,269</u>	<u>121,199</u>	<u>70</u>
Resource Room/Resource Center:					
Salaries of Teachers	1,048,643	(23,060)	1,025,583	1,025,581	2
Other Salaries for Instruction	77,277	2,155	79,432	79,432	
General Supplies	15,550	(5,321)	10,229	10,229	
Total Resource Room/Resource Center	<u>1,141,470</u>	<u>(26,226)</u>	<u>1,115,244</u>	<u>1,115,242</u>	<u>2</u>
Total Special Education Instruction	<u>1,470,748</u>	<u>(52,408)</u>	<u>1,418,340</u>	<u>1,418,267</u>	<u>73</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Bilingual Education - Instruction:					
Salaries	\$ 8,668	\$ (8,667)	\$ 1		\$ 1
Supplies and Materials	500	(500)			
Total Bilingual Education - Instruction	9,168	(9,167)	1		1
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	208,841	5,401	214,242	\$ 202,477	11,765
Supplies and Materials	21,600	1,795	23,395	23,311	84
Other Objects	25,000	(4,382)	20,618	20,618	
Total School-Sponsored Cocurricular Activities - Instruction	255,441	2,814	258,255	246,406	11,849
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	562,101	(334)	561,767	548,522	13,245
Other Purchased Services	9,000	2,838	11,838	11,838	
Supplies and Materials	62,580	19,450	82,030	74,858	7,172
Other Objects	64,100	2,336	66,436	65,887	549
Transfer to Cover Deficit	21,000	10,440	31,440	31,440	
Total School-Sponsored Cocurricular Athletics - Instruction	718,781	34,730	753,511	732,545	20,966
Total Instruction	9,110,398	208,282	9,318,680	9,126,503	192,177

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	\$ 249,515	\$ (155,979)	\$ 93,536	\$ 93,536	
Tuition - State Facilities		53,987	53,987	53,987	
Tuition to County Vocational School District - Regular	432,432	(48,288)	384,144	342,779	\$ 41,365
Tuition to Private Schools for the Disabled Within State	848,563	45,741	894,304	797,840	96,464
Tuition to Private Schools for the Disabled & Other LEAs Out of State		22,302	22,302	22,302	
Total Undistributed Expenditures - Instruction	1,530,510	(82,237)	1,448,273	1,310,444	137,829
Health Services:					
Salaries	87,137	(3,748)	83,389	83,389	
Purchased Professional/Technical Services	17,141	7,836	24,977	24,977	
Supplies and Materials	3,300	1,345	4,645	4,645	
Total Health Services	107,578	5,433	113,011	113,011	
Speech, OT, PT and Related Services:					
Salaries	288,216	(14,541)	273,675	273,675	
Purchased Professional/Educational Services	5,000	1,495	6,495	4,595	1,900
Supplies and Materials	507	(5)	502	502	
Total Speech, OT, PT and Related Services	293,723	(13,051)	280,672	278,772	1,900
Other Support Services - Students - Extra Services:					
Salaries	185,715	23,518	209,233	209,233	
Unused Sick Pay		2,790	2,790		2,790
Total Other Support Services - Students - Extra Services	185,715	26,308	212,023	209,233	2,790

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Guidance:					
Salaries of Other Professional Staff	\$ 542,817	\$ (257)	\$ 542,560	\$ 542,560	
Salaries of Secretaries and Clerical Assistants	101,170	567	101,737	101,737	
Other Purchased Services (400-500 Services)	1,000	(735)	265	265	
Supplies and Materials	4,555	2,296	6,851	6,759	\$ 92
Other Objects	2,750	(2,245)	505	505	
Total Guidance	652,292	(374)	651,918	651,826	92
Child Study Teams:					
Salaries of Other Professional Staff	422,450	4,030	426,480	425,425	1,055
Salaries of Secretarial and Clerical Assistants	46,275		46,275	46,275	
Other Salaries	77,000	(33,650)	43,350	39,765	3,585
Supplies and Materials	3,500	(440)	3,060	2,836	224
Other Objects	745	(558)	187	187	
Total Child Study Teams	549,970	(30,618)	519,352	514,488	4,864
Improvement of Instructional Services:					
Salary of Supervisor of Instruction	332,816	18,916	351,732	348,942	2,790
Salaries of Secretarial and Clerical Assistants	58,403	(56)	58,347	58,347	
Unused Vacation Time		37,980	37,980	37,980	
Supplies and Materials	500	(127)	373	373	
Other Objects	12,295	(1,938)	10,357	10,302	55
Total Improvement of Instructional Services	404,014	54,775	458,789	455,944	2,845

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Educational Media Services/School Library:					
Salaries	\$ 100,607	\$ 4,680	\$ 105,287	\$ 105,287	
Salaries of Technology Coordinators	190,950	3,158	194,108	194,108	
Other Purchased Services (400-500 series)	197,549	21,303	218,852	216,742	\$ 2,110
Supplies and Materials	17,186	790	17,976	12,010	5,966
Total Educational Media Services/School Library	<u>506,292</u>	<u>29,931</u>	<u>536,223</u>	<u>528,147</u>	<u>8,076</u>
Instructional Staff Training Services:					
Other Purchased Services	30,890	(13,470)	17,420	17,415	5
Total Instructional Staff Training Services	<u>30,890</u>	<u>(13,470)</u>	<u>17,420</u>	<u>17,415</u>	<u>5</u>
Support Services - General Administration:					
Salaries	259,749	(16,069)	243,680	238,769	4,911
Legal Services	40,000	26,246	66,246	50,992	15,254
Audit Fees	25,940	(1,040)	24,900	24,900	
Architectural/Engineering Services		67,000	67,000	49,550	17,450
Other Purchased Professional Services	4,838	145	4,983	4,982	1
Communications/Telephones	59,625	(50,267)	9,358	5,274	4,084
Board of Education Other Purchased Services	4,810	1,963	6,773	6,773	
Other Purchased Services (400-500 series)	39,765	1,736	41,501	40,001	1,500
General Supplies	4,500	160	4,660	4,660	
BOE In-House Training/Meeting Supplies	2,676	(419)	2,257	2,257	
Miscellaneous Expenditures	10,350	(3,545)	6,805	6,805	
BOE Membership Dues and Fees	11,476	31	11,507	11,507	
Total Support Services - General Administration	<u>463,729</u>	<u>25,941</u>	<u>489,670</u>	<u>446,470</u>	<u>43,200</u>

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 354,532	\$ (54,270)	\$ 300,262	\$ 299,150	\$ 1,112
Salaries of Other Professional Staff	62,129	8,055	70,184	63,344	6,840
Salaries of Secretarial and Clerical Assistants	151,118	(15,258)	135,860	135,860	
Other Purchased Services (400-500 Services)	2,000	(817)	1,183	1,183	
Supplies and Materials	9,500	12,062	21,562	21,263	299
Other Objects	9,260	398	9,658	9,658	
Total Support Services - School Administration	588,539	(49,830)	538,709	530,458	8,251
Central Services:					
Salaries	299,956	3,926	303,882	302,792	1,090
Purchased Professional Services	20,630	(630)	20,000	15,945	4,055
Purchased Technical Services	599	(29)	570	570	
Other Purchased Services (400-500 Services)	2,289	(802)	1,487	1,487	
Supplies and Materials	5,489	(1,752)	3,737	3,737	
Miscellaneous Expenditures	1,747	(318)	1,429	1,429	
Total Central Services	330,710	395	331,105	325,960	5,145
Administrative Information Technology:					
Purchased Technical Services	29,000	(7,178)	21,822	21,822	
Supplies and Materials		426	426	212	214
Total Administrative Information Technology	29,000	(6,752)	22,248	22,034	214
Required Maintenance of School Facilities:					
Salaries	224,464	2,176	226,640	226,606	34
Cleaning, Repair and Maintenance Services	74,249	81,936	156,185	105,856	50,329
General Supplies	43,540	(5,155)	38,385	34,332	4,053
Total Required Maintenance of School Facilities	342,253	78,957	421,210	366,794	54,416

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services:					
Salaries	\$ 445,809	\$ (20,841)	\$ 424,968	424,968	
Purchased Professional/Technical Services	13,549	(4,751)	8,798	8,798	
Cleaning, Repair and Maintenance Services	85,363	(20,951)	64,412	64,412	
Lease Purchase Payments - Energy Savings Improvement Program	111,443	(2,728)	108,715	108,715	
Other Purchased Property Services (400-500 series)	70,000	(2,378)	67,622	59,846	\$ 7,776
Insurance	178,019	9,695	187,714	187,714	
General Supplies	100,000	(5,594)	94,406	92,674	1,732
Energy (Electricity)	215,000	57,800	272,800	231,179	41,621
Energy (Natural Gas)	2,500	(2,156)	344	344	
Energy (Oil)	130,000	46,934	176,934	176,934	
Total Custodial Services	1,351,683	55,030	1,406,713	1,355,584	51,129
Care & Upkeep of Grounds:					
Salaries	160,219	3,558	163,777	163,777	
Purchased Professional and Technical Services	20,000	1,188	21,188	21,033	155
Other Purchased Services	12,425	19,227	31,652	6,555	25,097
General Supplies	29,000	23,549	52,549	51,337	1,212
Total Care & Upkeep of Grounds	221,644	47,522	269,166	242,702	26,464
Security:					
Salaries	96,455	36,014	132,469	132,469	
Purchased Professional and Technical Services	4,000	2,210	6,210	4,210	2,000
Cleaning, Repair and Maintenance Services	3,000	(1,086)	1,914	1,914	
General Supplies	2,545	1,367	3,912	3,804	108
Other Objects	1,825	(1,490)	335	335	
Total Security	107,825	37,015	144,840	142,732	2,108

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Student Transportation Services					
Salaries of Non-Instructional Aides	\$ 268,105	\$ 32,549	\$ 300,654	\$ 300,654	
Cleaning, Repair & Maintenance Services	67,300	(5,258)	62,042	62,042	
Rental Payments - School Buses	5,000	(5,000)			
Contracted Services (Between Home & School) - Vendors	611,043	37,152	648,195	631,235	\$ 16,960
Contracted Services (Other than Between Home & School) - Vendors	196,569	(50,419)	146,150	135,150	11,000
Contracted Services (Between Home & School) - Joint Agreements	277,970	(66,472)	211,498	211,498	
Contracted Services (Special Education Students) - Joint Agreements	459,163	(56,649)	402,514	382,526	19,988
Contracted Services- Aid in Lieu Payments - Non-Public Schools	10,000	3,817	13,817	13,816	1
Miscellaneous Purchased Services	13,600	(923)	12,677	12,677	
General Supplies	64,000	(13,308)	50,692	47,664	3,028
Other Objects	1,500	(635)	865	865	
Total Transportation Services	1,974,250	(125,146)	1,849,104	1,798,127	50,977
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	340,000	(67,652)	272,348	272,348	
Other Retirement Contributions - PERS	300,000	962	300,962	300,962	
Unemployment Compensation	36,629	14,968	51,597	41,626	9,971
Workmen's Compensation	192,756	(7,891)	184,865	184,865	
Health Benefits	2,648,382	14,028	2,662,410	2,627,017	35,393
Tuition Reimbursement	66,961	52,129	119,090	92,708	26,382
Other Employee Benefits	82,844	(76,240)	6,604	6,604	
Total Unallocated Benefits - Employee Benefits	3,667,572	(69,696)	3,597,876	3,526,130	71,746

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
On-Behalf Contributions:					
TPAF Pension Contributions (Non-Budgeted)				\$ 1,437,843	\$ (1,437,843)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				951,209	(951,209)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				34,893	(34,893)
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				1,226	(1,226)
TPAF Social Security Contributions (Reimbursed - Non-Budgeted)				692,601	(692,601)
Total On-Behalf Contributions				3,117,772	(3,117,772)
Total Personal Services - Employee Benefits	\$ 3,667,572	\$ (69,696)	\$ 3,597,876	6,643,902	(3,046,026)
Total Undistributed Expenses	13,338,189	(29,867)	13,308,322	15,954,043	(2,645,721)
TOTAL CURRENT EXPENSE	<u>22,448,587</u>	<u>178,415</u>	<u>22,627,002</u>	<u>25,080,546</u>	<u>(2,453,544)</u>
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures - Athletic		39,654	39,654	5,202	34,452
Undistributed Expenditures - Instruction		13,936	13,936		13,936
Undistributed Expenditures - Custodial Services		33,310	33,310	33,310	
Total Equipment		86,900	86,900	38,512	48,388
Facilities Acquisition and Construction Services:					
Construction Services		79,000	79,000	79,000	
Assessment for Debt Service on SDA Funding	4,496		4,496	4,496	
Total Facilities Acquisition and Construction Services	4,496	79,000	83,496	83,496	
TOTAL CAPITAL OUTLAY	<u>4,496</u>	<u>165,900</u>	<u>170,396</u>	<u>122,008</u>	<u>48,388</u>
TOTAL EXPENDITURES	<u>22,453,083</u>	<u>344,315</u>	<u>22,797,398</u>	<u>25,202,554</u>	<u>(2,405,156)</u>

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (568,660)	\$ (344,315)	\$ (912,975)	\$ (47,344)	\$ 865,631
Other Financing Sources:					
Transfer from Debt Service Fund				2	2
Total Other Financing Sources				2	2
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(568,660)	(344,315)	(912,975)	(47,342)	865,633
Fund Balance, July 1	2,190,465		2,190,465	2,190,465	
Fund Balance, June 30	\$ 1,621,805	\$ (344,315)	\$ 1,277,490	\$ 2,143,123	\$ 865,633
Recapitulation:					
Restricted:					
Capital Reserve				\$ 366,799	
Maintenance Reserve				358,119	
Assigned:					
Year-end Encumbrances				515,255	
Designated for Subsequent Year's Expenditures				441,514	
Additional Assigned Fund Balance for Subsequent Year's Expenditures - 7/1/18 - 8/1/18				17,420	
Unassigned				444,016	
				2,143,123	
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not recognized on GAAP basis				(615,985)	
Fund Balance per Governmental Funds (GAAP)				\$ 1,527,138	

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 5,990	\$ 5,500	\$ 11,490	\$ 6,186	\$ (5,304)
Federal Sources	334,036		334,036	334,036	
Total Revenues	340,026	5,500	345,526	340,222	(5,304)
EXPENDITURES:					
Instruction:					
Other Salaries for Instruction	18,000		18,000	18,000	
Purchased Professional/Educational Services	30,000		30,000	30,000	
Other Purchased Services	203,927		203,927	203,927	
General Supplies	52,305	500	52,805	52,501	304
Miscellaneous Expenditures	5,000		5,000	5,000	
Total Instruction	309,232	500	309,732	304,428	5,304
Support Services:					
Salaries of Other Professional Staff	3,000		3,000	3,000	
Personal Service - Employee Benefits	1,605		1,605	1,605	
Purchased Professional/Technical Services	4,500		4,500	4,500	
Other Purchased Services	21,689		21,689	21,689	
Supplies and Materials	5,000		5,000	5,000	
Total Support Services	32,794		32,794	35,794	
Total Expenditures	\$ 342,026	\$ 500	\$ 342,526	\$ 340,222	\$ 5,304

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 25,155,210	\$ 340,222
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Revenue and Expenditures, whereas the GAAP Basis does not		(22,174)
Prior Year State Aid Payments Not Recognized for Budgetary Purposes, Recognized for GAAP Statements	629,968	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(615,985)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 25,169,193	\$ 318,048
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 25,202,554	\$ 340,222
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.		(22,174)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 25,202,554	\$ 318,048

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2018 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C.6:20-2A.2(m)l. Transfers of appropriations may be made by school board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Elementary and Secondary Education Act</u>			<u>IDEA Part B Basic -</u>
	<u>Title I</u>	<u>Title II A</u>	<u>Title IV</u>	
REVENUE:				
Local Sources				
Federal Sources	\$ 73,768	\$ 18,189	\$ 10,000	\$ 203,927
Total Revenue	<u>\$ 73,768</u>	<u>\$ 18,189</u>	<u>\$ 10,000</u>	<u>\$ 203,927</u>
EXPENDITURES:				
Instruction:				
Other Salaries for Instruction	\$ 18,000			
Purchased Professional/Technical Services	30,000			
Other Purchased Services				\$ 203,927
General Supplies	21,391			
Total Instruction	<u>69,391</u>			<u>203,927</u>
Support Services:				
Salaries of Other Professional Staff				
Personal Service - Employee Benefits	1,377			
Purchased Professional/Technical Services			\$ 4,500	
Other Purchased Services		\$ 18,189	3,500	
Supplies and Materials	3,000		2,000	
Total Support Services	<u>4,377</u>	<u>18,189</u>	<u>10,000</u>	
Total Expenditures	<u>\$ 73,768</u>	<u>\$ 18,189</u>	<u>\$ 10,000</u>	<u>\$ 203,927</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Perkins Vocational Education	Local Grants	Total
REVENUE:			
Local Sources		\$ 6,186	\$ 6,186
Federal Sources	\$ 28,152		334,036
Total Revenue	<u>\$ 28,152</u>	<u>\$ 6,186</u>	<u>\$ 340,222</u>
EXPENDITURES:			
Instruction:			
Other Salaries for Instruction			\$ 18,000
Purchased Professional/Technical Services			30,000
Other Purchased Services			203,927
General Supplies	\$ 24,924	\$ 6,186	52,501
Total Instruction	<u>24,924</u>	<u>6,186</u>	<u>304,428</u>
Support Services:			
Salaries of Other Professional Staff	3,000		3,000
Personal Service - Employee Benefits	228		1,605
Purchased Professional/Technical Services			4,500
Other Purchased Services			21,689
Supplies and Materials			5,000
Total Support Services	<u>3,228</u>		<u>35,794</u>
Total Expenditures	<u>\$ 28,152</u>	<u>\$ 6,186</u>	<u>\$ 340,222</u>

CAPITAL PROJECTS FUND - NOT APPLICABLE

PROPRIETARY FUNDS

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
<u>ASSETS:</u>					
Current Assets:					
Cash and Cash Equivalents	\$ 26,791	\$ 176,630	\$ 6,678	\$ 13,049	\$ 223,148
Accounts Receivable:					
State	168				168
Federal	4,122				4,122
Intergovernmental - Other		123,889			123,889
Other	540				540
Inventories	7,076			8,608	15,684
Total Current Assets	38,697	300,519	6,678	21,657	367,551
Non-Current Assets:					
Capital Assets	321,407				321,407
Less: Accumulated Depreciation	(317,995)				(317,995)
Total Non-Current Assets	3,412				3,412
Total Assets	42,109	300,519	6,678	21,657	370,963
<u>LIABILITIES:</u>					
Current Liabilities:					
Accounts Payable	7,679				7,679
Unearned Revenue - Prepaid Sales	2,252				2,252
Unearned Revenue - Donated Commodities	1,145				1,145
Total Current Liabilities	11,076				11,076
<u>NET POSITION:</u>					
Investment in Capital Assets	3,412				3,412
Unrestricted	27,621	300,519	6,678	21,657	356,475
Total Net Position	\$ 31,033	\$ 300,519	\$ 6,678	\$ 21,657	\$ 359,887

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
Operating Revenue:					
Local Sources:					
Daily Sales - Reimbursable Programs	\$ 134,465				\$ 134,465
Daily Sales - Non Reimbursable Programs	149,668				149,668
Program Fees		\$ 1,003,619	\$ 4,407	\$ 10,584	1,018,610
Total Operating Revenue	284,133	1,003,619	4,407	10,584	1,302,743
Operating Expenses:					
Cost of Sales - Reimbursable Programs	72,576				72,576
Cost of Sales - Non Reimbursable Programs	80,781				80,781
Salaries, Benefits & Payroll Taxes	158,427				158,427
Other Purchased Services		955,971			955,971
Management Fee	15,990				15,990
Depreciation Expense	3,233				3,233
Other Miscellaneous Expenses	20,352		6,780	6,936	34,068
Total Operating Expenses	351,359	955,971	6,780	6,936	1,321,046
Operating Income/(Loss)	(67,226)	47,648	(2,373)	3,648	(18,303)

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
Non-Operating Revenue:					
State Sources:					
State School Lunch Program	\$ 2,609				\$ 2,609
Federal Sources:					
National School Lunch Program	60,275				60,275
Food Distribution Program	10,324				10,324
Local Sources:					
Interest Income	47		\$ 8	\$ 4	59
Total Non-Operating Revenue	73,255		8	4	73,267
Change in Net Position	6,029	\$ 47,648	(2,365)	3,652	54,964
Net Position - Beginning of Year As Restated	25,004	252,871	9,043	18,005	304,923
Net Position - End of Year	\$ 31,033	\$ 300,519	\$ 6,678	\$ 21,657	\$ 359,887

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 283,593	\$ 1,144,834	\$ 4,407	\$ 10,584	\$ 1,443,418
Payments to Employees	(158,427)				(158,427)
Payments to Food Service Vendor	(151,276)				(151,276)
Payments to Suppliers	(20,352)	(955,971)	(6,780)	(11,359)	(994,462)
Net Cash Provided by/(Used for) Operating Activities	(46,462)	188,863	(2,373)	(775)	139,253
Cash Flows from Noncapital Financing Activities:					
Cash Received from State Sources	2,565				
Cash Received from Federal Sources	59,373				61,938
Net Cash Provided by Noncapital Financing Activities	61,938				61,938
Cash Flows from Investing Activities:					
Investment Income	47		8	4	59
Net Cash Flows Provided by Investing Activities:	47		8	4	59
Net Increase/(Decrease) in Cash and Cash Equivalents	15,523	188,863	(2,365)	(771)	201,250
Cash and Cash Equivalents/(Deficit), July 1	11,268	(12,233)	9,043	13,820	21,898
Cash and Cash Equivalents, June 30	\$ 26,791	\$ 176,630	\$ 6,678	\$ 13,049	\$ 223,148

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
\$	(67,226)	\$ 47,648	\$ (2,373)	\$ 3,648	\$ (18,303)
	10,324				10,324
	3,233				3,233
	(540)	141,215		(4,423)	140,675
	827				(3,596)
	7,679				7,679
	(192)				(192)
	(567)				(567)
Net Cash Provided by/(Used for) Operating Activities	\$ (46,462)	\$ 188,863	\$ (2,373)	\$ (775)	\$ 139,253

Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:

Operating Income / (Loss)	
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) Operating Activities:	
Federal Food Distribution Program	
Depreciation	
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	
(Increase)/Decrease in Inventory	
Increase in Accounts Payable	
(Decrease) in Unearned Revenue - Prepaid Sales	
(Decrease) in Unearned Revenue - Donated Commodities	

Net Cash Provided by/(Used for) Operating Activities

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. donated commodities through the Food Distribution Program valued at \$9,757 and utilized commodities valued at \$10,324

FIDUCIARY FUNDS

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Agency</u>	<u>Student</u>	<u>Total</u>		
	<u>Payroll</u>	<u>Activity</u>	<u>Total</u>	<u>Scholarship</u>	<u>Unemployment</u>
				<u>Trust</u>	<u>Compensation</u>
				<u>Trust</u>	<u>Trust</u>
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 150,222	\$ 95,034	\$ 245,256	\$ 48,747	\$ 35,181
Interfund Receivable - General Fund	5,887		5,887		
Total Assets	156,109	95,034	251,143	48,747	35,181
<u>LIABILITIES:</u>					
Net Salaries and Wages	6,970		6,970		
Payroll Deductions and Withholdings	135,201		135,201		
Interfund Payable - General Fund	13,938		13,938		
Due to Student Groups		95,034	95,034		
Total Liabilities	156,109	95,034	251,143		
<u>NET POSITION:</u>					
Held in Trust for Unemployment					35,181
Claims				48,747	
Restricted For Scholarships					
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ 48,747	\$ 35,181

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Unemployment Compensation Trust	Scholarship Trust	Totals
ADDITIONS:			
Contributions:			
Donations		\$ 10,105	10,105
Total Contributions		10,105	10,105
Investment Earnings:			
Interest	\$ 70	51	121
Net Investment Earnings	70	51	121
Total Additions	70	10,156	10,226
DEDUCTIONS:			
Scholarships Awarded		9,750	9,750
Total Deductions		9,750	9,750
Change in Net Position	70	406	476
Net Position - Beginning of the Year	35,111	48,341	83,452
Net Position - End of the Year	<u>\$ 35,181</u>	<u>\$ 48,747</u>	<u>\$ 83,928</u>

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

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 82,098	\$ 380,475	\$ 367,539	\$ 95,034
Total Assets	<u>\$ 82,098</u>	<u>\$ 380,475</u>	<u>\$ 367,539</u>	<u>\$ 95,034</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 82,098	\$ 380,475	\$ 367,539	\$ 95,034
Total Liabilities	<u>\$ 82,098</u>	<u>\$ 380,475</u>	<u>\$ 367,539</u>	<u>\$ 95,034</u>

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

	<u>Balance</u> <u>June 30, 2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2018</u>
High School Activities Fund	\$ 80,411	\$ 313,743	\$ 300,757	\$ 93,397
High School Athletic Fund	1,687	66,732	66,782	1,637
Total	<u>\$ 82,098</u>	<u>\$ 380,475</u>	<u>\$ 367,539</u>	<u>\$ 95,034</u>

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

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 76,448	\$ 14,570,712	\$ 14,496,938	\$ 150,222
Interfund Receivable - General Fund	5,887			5,887
Total Assets	<u>\$ 82,335</u>	<u>\$ 14,570,712</u>	<u>\$ 14,496,938</u>	<u>\$ 156,109</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 77,651	\$ 6,590,256	\$ 6,532,706	\$ 135,201
Net Salaries and Wages	4,684	7,966,518	7,964,232	6,970
Interfund Payable - General Fund		13,938		13,938
Total Liabilities	<u>\$ 82,335</u>	<u>\$ 14,570,712</u>	<u>\$ 14,496,938</u>	<u>\$ 156,109</u>

LONG-TERM DEBT

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOT APPLICABLE

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

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2017</u>	<u>Matured</u>	<u>Balance June 30, 2018</u>
Energy Savings Equipment Lease	1.075%	\$ 1,327,620	\$ 1,013,511	\$ 86,744	\$ 926,767
			<u>\$ 1,013,511</u>	<u>\$ 86,744</u>	<u>\$ 926,767</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Uses:					
Operating Transfer Out - General Fund				\$ (2)	(2)
Total Other Financing Uses				(2)	(2)
Excess/(Deficiency) of Revenues and Other Financing Uses Over/(Under) Expenditures				(2)	(2)
Fund Balance, July 1	\$ 2		\$ 2	2	
Fund Balance, June 30	\$ 2	\$ -0-	\$ 2	-0-	(2)

STATISTICAL SECTION
(UNAUDITED)

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

Contents

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

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

	June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
									as Restated	
Governmental Activities										
Net Investment in Capital Assets	\$ 2,240,718	\$ 3,132,986	\$ 3,083,158	\$ 3,765,813	\$ 4,538,503	\$ 5,122,169	\$ 6,435,416	\$ 6,944,055	\$ 4,037,258	\$ 3,776,813
Restricted	1,333,204	1,506,827	2,927,342	3,676,073	3,349,049	3,251,378	2,704,749	1,955,513	1,173,366	724,918
Unrestricted/(Deficit)	(799,567)	(493,281)	(942,067)	(799,750)	18,546	(6,004,806)	(6,914,660)	(6,728,563)	(7,406,890)	(7,242,497)
Total Governmental Activities Net Position/(Deficit)	\$ 2,774,355	\$ 4,146,531	\$ 5,068,433	\$ 6,642,136	\$ 7,906,098	\$ 2,368,741	\$ 2,225,505	\$ 2,171,005	\$ (2,196,266)	\$ (2,740,766)
Business-Type Activities										
Investment in Capital Assets	\$ 2,773	\$ 2,444	\$ 2,115	\$ 9,928	\$ 9,599	\$ 27,265	\$ 26,936	\$ 26,607	\$ 6,645	\$ 3,412
Unrestricted	446,863	203,492	393,104	570,374	609,457	632,853	596,048	408,925	298,278	356,475
Total Business-Type Activities Net Position	\$ 449,637	\$ 205,936	\$ 395,219	\$ 580,302	\$ 619,056	\$ 660,118	\$ 622,984	\$ 435,532	\$ 304,923	\$ 359,887
District-Wide										
Net Investment in Capital Assets	\$ 2,243,491	\$ 3,135,430	\$ 3,085,273	\$ 3,775,742	\$ 4,548,102	\$ 5,149,434	\$ 6,462,352	\$ 6,970,662	\$ 4,043,903	\$ 3,780,225
Restricted	1,333,204	1,506,827	2,927,342	3,676,073	3,349,049	3,251,378	2,704,749	1,955,513	1,173,366	724,918
Unrestricted/(Deficit)	(352,704)	(289,789)	(548,963)	(229,376)	628,003	(5,371,953)	(6,318,612)	(6,319,638)	(7,108,612)	(6,886,022)
Total District Net Position/(Deficit)	\$ 3,223,992	\$ 4,352,468	\$ 5,463,652	\$ 7,222,438	\$ 8,525,154	\$ 3,028,859	\$ 2,848,489	\$ 2,606,537	\$ (1,891,343)	\$ (2,380,879)

Source: School District Financial Reports

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION LAST TEN FISCAL YEARS

UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Instruction										
Regular	\$ 10,002,953	\$ 10,228,209	\$ 9,962,143	\$ 9,757,739	\$ 10,509,989	\$ 10,363,494	\$ 11,520,175	\$ 12,906,396	\$ 15,029,523	\$ 15,131,107
Special Education	2,639,808	2,836,455	2,807,547	2,584,545	2,250,799	2,034,921	2,832,984	3,605,207	3,470,736	3,345,227
Other Special Education	1,029,344	1,211,036	1,022,488	1,302,373	1,221,996	1,339,062	1,452,353	1,184,478	1,108,329	1,090,651
Other Instruction					266,655	261,685		1,209,433	301,535	266,342
Support Services:										
Tuition	1,028,915	1,142,185	802,083	993,890	943,288	1,249,788	1,258,017	1,052,244	1,087,347	1,310,444
Student & Instruction Related Services	2,740,300	2,924,563	3,070,090	2,919,348	3,242,318	3,528,804	3,975,858	3,700,324	4,064,234	3,630,046
School Administrative Services	1,457,388	1,224,503	1,003,071	997,092	627,069	560,774	619,516	522,149	485,017	1,001,460
General Administrative Services	1,052,939	991,431	965,708	1,094,206	1,185,882	1,037,768	1,172,827	1,028,969	1,157,618	511,751
Central Services					433,361	444,486	454,485	415,685	438,096	438,325
Administrative Information Technology					34,705	59,367	45,554	39,043	30,687	22,034
Plant Operations And Maintenance	2,393,655	2,205,602	2,313,752	2,545,109	2,587,116	2,808,908	2,569,793	2,538,115	2,983,794	2,247,712
Pupil Transportation	1,838,793	1,811,235	1,758,682	1,900,940	1,742,693	1,972,685	1,936,193	1,799,896	1,911,202	1,908,858
Interest On Long-Term Debt	166,236	99,806	41,447	34,497	26,893	18,834	9,875	396		
Unallocated Depreciation										
Capital Outlay						4,496	36,399	29,968	35,661	224,145
Total Governmental Activities Expenses	24,350,331	24,675,026	23,747,011	24,129,740	25,072,764	25,680,576	27,884,029	28,966,303	32,103,779	31,139,695
Business-type activities:										
Food Service	676,182	661,866	435,747	414,208	354,256	360,017	409,611	470,378	430,342	351,359
Transportation Services	1,247,102	1,284,756	848,346	710,089	692,528	760,481	23,000	27,594	1,077,985	955,971
Adult School	19,361	14,625	13,579	14,422	6,490	11,328	17,777	15,698	6,103	6,780
School Store	17,673	18,187	9,577	20,220	17,047	15,933	769,623	1,134,769	20,898	6,936
Total Business-Type Activities Expense	1,960,318	1,979,434	1,307,250	1,158,940	1,070,321	1,147,759	1,220,011	1,648,439	1,535,328	1,321,046
Total District Expenses	26,310,649	26,654,460	25,054,261	25,288,681	26,143,085	26,828,335	29,104,040	30,614,742	33,639,107	32,460,741
Program Revenues										
Governmental Activities:										
Charges For Services:										
Tuition	181,664	257,246	391,128	121,196	251,295	286,804	678,827	999,366	895,190	1,275,757
Operating Grants and Contributions	3,189,797	3,983,715	3,664,876	3,643,043	9,180,093	8,672,786	11,162,696	12,079,638	14,245,327	14,940,690
Capital Grants and Contributions									628,906	
Total Governmental Activities Program Revenues	3,371,461	4,240,961	4,056,004	3,764,239	9,431,388	8,959,590	11,841,523	13,079,004	15,769,423	16,216,447

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION LAST TEN FISCAL YEARS

UNAUDITED
(accrual basis of accounting)
(Continued)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2013	2014	2015	2016	2017	2018
Business-Type Activities:										
Charges for services										
Food Service	\$ 490,480	\$ 453,503	\$ 398,427	\$ 380,396	\$ 303,406	\$ 316,329	\$ 306,413	\$ 359,346	\$ 309,357	\$ 284,133
Transportation Services	1,324,032	1,039,439	1,008,974	862,803	718,763	772,975	770,362	998,543	1,015,575	1,003,619
Adult School	24,206	12,908	13,839	14,358	9,466	13,269	10,383	6,590	7,090	4,407
School Store	24,919	20,454	13,868	21,319	16,732	20,064	14,422	15,187	16,650	10,584
Operating Grants and Contributions										
Food Service	59,486	64,103	60,873	64,749	60,536	65,996	81,112	81,189	74,522	73,208
Total Business Type Activities Program Revenues	1,923,123	1,590,407	1,495,980	1,343,625	1,108,903	1,188,633	1,182,692	1,460,855	1,423,194	1,375,951
Total District Program Revenues	5,294,584	5,831,368	5,551,984	5,107,864	10,540,291	10,148,223	13,024,215	14,539,859	17,192,617	17,592,398
Net (Expense)/Revenue	(20,978,870)	(20,434,065)	(19,691,007)	(20,365,501)	(15,641,376)	(16,720,986)	(16,042,506)	(15,887,299)	(16,334,356)	(14,923,248)
Governmental Activities	(37,195)	(389,027)	188,731	184,684	38,582	40,874	(37,319)	(187,584)	(112,134)	54,905
Business-Type Activities	(21,016,065)	(20,823,092)	(19,502,276)	(20,180,816)	(15,602,794)	(16,680,112)	(16,079,825)	(16,074,883)	(16,446,490)	(14,868,343)
Total District-Wide Net Expense										
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	14,370,733	14,891,072	15,566,621	15,849,073	16,055,482	15,878,434	15,612,914	15,612,914	15,401,826	14,356,619
Property Taxes Levied for Debt Service, Net	653,042	707,266	152,922	158,197	195,391	192,538	194,000	194,749		
Federal and State Aid not Restricted	6,222,790	6,282,192	4,789,978	5,544,997	336,971			11,214	11,617	9,351
Investment Earnings	10,363	5,054	14,583	11,309	1,487	1,480	738	2,721	2,618	2,003
Miscellaneous Income	61,495	66,796	88,804	375,628	258,499	559,503	91,618	11,201	65,214	10,775
Transfers	(133,869)	(146,139)								
Total Governmental Activities	21,184,553	21,806,242	20,612,908	21,939,204	16,847,830	16,631,955	15,899,270	15,832,799	15,481,275	14,378,748
Business-Type Activities:										
Investment Earnings	364	148	552	399	173	188	185	132	80	59
Transfers	133,869	145,179							5,388	
Total Business-Type Activities	134,233	145,327	552	399	173	188	185	132	5,468	59
Total District-Wide	21,318,787	21,951,569	20,613,460	21,939,603	16,848,003	16,632,143	15,899,455	15,832,931	15,486,743	14,378,807
Change in Net Position										
Governmental Activities	205,683	1,372,176	921,901	1,573,703	1,206,454	(89,031)	(143,236)	(54,500)	(853,081)	(544,500)
Business-Type Activities	97,038	(243,700)	189,282	185,084	38,755	41,062	(37,134)	(187,452)	(106,666)	54,964
Total District	\$ 302,722	\$ 1,128,476	\$ 1,111,184	\$ 1,758,787	\$ 1,245,209	\$ (47,969)	\$ (180,370)	\$ (241,952)	\$ (959,747)	\$ (489,536)

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

	June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017 as Restated	2018
General Fund										
Restricted	\$ 1,455,796	\$ 1,528,622	\$ 2,962,466	\$ 3,562,871	\$ 3,349,047	\$ 3,251,375	\$ 2,704,746	\$ 1,955,511	\$ 1,173,364	\$ 724,918
Assigned	(46,296)	368,669	5,816	549,477	800,235	326,794	6,752	701,377	387,133	802,220
Total General Fund	\$ 1,409,500	\$ 1,897,291	\$ 2,968,283	\$ 4,112,348	\$ 4,149,282	\$ 3,578,169	\$ 2,711,498	\$ 2,656,888	\$ 1,560,497	\$ 1,527,138
All Other Governmental Funds										
Restricted/(Deficit)			\$ (35,126)	\$ (277,152)						
Restricted for:										
Debt Service Fund	\$ 210	\$ 1	2	2	2	3	3	2	\$ 2	\$ 2
Unassigned/(Deficit)							(326,178)	(448,221)		
Total All Other Governmental Funds/(Deficit)	\$ 210	\$ 1	\$ (35,124)	\$ (277,150)	\$ 2	\$ 3	\$ 3	\$ (448,219)	\$ 2	\$ 2
Total Fund Balances	\$ 1,409,710	\$ 1,897,292	\$ 2,933,158	\$ 3,835,198	\$ 4,149,284	\$ 3,578,172	\$ 2,711,501	\$ 2,208,669	\$ 1,560,499	\$ 1,527,138

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax Levy	\$ 15,190,011	\$ 15,698,144	\$ 15,760,990	\$ 16,041,767	\$ 16,250,873	\$ 16,070,972	\$ 15,806,914	\$ 15,807,663	\$ 15,401,826	\$ 14,356,619
Tuition Charges	181,664	257,246	391,128	121,196	244,795	286,804	678,827	999,366	895,190	1,275,757
Interest Earnings	10,363	5,054	14,583	11,309	1,487	1,480	738	2,721	2,618	
Miscellaneous	61,495	66,796	88,804	375,628	258,506	563,483	91,738	11,201	65,214	12,778
State Sources	8,902,768	8,811,725	7,742,169	8,630,774	9,138,769	8,345,837	8,563,950	8,942,705	10,054,614	9,514,688
Federal Sources	343,584	1,354,376	671,239	522,770	384,789	322,969	330,033	360,265	360,554	327,399
Total Revenue	24,689,883	26,193,341	24,668,912	25,703,443	26,279,219	25,591,545	25,472,200	26,123,921	26,780,016	25,487,241
Expenditures										
Instruction										
Regular Instruction	7,397,730	7,491,466	7,112,746	6,817,954	7,311,105	7,292,041	7,333,948	7,141,892	7,239,685	6,852,811
Special Education Instruction	1,989,827	2,163,466	2,101,949	1,908,798	1,597,565	1,402,857	1,840,101	2,120,461	1,826,498	1,612,789
Other Special Instruction	844,295	935,778	768,774	1,075,835	818,387	942,888	942,668	983,365	1,007,388	978,951
Other Instruction					187,956	183,917				
Support Services:										
Tuition	1,028,915	1,142,185	802,083	993,890	943,288	1,249,788	1,258,017	1,052,244	1,087,347	1,310,444
Student & Instruction Related Services	2,037,174	2,168,259	2,219,622	2,130,560	2,371,675	2,628,171	2,642,584	2,858,031	2,993,720	2,768,836
School Administrative Services	1,103,429	1,004,472	768,124	698,819	505,865	450,452	412,650	459,224	409,997	530,458
General Administrative Services	830,762	807,010	734,328	869,775	813,807	729,378	731,483	633,283	646,730	446,470
Central Services					311,186	326,503	297,317	325,871	321,226	325,960
Administrative Information Technology					34,705	45,760	45,554	39,043	30,687	22,034
Plant Operations And Maintenance	2,053,621	1,847,831	1,930,891	2,148,725	2,003,759	2,458,425	2,033,876	2,275,447	2,626,618	2,107,812
Pupil Transportation	1,696,158	1,681,199	1,639,920	1,703,444	1,661,839	1,772,029	1,698,644	1,645,355	1,746,071	1,798,127
Employee Benefits	4,710,551	4,811,209	5,025,687	5,198,872	6,066,534	5,600,421	5,611,377	5,771,626	6,399,939	6,643,902
Capital Outlay	347,060	282,603	334,553	1,062,037	2,469,691	887,490	1,622,850	799,983	463,374	122,008
Debt Service:										
Principal	1,070,000	1,115,000	150,000	155,000	165,000	170,000	180,000	190,000		
Interest And Other Charges	174,930	109,144	44,369	37,694	30,391	22,537	14,000	4,750		
Total Expenditures	25,284,451	25,559,621	23,633,046	24,801,404	27,292,753	26,162,657	26,665,049	26,300,575	26,799,280	25,520,602
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(594,567)	633,720	1,035,866	902,039	(1,013,534)	(571,112)	(1,192,849)	(176,654)	(19,264)	(33,361)

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other Financing Sources (Uses)										
Capital Leases (non-budgeted)					\$ 1,327,620					
Transfers In	\$ 48				59,819		\$ 1,050,090			\$ 2
Transfers Out	(133,917)	\$ (146,139)			(59,819)		(1,050,090)			(2)
Total Other Financing Sources (Uses)	(133,869)	(146,139)	\$ -0-	\$ -0-	\$ 1,327,620	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Net Change In Fund Balances	\$ (728,436)	\$ 487,582	\$ 1,035,866	\$ 902,039	\$ 314,086	\$ (571,112)	\$ (1,192,849)	\$ (176,654)	\$ (19,264)	\$ (33,361)
Debt Service As A Percentage Of Noncapital Expenditures	4.99%	4.84%	0.83%	0.81%	0.79%	0.76%	0.77%	0.76%	0.00%	0.00%

Source: School District Financial Reports

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Tuition	Interest	Refunds	Transportation		Building Use	Student Operated Cafeteria		Miscellaneous	Total
				Fees						
2009	\$ 181,664	\$ 10,363							\$ 61,495	\$ 253,521
2010	257,246	5,054		\$ 4,547					63,250	330,096
2011	391,128	14,583		2,331					86,473	494,514
2012	121,196	11,309	\$ 352,693	1,126	\$ 10,910	\$ 6,675			4,224	508,133
2013	244,795	6,043	134,930	5,618	34,119	8,159			71,117	504,781
2014	286,804	5,274	505,204	32,897		10,412			7,196	847,787
2015	678,827	3,741	1,242	52,153		13,134			22,086	771,183
2016	999,366	2,721							9,201	1,011,288
2017	895,190	2,618	10,091				413		54,710	963,022
2018	1,275,757	2,003							10,775	1,288,535

Source: High Point Regional High School District District Records

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

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2008	\$ 2,736,650	\$ 81,104,500	\$ 474,700	\$ 68,381,100		\$ 1,567,000	\$ 154,263,950	\$ 218,943	154,482,893	0.600	158,522,054
2009	2,771,550	81,422,200	468,800	68,178,100		1,567,000	154,407,650	165,069	154,575,719	0.588	160,616,325
2010	2,832,750	82,015,300	468,800	60,247,800		1,567,000	147,131,650	206,011	147,337,661	0.629	147,618,315
2011	2,689,450	82,141,100	468,800	58,240,000		1,567,000	145,106,350	225,527	145,331,877	0.607	142,014,026
2012	* 2,254,350	71,399,200	423,800	57,496,700		1,388,000	132,962,050	237,409	133,199,459	0.636	142,761,211
2013	2,254,350	71,576,400	418,300	57,609,100		1,388,000	133,251,650	206,820	133,458,470	0.606	148,310,732
2014	2,333,050	71,358,600	423,800	57,285,300		1,388,000	132,788,750	213,947	133,002,697	0.582	139,687,493
2015	2,254,350	71,333,600	423,800	57,167,000		1,388,000	132,566,750	247,390	132,814,140	0.583	127,085,808
2016	1,905,150	71,432,300	440,500	52,639,200		1,388,000	127,805,150	220,899	128,026,049	0.429	125,626,181
2017	1,905,150	71,055,300	434,000	53,816,100		1,388,000	128,598,550	-	128,598,550	0.423	142,122,836
<u>Frankford Township</u>											
2008	* \$ 42,074,100	\$ 735,232,100	\$ 98,902,900	\$ 71,902,900	\$ 6,335,800	\$ 1,075,900	\$ 955,523,700	\$ 3,202,525	958,726,225	0.470	970,821,462
2009	39,020,900	731,711,400	101,823,000	71,526,000	6,335,800	1,075,900	951,493,000	2,746,065	954,239,065	0.485	969,749,412
2010	36,262,400	733,731,900	100,591,000	70,748,400	6,458,400	1,075,900	948,868,000	2,440,197	951,598,197	0.483	925,655,838
2011	34,353,400	734,220,600	102,117,600	69,990,600	6,548,400	1,075,900	948,306,500	2,337,821	950,644,321	0.501	882,845,249
2012	32,015,200	734,356,000	101,398,600	63,242,500	6,414,300	1,075,900	938,507,500	2,230,757	940,738,257	0.532	862,469,699
2013	18,976,800	559,837,200	72,998,200	60,275,700	5,529,600	880,200	721,747,200	2,033,198	723,780,398	0.706	792,810,574
2014	17,333,200	565,528,300	73,949,400	59,828,300	5,529,600	880,200	723,049,000	1,811,215	724,860,215	0.701	845,128,593
2015	17,180,700	570,042,100	74,134,500	59,064,500	5,529,600	841,700	726,793,100	2,183,338	728,976,438	0.601	825,685,795
2016	16,952,900	577,131,100	69,657,800	59,222,500	5,529,600	841,700	729,335,600	2,049,219	731,384,819	0.612	824,978,449
2017	16,848,200	578,350,100	70,077,500	59,117,800	5,529,600	859,800	730,783,000	-	730,783,000	0.584	807,870,623
<u>Lafayette Township</u>											
2008	\$ 11,772,000	\$ 302,383,600	\$ 65,031,900	\$ 45,464,100	\$ 44,689,900		\$ 469,341,500	\$ 1,127,240	470,468,740	0.467	484,735,174
2009	11,041,800	303,856,900	67,184,400	46,931,400	44,494,400		473,508,900	909,083	474,417,983	0.453	491,230,796
2010	10,195,400	302,586,600	66,281,100	49,056,600	44,494,400		472,614,100	548,807	473,162,907	0.457	448,864,212
2011	9,160,300	294,938,000	65,672,600	46,242,100	26,731,100		442,744,100	560,912	443,305,012	0.540	427,493,775
2012	8,661,800	292,547,500	67,325,300	45,772,600	23,929,500		438,236,700	596,007	438,832,307	0.560	414,089,316
2013	* 6,574,300	219,343,500	47,116,300	41,217,100	15,337,800		333,540,900	539,095	334,079,995	0.701	355,384,286
2014	6,746,400	219,287,600	49,051,500	41,203,100	15,337,800		331,626,400	494,830	332,121,230	0.693	373,817,248
2015	6,404,000	218,935,700	48,747,500	35,992,900	15,339,900		325,420,000	597,858	326,017,858	0.524	352,383,165
2016	6,715,300	220,130,800	47,955,900	39,293,100	14,459,900		328,555,000	588,015	329,143,015	0.542	348,586,224
2017	6,046,700	221,637,200	47,523,400	39,142,800	14,459,900		328,810,000	618,355	329,428,355	0.526	337,460,456

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

Year Ended December 31,	Vacant Land		Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
	\$											
2008	\$ 1,021,300	\$ 53,019,900	\$ 395,000	\$ 464,900	\$ 6,896,000	\$ 78,375,300	\$ 1,300,612	79,675,912	0.931	147,169,400		
2009	1,069,900	52,983,900	394,300	474,100	6,896,000	78,396,400	1,341,249	79,737,649	0.855	149,022,809		
2010	994,800	53,417,900	394,300	494,100	6,896,000	78,797,300	857,595	79,634,895	0.830	159,714,824		
2011	960,900	53,446,500	394,300	474,100	6,896,000	78,705,400	717,621	79,423,021	0.869	140,439,616		
2012	963,700	53,339,500	394,300	474,100	6,896,000	78,601,200	505,353	79,106,553	0.918	144,178,764		
2013	* 1,732,400	81,631,500	640,100	721,600	16,707,400	127,162,800	662,927	127,825,727	0.592	132,158,837		
2014	1,804,600	80,772,200	661,600	787,300	16,324,700	125,605,000	835,798	126,440,798	0.627	121,535,784		
2015	1,838,400	80,688,700	661,600	787,300	16,190,200	124,901,600	1,107,571	126,009,171	0.653	124,451,895		
2016	1,791,200	80,820,200	661,600	787,300	14,503,400	123,221,100	-	123,221,100	0.567	124,413,054		
2017	1,791,200	80,740,000	661,600	787,300	14,484,100	125,198,800	-	125,198,800	0.449	130,280,646		
Wantage Township												
2008	\$ 60,436,760	\$ 1,110,616,200	\$ 154,194,796	\$ 1,157,200	\$ 5,822,300	\$ 1,445,405,618	\$ 3,113,175	1,448,518,793	0.460	1,442,853,168		
2009	59,181,060	1,119,347,900	157,618,456	761,300	5,822,300	1,456,084,678	2,298,850	1,458,383,528	0.485	1,549,245,517		
2010	55,259,940	1,122,400,900	156,474,776	761,300	5,822,300	1,455,949,951	3,118,073	1,459,063,024	0.505	1,455,072,239		
2011	51,572,340	1,119,230,400	159,407,276	961,300	5,822,300	1,451,948,551	3,405,033	1,455,353,584	0.492	1,390,716,975		
2012	45,769,389	1,065,045,000	159,642,587	961,300	5,822,300	1,391,995,511	3,587,726	1,395,583,237	0.512	1,276,603,496		
2013	42,071,360	1,057,651,000	150,677,900	961,300	5,822,300	1,379,386,858	3,447,661	1,382,834,519	0.514	1,212,594,551		
2014	* 30,572,600	899,760,106	141,239,200	1,541,400	11,621,250	1,201,661,647	3,383,457	1,205,045,104	0.580	1,199,517,862		
2015	30,651,700	899,500,006	141,212,300	1,541,400	11,621,250	1,201,453,747	3,805,642	1,205,259,389	0.637	1,200,996,055		
2016	29,938,700	898,143,806	142,153,800	1,541,400	11,621,200	1,200,037,936	-	1,200,037,936	0.657	1,185,651,429		
2017	29,631,300	899,354,006	141,686,252	1,541,400	11,621,200	1,198,176,442	-	1,198,176,442	0.605	1,169,093,206		

* Revaluation or Reassessment Year

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation.

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

b Tax rates are per \$100

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

Branchville Borough								Total Direct and Overlapping Tax Rate
Direct Rate				Overlapping Rates				
Year Ended December 31,	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County		
2008	\$ 0.567	\$ 0.033	\$ 0.600		\$ 0.746	\$ 0.414	\$ 1.760	
2009	0.557	0.031	0.588		0.766	0.396	1.750	
2010	0.608	0.021	0.629		0.790	0.397	1.816	
2011	0.601	0.006	0.607		0.806	0.429	1.842	
2012	* 0.628	0.008	0.636		0.894	0.499	2.029	
2013	0.599	0.007	0.606		0.942	0.550	2.098	
2014	0.575	0.007	0.582		0.953	0.548	2.083	
2015	0.576	0.007	0.583		0.865	0.491	1.939	
2016	0.429		0.429	\$ 0.169	1.006	0.493	2.097	
2017	0.423		0.423	0.135	1.022	0.630	2.210	

Frankford Township								Total Direct and Overlapping Tax Rate
Direct Rate				Overlapping Rates				
Year Ended December 31,	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County		
2008	* \$ 0.445	\$ 0.025	\$ 0.470	\$ 0.195	\$ 0.662	\$ 0.369	\$ 1.696	
2009	0.460	0.025	0.485	0.195	0.693	0.388	1.761	
2010	0.467	0.016	0.483	0.214	0.712	0.395	1.804	
2011	0.496	0.005	0.501	0.214	0.739	0.405	1.859	
2012	0.525	0.007	0.532	0.224	0.740	0.424	1.920	
2013	0.697	0.009	0.706	0.306	0.977	0.538	2.527	
2014	0.693	0.009	0.701	0.311	0.999	0.611	2.622	
2015	0.593	0.007	0.601	0.311	1.057	0.583	2.552	
2016	0.612		0.612	0.331	1.010	0.623	2.576	
2017	0.584		0.584	0.341	0.988	0.631	2.544	

* Revaluation or Reassessment Year

Source: Municipal Tax Collector and School Business Administrator

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

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN YEARS

UNAUDITED

(rate per \$100 of assessed value)

(Continued)

Lafayette Township							
Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County	
2008	\$ 0.442	\$ 0.025	\$ 0.467	\$ 0.135	\$ 0.810	\$ 0.389	\$ 1.801
2009	0.431	0.022	0.453	0.145	0.829	0.395	1.822
2010	0.442	0.015	0.457	0.175	0.838	0.387	1.857
2011	0.534	0.006	0.540	0.191	0.902	0.428	2.061
2012	0.553	0.007	0.560	0.196	0.912	0.439	2.107
2013	0.693	0.008	0.701	0.263	1.190	0.523	2.677
2014	0.684	0.008	0.693	0.270	1.210	0.587	2.760
2015	0.684	0.006	0.524	0.270	1.420	0.557	2.771
2016	0.542		0.542	0.286	1.335	0.580	2.743
2017	0.526		0.526	0.285	1.270	0.585	2.666

Sussex Borough							
Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County	
2008	* \$ 0.881	\$ 0.050	\$ 0.931	\$ 0.753	\$ 1.665	\$ 0.736	\$ 4.085
2009	0.833	0.022	0.855	0.770	1.674	0.711	4.010
2010	0.804	0.026	0.830	0.910	1.790	0.820	4.350
2011	0.859	0.010	0.869	0.981	1.837	0.777	4.464
2012	0.907	0.011	0.918	1.005	1.814	0.849	4.586
2013	* 0.585	0.007	0.592	0.668	1.161	0.509	2.930
2014	0.618	0.008	0.627	0.673	1.116	0.501	2.917
2015	0.618	0.008	0.653	0.673	1.102	0.509	2.937
2016	0.567		0.567	0.752	1.298	0.558	3.175
2017	0.449		0.449	0.758	1.387	0.596	3.190

Source: Municipal Tax Collector and School Business Administrator

* Revaluation or Reassessment Year

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

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

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

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

Year Ended December 31,	Wantage Township							Total Direct and Overlapping Tax Rate
	Direct Rate			Overlapping Rates				
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County		
2008	\$ 0.435	\$ 0.025	\$ 0.460	\$ 0.195	\$ 0.870	\$ 0.377	\$ 1.902	
2009	0.460	0.025	0.485	0.209	0.874	0.405	1.973	
2010	0.488	0.017	0.505	0.237	0.889	0.405	2.036	
2011	0.487	0.005	0.492	0.245	0.906	0.409	2.052	
2012	0.506	0.007	0.513	0.240	0.962	0.428	2.143	
2013	0.508	0.006	0.514	0.245	0.978	0.431	2.168	
2014 *	0.573	0.007	0.580	0.280	1.141	0.519	2.520	
2015	0.630	0.008	0.637	0.280	1.137	0.513	2.567	
2016	0.657		0.657	0.300	1.170	0.546	2.673	
2017	0.605		0.605	0.294	1.159	0.557	2.615	

Source: Municipal Tax Collector and School Business Administrator

* Revaluation or Reassessment Year

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

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

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

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

Branchville Borough

Frankford Township

	2018		Taxpayer	2018		Taxable Assessed Value	% of Total District Net Assessed Value
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value		
Wantage Avenue Holding Company Inc	\$ 30,006,600	22.48%	129 Morris Turnpike Realty, Inc.	\$ 6,500,000	0.90%		
Franklin Mutual Insurance Company	5,465,400	4.10%	Sussex County Farm & Horse Show	2,793,000	0.39%		
National Bank of Sussex County	1,769,800	1.33%	Visions Federal Credit Union	2,419,600	0.33%		
Haubrich Enterprises, LLC	1,150,700	0.86%	Branchville Manor c/o Kaplan Dev	2,362,900	0.33%		
Mill Manor, LLC	1,021,100	0.77%	Individual Taxpayer #1	1,987,500	0.27%		
Individual Taxpayer #1	1,007,200	0.75%	Skylands Stadium LLC	1,600,000	0.22%		
LAC Realty Corp.	925,500	0.69%	Individual Taxpayer #2	1,579,300	0.22%		
RBMK	915,600	0.69%	One to One LLC	1,352,400	0.19%		
Individual Taxpayer #2	896,500	0.67%	Kymers Campground	1,346,900	0.19%		
Individual Taxpayer #3	747,000	0.56%	Individual Taxpayer #3	1,339,900	0.19%		
Total	\$ 43,905,400	32.90%	Total	\$ 23,281,500	3.22%		

	2009		Taxpayer	2009		Taxable Assessed Value	% of Total District Net Assessed Value
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value		
	N/A	N/A		N/A	N/A		

N/A - Not Available

Source: Municipal Tax Assessor

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

Lafayette Township

Sussex Borough

	2018			2018		
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer
205 Route 94 LLC	\$ 3,966,900	1.20%		\$ 7,506,000	6.00%	
BHR Ringwood Real Estate LLC	3,342,900	1.01%		3,700,000	2.96%	
United Telephone Co. of NJ	2,279,600	0.69%		2,100,000	1.68%	
Durling Realty, LLC	2,200,000	0.67%		1,929,500	1.54%	
Carlwood Land Development, LLC	2,070,000	0.63%		1,702,800	1.36%	
34-38 Route 15 Lafayette, LLC	1,785,600	0.54%		1,170,600	0.93%	
Lafayette Village Associates, LLC	2,082,900	0.63%		1,046,800	0.84%	
94 Associates, c/o Carson/Roberts	1,682,900	0.51%		985,600	0.79%	
11 Millpond Drive, LLC	1,533,100	0.47%		900,200	0.72%	
All Leasing, Inc.	1,490,700	0.45%		894,200	0.71%	
Total	\$ 22,434,600	6.81%		\$ 21,935,700	17.52%	

	2009			2009		
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer
	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Not Available

Source: Municipal Tax Assessor

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

Wantage Township

	2018		2009			
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Mainland Sussex Co Tenneco, Inc.		\$ 11,449,000	0.83%			
Wantage 2002 LLC		11,213,700	0.69%			
Regency Apartments, LLC		9,500,000	0.46%			
Town Center at Wantage, LLC		6,294,000	0.46%			
Space Farms, Inc.		4,772,400	0.35%			
Naisby, James H G, Inc.		4,376,900	0.32%			
375 Route 23 Realty, LLC		3,112,300	0.23%			
Ames Rubber Corp.		2,844,100	0.21%			
Majestic Hills, Inc.		2,801,800	0.20%			
		2,784,200	0.20%			
Total		\$ 59,148,400	3.92%			

N/A - Not Available

Source: Municipal Tax Assessor

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

Branchville Borough

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal		Collections in Subsequent Years
		Year of the Levy ^a		
		Amount	Percentage of Levy	
2016	\$ 789,234	\$ 789,234	100.00%	
2017	549,816	549,816	100.00%	
2018	543,358	543,358	100.00%	

Frankford Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal		Collections in Subsequent Years
		Year of the Levy ^a		
		Amount	Percentage of Levy	
2016	\$ 4,378,592	\$ 4,378,592	100.00%	
2017	4,482,603	4,482,603	100.00%	
2018	4,269,344	4,269,344	100.00%	

Lafayette Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal		Collections in Subsequent Years
		Year of the Levy ^a		
		Amount	Percentage of Levy	
2016	\$ 2,135,093	\$ 2,135,093	100.00%	
2017	1,786,153	1,786,153	100.00%	
2018	1,733,428	1,733,428	100.00%	

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

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

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

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

Sussex Borough				
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
		2016	\$ 822,398	
2017	683,589	683,589	100.00%	
2018	562,434	562,434	100.00%	

Wantage Township				
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
		2016	\$ 7,682,346	
2017	7,899,665	7,883,326	99.79%	
2018	7,248,054	7,248,054	100.00%	

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

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Bond Anticipation Notes (BANs)		Capital Leases	Income ^a			
			Capital Leases	Anticipation Notes (BANs)					
2009	\$ 1,820,000	-0-	-0-	-0-	-0-	\$ 1,820,000	0.17%	\$ 80.56	
2010	1,675,000	-0-	-0-	-0-	-0-	1,675,000	0.16%	74.81	
2011	860,000	-0-	-0-	-0-	-0-	860,000	0.08%	38.56	
2012	705,000	-0-	-0-	-0-	-0-	705,000	0.06%	31.85	
2013	540,000	-0-	-0-	-0-	-0-	1,867,620	0.17%	84.95	
2014	370,000	-0-	-0-	-0-	-0-	1,632,567	0.14%	74.46	
2015	190,000	-0-	-0-	-0-	-0-	1,371,370	0.11%	63.17	
2016		-0-	-0-	-0-	-0-	1,098,365	0.09%	50.91	
2017		-0-	-0-	-0-	-0-	1,013,511	0.08%	47.16	
2018		-0-	-0-	-0-	-0-	926,767	0.08%	43.12	

Source: School District Financial Reports

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2009	\$ 1,820,000	-0-	\$ 1,820,000	0.05%	\$ 80.56
2010	1,675,000	-0-	1,675,000	0.05%	74.81
2011	860,000	-0-	860,000	0.03%	38.56
2012	705,000	-0-	705,000	0.02%	31.85
2013	540,000	-0-	540,000	0.02%	24.56
2014	370,000	-0-	370,000	0.01%	16.88
2015	190,000	-0-	190,000	0.01%	8.75
2016	-0-	-0-	-0-	0.00%	-0-
2017	-0-	-0-	-0-	0.00%	-0-
2018	-0-	-0-	-0-	0.00%	-0-

Source: School District Financial Reports

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

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF DECEMBER 31, 2017

UNAUDITED

	Borough of Branchville	Township of Frankford	Township of Lafayette	Borough of Sussex	Township of Wantage	High Point Regional High School District
Net Overlapping Debt of School District						
Municipal (100%)	\$ 220,264	\$ 990,737	\$ 1,385,000	\$ 389,215		\$ 1,600,216
Local School (100%)						1,385,000
County of Sussex Share (1)	912,291	5,202,230	2,172,121	836,267	\$ 7,526,400	16,649,309
Total Direct and Overlapping Bonded Debt as of December 31, 2017						<u>\$ 19,634,525</u>

- (1) Borough of Branchville - 0.84%
- Township of Frankford - 4.79%
- Township of Lafayette - 2.00%
- Borough of Sussex - 0.77%
- Township of Wantage - 6.93%

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 municipalities that comprise the High Point Regional High School District. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2018

	Borough of Branchville	Township of Frankford	Township of Lafayette	Borough of Sussex	Township of Wantage	Equalized Valuation Basis
2015	\$ 128,838,355	\$ 817,356,163	\$ 343,016,760	\$ 124,851,659	\$ 1,184,458,771	\$ 2,598,521,708
2016	139,738,848	803,587,043	334,918,451	127,045,159	1,167,238,533	2,572,528,034
2017	125,713,734	792,864,273	340,877,047	136,130,042	1,188,077,781	2,583,662,877
	<u>\$ 394,290,937</u>	<u>\$ 2,413,807,479</u>	<u>\$ 1,018,812,258</u>	<u>\$ 388,026,860</u>	<u>\$ 3,539,775,085</u>	<u>\$ 7,754,712,619</u>

Average Equalized Valuation of Taxable Property \$ 2,584,904,206

Debt Limit (3% of average equalization value) 77,547,126

Total Net Debt Applicable to Limit -0-

Legal Debt Margin \$ 77,547,126

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit	\$ 82,589,097	\$ 79,760,713	\$ 78,592,634	\$ 77,840,473	\$ 77,547,126
Total Net Debt Applicable to Limit	370,000	190,000	-0-	-0-	-0-
Legal Debt Margin	<u>\$ 82,219,097</u>	<u>\$ 79,570,713</u>	<u>\$ 79,570,713</u>	<u>\$ 77,840,473</u>	<u>\$ 77,547,126</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.45%	0.24%	0.00%	0.00%	0.00%

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

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

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

Year	Population ^a	Personal Income	Sussex County Per Capita Personal Income ^b	Unemployment Rate ^c
<u>Branchville Borough</u>				
2009	815	\$ 38,020,565	\$ 46,651	8.2%
2010	830	39,200,900	47,230	12.1%
2011	826	40,439,308	48,958	9.6%
2012	818	41,388,346	50,597	12.6%
2013	810	41,416,920	51,132	12.5%
2014	801	42,563,538	53,138	7.6%
2015	790	43,448,420	54,998	6.2%
2016	786	44,159,838	56,183	5.0%
2017	783	43,991,289	56,183 *	4.1%
2018	783 **	43,991,289 *	56,183 *	N/A
<u>Frankford Township</u>				
2009	5,595	\$ 261,012,345	\$ 46,651	8.2%
2010	5,536	261,465,280	47,230	7.8%
2011	5,515	270,003,370	48,958	9.6%
2012	5,486	277,575,142	50,597	8.1%
2013	5,459	279,129,588	51,132	8.0%
2014	5,441	289,123,858	53,138	7.0%
2015	5,392	296,549,216	54,998	5.9%
2016	5,363	301,309,429	56,183	5.0%
2017	5,348	300,466,684	56,183 *	4.8%
2018	5,348 **	300,466,684 *	56,183 *	N/A

Source:

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

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

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

* - Latest Sussex County per capita personal income available (2016) was used for calculation purposes.

** - Latest population data available (2017) was used for calculation purposes.

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

UNAUDITED
(Continued)

<u>Year</u>	<u>Population^a</u>	<u>Personal Income</u>	<u>Sussex County Per Capita Personal Income^b</u>	<u>Unemployment Rate^c</u>
<u>Lafayette Township</u>				
2009	2,463	\$ 114,901,413	\$ 46,651	8.2%
2010	2,515	118,783,450	47,230	10.60%
2011	2,498	122,297,084	48,958	9.60%
2012	2,473	125,126,381	50,597	10.90%
2013	2,445	125,017,740	51,132	10.90%
2014	2,452	130,294,376	53,138	6.2%
2015	2,428	133,535,144	54,998	4.8%
2016	2,410	135,401,030	56,183	4.6%
2017	2,404	135,063,932	56,183 *	3.8%
2018	2,404 **	135,063,932 *	56,183 *	N/A
<u>Sussex Borough</u>				
2009	2,139	\$ 99,786,489	\$ 46,651	8.2%
2010	2,143	101,213,890	47,230	9.80%
2011	2,130	104,280,540	48,958	9.60%
2012	2,111	106,810,267	50,597	10.20%
2013	2,091	106,917,012	51,132	10.10%
2014	2,071	110,048,798	53,138	7.9%
2015	2,049	112,690,902	54,998	6.9%
2016	2,036	114,388,588	56,183	5.7%
2017	2,024	113,714,392	56,183 *	5.8%
2018	2,024 **	113,714,392 *	56,183 *	N/A

Source:

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

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

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

* - Latest Sussex County per capita personal income available (2016) was used for calculation purposes.

** - Latest population data available (2017) was used for calculation purposes.

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

UNAUDITED
(Continued)

<u>Year</u>	<u>Population^a</u>	<u>Personal Income</u>	<u>Sussex County Per Capita Personal Income^b</u>	<u>Unemployment Rate^c</u>
<u>Wantage Township</u>				
2009	11,579	\$ 540,171,929	\$ 46,651	8.2%
2010	11,366	536,816,180	47,230	11.50%
2011	11,332	554,792,056	48,958	9.60%
2012	11,245	568,963,265	50,597	11.50%
2013	11,181	571,706,892	51,132	11.80%
2014	11,170	593,551,460	53,138	6.7%
2015	11,051	607,782,898	54,998	5.1%
2016	10,978	616,776,974	56,183	4.7%
2017	10,934	614,304,922	56,183 *	4.3%
2018	10,934 **	614,304,922 *	56,183 *	N/A

Source:

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

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

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

* - Latest Sussex County per capita personal income available (2016) was used for calculation purposes.

** - Latest population data available (2017) was used for calculation purposes.

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

	2017		2008		Percentage of Total Employment	
	Employer	Employees	Percentage of Total Employment	Employer		Employees
Newton Medical Center		1,000-4,999	1.38%-6.91%	Mountain Creek/Intrawest	1,247	1.53%
County of Sussex		500-999	0.69%-1.38%	Crystal Springs Golf & Spa Resort	1,154	1.42%
Thorlabs		500-999	0.69%-1.38%	Newton Memorial Hospital	1,109	1.36%
Sussex County Community College		250-499	0.35%-0.69%	Selective Insurance	954	1.17%
Newton 213 LLC, C/O Ronetco		100-249	0.14%-0.34%	Andover Sub Acute and Rehab Center	700	0.86%
Bristol Glen		100-249	0.14%-0.34%	Ronetco Supermarkets, Inc.	672	0.83%
Barn Hill Care Center		100-249	0.14%-0.34%	Vernon Township Board of Education	664	0.82%
Home Depot		100-249	0.14%-0.34%	Sparta Board of Education	557	0.68%
Kohls		100-249	0.14%-0.34%	Sussex County Community College	516	0.63%
Superior Court of Newton		100-249	0.14%-0.34%	Walmart	426	0.52%
Total		<u>2,850-8,990</u>	<u>3.94%-12.42%</u>		<u>7,999</u>	<u>9.82%</u>

Source: County of Sussex

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

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Instruction										
Regular	94.0	93.0	82.0	91.5	79.0	79.0	79.0	79.0	72.5	62.3
Special Education	30.5	29.5	16.0	13.0	19.5	17.5	17.5	17.0	19.7	18.6
Support Services:										
Tuition										
Student and Instruction Related Services	25.0	25.0	25.0	21.0	29.0	28.0	28.0	30.0	32.4	30.0
General Administrative Services	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	2.1	3.0
School Administrative Services	10.5	9.5	9.5	9.0	9.5	9.5	9.5	8.0	6.5	5.5
Business and Other Support Services	5.5	5.5	5.5	3.5	4.0	4.0	4.0	4.0	3.6	3.6
Plant Operations and Maintenance	15.5	15.5	15.5	15.5	16.0	13.0	13.0	13.0	15.4	13.0
Pupil Transportation	5.0	5.0	5.0	5.5	6.0	6.0	6.0	5.0	5.8	5.6
Food Service	11.0	11.0								
Total	199	196	162	162	166	160	160	159	158	142

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School	School				
2009	1,270	\$ 23,692,461	\$ 18,655	-0.76%	109	1:12	1:12	1,268	1,226	-3.64%	96.51%
2010	1,205	25,052,875	20,791	11.45%	103	1:12	1:12	1,198	1,155	-5.50%	95.86%
2011	1,148	23,104,124	20,126	-3.20%	100	1:11	1:11	1,136	1,087	-5.22%	94.72%
2012	1,101	23,546,673	21,387	6.27%	100	1:11	1:11	1,099	1,054	-3.22%	95.77%
2013	1,014	24,627,671	24,288	13.56%	104	1:10	1:10	1,011	973	-7.75%	95.93%
2014	1,007	25,082,630	24,908	2.56%	96	1:10	1:10	1,007	971	-0.17%	96.43%
2015	1,009	24,848,219	24,627	-1.13%	96	1:10	1:10	1,001	938	-3.40%	92.96%
2016	996	25,305,842	25,407	3.17%	95	1:10	1:10	983	929	-0.96%	93.27%
2017	980	26,335,906	26,873	5.77%	94	1:10	1:10	910	851	-8.40%	86.84%
2018	912	25,398,594	27,849	3.63%	81	1:11	1:11	899	842	-1.06%	92.32%

Note: Enrollment based on annual October district count.

^a Operating expenditures equal total expenditures less debt service and capital outlay.

^b Teaching staff includes only full-time equivalents of certificated staff.

^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

^d The cost per pupil calculated above is the sum of the operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
District Building										
High Point Regional High School										
Square Feet	219,283	219,283	219,283	219,283	219,283	219,283	219,283	219,283	219,283	219,283
Capacity (students)	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227
Enrollment	1,270	1,204	1,148	1,101	1,014	1,007	1,009	996	980	912

Source: High Point Regional High School District records

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

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

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

Fiscal Year Ended June 30,	High School	*	Total
2009	\$	305,586	\$ 305,586
2010		207,962	207,962
2011		215,713	215,713
2012		382,393	382,393
2013		429,663	429,663
2014		484,001	484,001
2015		301,694	301,694
2016		676,723	676,723
2017		820,804	820,804
2018		366,794	366,794

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

Source: High Point Regional High School District records

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2018
UNAUDITED

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

Source: District records

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the High Point Regional High School District, in the County of Sussex (the "District") as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 18, 2019.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

January 18, 2019
Mount Arlington, New Jersey

NISIVOCIA LLP



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



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Report on Compliance For Each Major State Program;
 Report on Internal Control Over Compliance

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited the Board of Education of High Point Regional High School (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2018. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2018.

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

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

January 18, 2019
Mount Arlington, New Jersey

NISIVOCIA LLP



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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass Through Grant Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance (Accounts Receivable) 6/30/2017	Cash Received	Budgetary Expenditures	Balance 6/30/2018		Amounts Paid to Subrecipients
								Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Education Passed-through State Department of Education:										
General Fund:										
Medicaid Assistance Program	93.778	N/A	7/1/17 - 6/30/18	\$ 9,351		\$ 8,671	\$ (9,351)	\$ (680)		
Total General Fund						8,671	(9,351)	(680)		
U.S. Department of Agriculture										
Passed-through State Department of Agriculture:										
Child Nutrition Cluster:										
Federal Food Distribution Program	10.555	N/A	7/1/17 - 6/30/18	9,757		9,757	(8,612)	\$ 1,145		
Federal Food Distribution Program	10.555	N/A	7/1/16 - 6/30/17	13,689	\$ 1,712		(1,712)			
National School Lunch Program	10.555	N/A	7/1/17 - 6/30/18	60,275		56,153	(60,275)	(4,122)		
National School Lunch Program	10.555	N/A	7/1/16 - 6/30/17	57,871	(3,220)	3,220				
Total U.S. Department of Agriculture/Child Nutrition Cluster					(1,508)	69,130	(70,599)	(4,122)	1,145	
U.S. Department of Education										
Passed-through State Department of Education:										
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027	FT-2165-18	7/1/17 - 6/30/18	203,927		203,927	(203,927)			
Subtotal Special Education Cluster						203,927	(203,927)			
Elementary and Secondary Education Act:										
Title I	84-010A	ESEA-2165-18	7/1/17 - 6/30/18	73,768		73,768	(73,768)			
Title IIA	84.278A	ESEA-2165-18	7/1/17 - 6/30/18	18,189		18,189	(18,189)			
Title IV	84.186	ESEA-5435-18	7/1/17 - 6/30/18	10,000		10,000	(10,000)			
Perkins Vocational Education - Basic Grants	84.048A	PERK 2165-18	7/1/17 - 6/30/18	28,152		28,152	(28,152)			
Total U.S. Department of Education						334,036	(334,036)			
Total Federal Financial Awards					\$ (1,508)	\$ 411,837	\$ (413,986)	\$ (4,802)	\$ 1,145	\$ -0-

N/A - Not Available

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program Title	Project Number	Grant Period	Award Amount	Balance (Accounts Receivable) 6/30/2017	Cash Received	Budgetary Expenditures	Balance 6/30/2018		MEMO	
							GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
NJ Department of Education:										
Equalization Aid	18-495-034-5120-078	7/1/17 - 6/30/18	\$ 4,284,622		\$ 3,864,454	\$ (4,284,622)		\$ (420,168)	\$ 4,284,622	
Transportation Aid	18-495-034-5120-014	7/1/17 - 6/30/18	748,822		675,390	(748,822)		(73,432)	748,822	
Special Education Aid	18-495-034-5120-089	7/1/17 - 6/30/18	606,486		547,012	(606,486)		(59,474)	606,486	
Security Aid	18-495-034-5120-084	7/1/17 - 6/30/18	86,130		77,684	(86,130)		(8,446)	86,130	
Adjustment Aid	18-495-034-5120-085	7/1/17 - 6/30/18	495,765		447,148	(495,765)		(48,617)	495,765	
PARCC Readiness	18-495-034-5120-098	7/1/17 - 6/30/18	9,510		8,577	(9,510)		(933)	9,510	
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17 - 6/30/18	9,510		8,577	(9,510)		(933)	9,510	
Professional Learning Community Aid	18-495-034-5120-101	7/1/17 - 6/30/18	9,190		8,289	(9,190)		(901)	9,190	
School Choice Aid	18-495-034-5120-068	7/1/17 - 6/30/18	31,416		28,335	(31,416)		(3,081)	31,416	
Extraordinary Aid	18-495-034-5120-044	7/1/17 - 6/30/18	99,162			(99,162)	\$ (99,162)	(99,162)	99,162	
Non-Public Transportation	18-495-034-5120-014	7/1/17 - 6/30/18	2,320			(2,320)	(2,320)	(2,320)	2,320	
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	7/1/17 - 6/30/18	692,601		629,135	(692,601)	(63,466)	(63,466)	692,601	
Equalization Aid	17-495-034-5120-078	7/1/16 - 6/30/17	4,284,622	\$ (421,111)	421,111				4,284,622	
Transportation Aid	17-495-034-5120-014	7/1/16 - 6/30/17	748,822	(73,598)	73,598				748,822	
Special Education Aid	17-495-034-5120-089	7/1/16 - 6/30/17	606,486	(59,608)	59,608				606,486	
Security Aid	17-495-034-5120-084	7/1/16 - 6/30/17	86,130	(8,465)	8,465				86,130	
Adjustment Aid	17-495-034-5120-085	7/1/16 - 6/30/17	623,958	(61,325)	61,325				623,958	
PARCC Readiness	17-495-034-5120-098	7/1/16 - 6/30/17	9,510	(935)	935				9,510	
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16 - 6/30/17	9,190	(903)	903				9,190	
Professional Learning Community Aid	17-495-034-5120-101	7/1/16 - 6/30/17	31,416	(3,088)	3,088				31,416	
School Choice Aid	17-495-034-5120-068	7/1/16 - 6/30/17	234,510	(234,510)	234,510				234,510	
Extraordinary Aid	17-495-034-5120-473	7/1/16 - 6/30/17	15,243	(15,243)	15,243				15,243	
Non-Public Transportation	17-495-034-5120-014	7/1/16 - 6/30/17	726,569	(66,627)	66,627				726,569	
Reimbursed TPAF Social Security Contributions	17-495-034-5094-002	7/1/16 - 6/30/17	1,437,843		1,437,843				1,437,843	
TPAF Pension Contributions (Non-Budgeted)	18-495-034-5094-002	7/1/17 - 6/30/18	951,209		951,209				951,209	
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)	18-495-034-5094-001	7/1/17 - 6/30/18	34,893		34,893				34,893	
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)	18-495-034-5094-004	7/1/17 - 6/30/18	1,226		1,226				1,226	
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)	18-495-034-5094-004	7/1/17 - 6/30/18	1,226		1,226				1,226	
Total General Fund State Aid				(946,348)	9,666,120	(9,500,705)	(164,948)	(780,933)	16,886,671	
Total NJ Department of Education				(946,348)	9,666,120	(9,500,705)	(164,948)	(780,933)	16,886,671	

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance (Accounts Receivable) 6/30/2017	Cash Received	Budgetary Expenditures	Balance 6/30/2018			MEMO	
							GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures	
Enterprise Fund:											
State School Lunch Program	18-100-034-5120-122	7/1/17 - 6/30/18	\$ 2,609	\$ (124)	\$ 2,441	\$ (2,609)	\$ (168)	\$	\$ (168)	\$	2,719
State School Lunch Program	17-100-034-5120-122	7/1/16 - 6/30/17	2,275		124						2,275
Total Enterprise Fund				(124)	2,565	(2,609)	(168)		(168)		4,994
Total State Awards				\$ (946,472)	\$ 9,668,685	\$ (9,503,314)	\$ (165,116)	\$ -0-	\$ (781,101)	\$ 16,891,665	
Less: State Awards Not Subject to Single Audit Major Program Determination											
On-Behalf TPAF Pension System Contributions:											
On-Behalf TPAF Post Retirement Contributions	18-495-034-5094-001	7/1/17 - 6/30/18	\$ 1,437,843			\$ 1,437,843					
On-Behalf TPAF Pension Contributions	18-495-034-5094-002	7/1/17 - 6/30/18	951,209			951,209					
On-Behalf TPAF Non-Contributory Insurance	18-495-034-5094-004	7/1/17 - 6/30/18	34,893			34,893					
On-Behalf TPAF Long-Term Disability Insurance	18-495-034-5094-004	7/1/17 - 6/30/18	1,226			1,226					
Subtotal - On-Behalf TPAF Pension System Contributions						2,425,171					
Total State Awards Subject to Single Audit Determination									\$ (7,078,143)		

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include federal and state grant activity of the Board of Education, High Point Regional High School District under programs of the federal and state governments for the fiscal year ended June 30, 2018. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$13,983 for the general fund and (\$22,174) for special revenue fund (of which \$4,990 is for local grants). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 9,351	\$ 9,514,688	\$ 9,524,039
Special Revenue Fund	316,852		316,852
Food Service Fund	<u>70,599</u>	<u>2,609</u>	<u>73,208</u>
	<u>\$ 396,802</u>	<u>\$ 9,517,297</u>	<u>\$ 9,914,099</u>

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

NOTE 5. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2018. Revenues and expenditures reported under the Food Distribution program represent current year value received and current year distributions, respectively.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2018 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following:

	State	Award	Budgetary	
	Grant Number	Grant Period	Amount	Expenditures
<u>State:</u>				
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	\$ 4,284,622	\$ 4,284,622
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	606,486	606,486
Security Aid	18-495-034-5094-084	7/1/17-6/30/18	86,130	86,130
Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	495,765	495,765
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	9,510	9,510
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	9,510	9,510
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	9,190	9,190
School Choice Aid	18-495-034-5120-068	7/1/17-6/30/18	31,416	31,416

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

Status of Prior Year Findings:

There were no findings in the prior year.