

**HUNTERDON CENTRAL
REGIONAL HIGH SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

JUNE 30, 2018

**Responsibility of the Management of
Hunterdon Central Regional High School District
Hunterdon County, New Jersey**



**HUNTERDON CENTRAL
REGIONAL HIGH SCHOOL DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS

	<u>Page</u>
Introduction Section (unaudited)	
Letter of Transmittal	1 - 7
Organizational Charts	8 - 13
Roster of Officials	14
Consultants and Advisors	15 - 16
Financial Section	
Independent Auditors' Report	17 - 19
Required Supplementary Information - Part I	
Management's Discussion and Analysis	20 - 30
Basic Financial Statements	
A. District-Wide Financial Statements	
A-1 Statement of Net Position	31
A-2 Statement of Activities	32
B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	33 - 34
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	35 - 36
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	37 - 38
Proprietary Funds	
B-4 Combining Statement of Fund Net Position	39
B-5 Combining Statement of Revenues, Expenses, and Changes in Net Position	40
B-6 Combining Statement of Cash Flows	41
Fiduciary Funds	
B-7 Statement of Net Position	42
B-8 Statement of Changes in Net Position	43
Notes to the Financial Statements	44 - 82

**HUNTERDON CENTRAL
REGIONAL HIGH SCHOOL DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS (continued)

	<u>Page</u>
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 General Fund - Budgetary Comparison Schedule	83 - 90
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Special Revenue Fund - Budgetary Comparison Schedule	91
Notes to the Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	92
Required Supplementary Information - Part III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System	93
L-2 Schedule of District's Contributions - Public Employees Retirement System	94
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher's Pension and Annuity Fund	95
L-4 Schedule of District's Contributions - Teacher's Pension and Annuity Fund	96
M. Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits (GASB 75)	
M-1 Schedule of the District's Proportionate Share of the Net Other Postemployment Employee Benefits Liability	97
Notes to the Required Supplementary Information - Part III	98

**HUNTERDON CENTRAL
REGIONAL HIGH SCHOOL DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS (continued)

	<u>Page</u>
Other Supplementary Information	
D. School Based Budget Schedules	N/A
Combining and Individual Non-Major Fund Financial Statements	
E. Special Revenue Fund	
E-1 Combining Schedule of Program Revenue and Expenditures - Budgetary Basis	99
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	N/A
F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis	N/A
G. Proprietary Funds	
Enterprise Fund	
G-1 Combining Statement of Net Position	100
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	101
G-3 Combining Statement of Cash Flows	102
H. Fiduciary Funds	
H-1 Combining Statement of Net Position	103
H-2 Combining Statement of Changes in Net Position	104
H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements	105
H-4 Payroll Agency Fund - Schedule of Receipts & Disbursements	106
I. Long-Term Debt	
I-1 Schedule of Serial Bonds	107
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	108
Statistical Section	
J. Statistical Section - Other Information (Unaudited)	
J-1 Net Position by Component	109
J-2 Changes in Net Position	110 - 112
J-3 Fund Balances - Governmental Funds	113
J-4 Changes in Fund Balances - Governmental Funds	114 - 115

**HUNTERDON CENTRAL
REGIONAL HIGH SCHOOL DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS (continued)

		<u>Page</u>
J.	Statistical Section - Other Information (Unaudited) (continued)	
	J-5 Local Tax Levy by Constituent District	116
	J-6 General Fund - Other Local Revenues by Source	117
	J-7 Assessed Value and Actual Value of Taxable Property	118 - 123
	J-8 Direct and Overlapping Property Tax Rates by Constituent District	124 - 128
	J-9 Principal Property Taxpayers by Constituent District	129 - 133
	J-10 Property Tax Levies and Collections	134 - 139
	J-11 Ratios of Outstanding Debt by Type	140
	J-12 Ratios of Net General Bonded Debt Outstanding	141
	J-13 Direct and Overlapping Governmental Activities Debt	142 - 146
	J-14 Legal Debt Margin Information	147
	J-15 Demographic and Economic Statistics	148 - 153
	J-16 Principal Employers	154
	J-17 Full Time Equivalent District Employees by Function/Program	155
	J-18 Operating Statistics	156
	J-19 School Building Information	157
	J-20 Schedule of Required Maintenance Expenditures by School Facility	158
	J-21 Insurance Schedule	159
Single Audit Section		
K.	Single Audit Section	
	K-1 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	160 - 161
	K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular Letter 15-08	162 - 164
	K-3 Schedule of Expenditures of Federal Awards - Schedule A	165
	K-4 Schedule of Expenditures of State Financial Assistance - Schedule B	166 - 167
	K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	168 - 169
	K-6 Schedule of Findings and Questioned Costs - Section I	170 - 171
	K-7 Schedule of Findings and Questioned Costs - Sections II and III	172
	K-8 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	172



Hunterdon Central Regional High School

"Performance Excellence for Everyone"



84 Route 31, Flemington, New Jersey 08822-1239
(908) 782-5727 FAX (908) 284-7314

Jeffrey Moore, Ed.D. Superintendent
Gymlyn Corbin, Business Administrator / Board Secretary

February 26, 2019

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Hunterdon Central Regional High School District for the fiscal year ended June 30, 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 Hunterdon Central Regional High School Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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



National Blue Ribbon School of Excellence

The Comprehensive Annual Financial Report is presented in four sections:

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

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

DESCRIPTION OF THE DISTRICT

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

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

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

DISTRICT GOALS

The 2018-2019 District Goals are two-pronged, based on both educational and financial directives. Educational goals are:

- To sustain and enhance District facilities for safety, academic experiences, activities, and environmental purposes through ongoing maintenance and long-range capital plan.
- To maintain compliance with all mandated programs and initiatives of the New Jersey Department of Education.
- To continue to evaluate and implement programs in support of the academic experience for all students.
- To plan and provide the necessary resources for the faculty/staff and students in preparation for college/career as designated in the New Jersey State Student Learning Standards.

The District Goal focuses on fiscal responsibility:

- To offer the community a fiscally responsible and respectful 2018-2019 budget with a 2% New Jersey state cap by implementing strategies to balance District needs while mitigating expenses to minimize future budget tax levy increases.

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

The District completed the 2017-2018 fiscal year with an average enrollment of 2,856 students, which is 130 students less than the previous year's enrollment. The following table details the changes in student enrollment over the last ten years:

<u>Fiscal Years</u>	<u>Student Enrollment (ADE)</u>	<u>Change</u>	<u>Percent Change</u>
2017-2018	2,856	- 130	(4.35)
2016-2017	2,986	+ 50	1.7
2015-2016	2,936	+ 12	0.4
2014-2015	2,924	- 4	(0.1)
2013-2014	2,927	- 39	(1.3)
2012-2013	2,966	+ 68	2.4
2011-2012	2,898	- 13	(0.4)
2010-2011	2,911	- 75	(2.5)
2009-2010	2,986	+ 5	0.2
2008-2009	2,981	- 46	(1.5)

ECONOMIC CONDITION AND OUTLOOK

Estimates of resident population for the District's five municipalities were 50,991 in 2016 and 51,145 in 2017. The most recent student census of sending districts shows enrollment declining by approximately 100 students per year for at least the next five years.

Total municipal tax ratables supporting the school district tax levy increased from \$8,555,091,614 in 2017 to \$8,575,046,210 in 2018. This reflects a 0.23% increase in existing property values.

FACILITIES

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

INTERNAL ACCOUNTING CONTROLS

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

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

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

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

BUDGETARY CONTROLS

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

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

ACCOUNTING SYSTEM AND REPORTS

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

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. BKC, CPAs, PC, a licensed certified public accounting firm, audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;

assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2018 are fairly represented in conformity with GAAP. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular Letter 15-08.

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

CASH MANAGEMENT

The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA").

GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

RISK MANAGEMENT

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

ACKNOWLEDGEMENTS

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

Respectfully submitted,

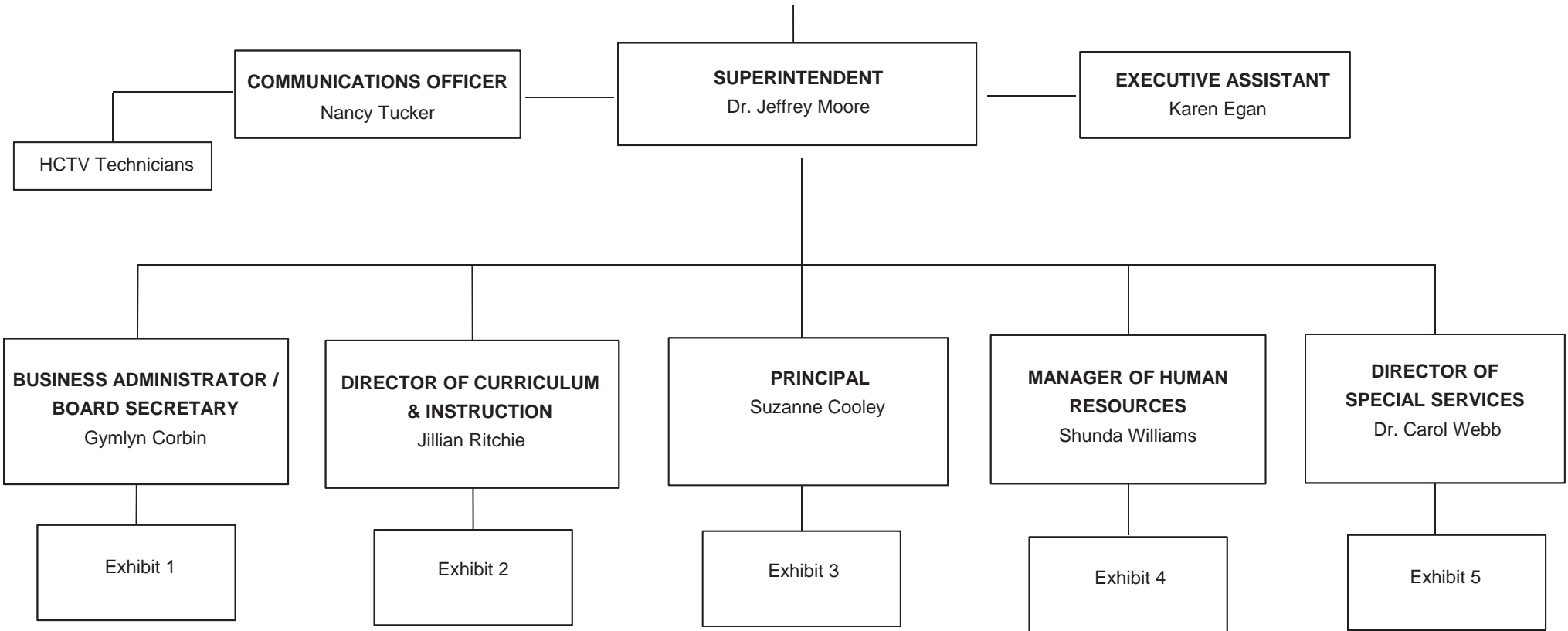


Dr. Jeffrey Moore
Superintendent



Gymlyn Corbin
Business Administrator/
Board Secretary

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



**Exhibit 0
2018-19 School Year**

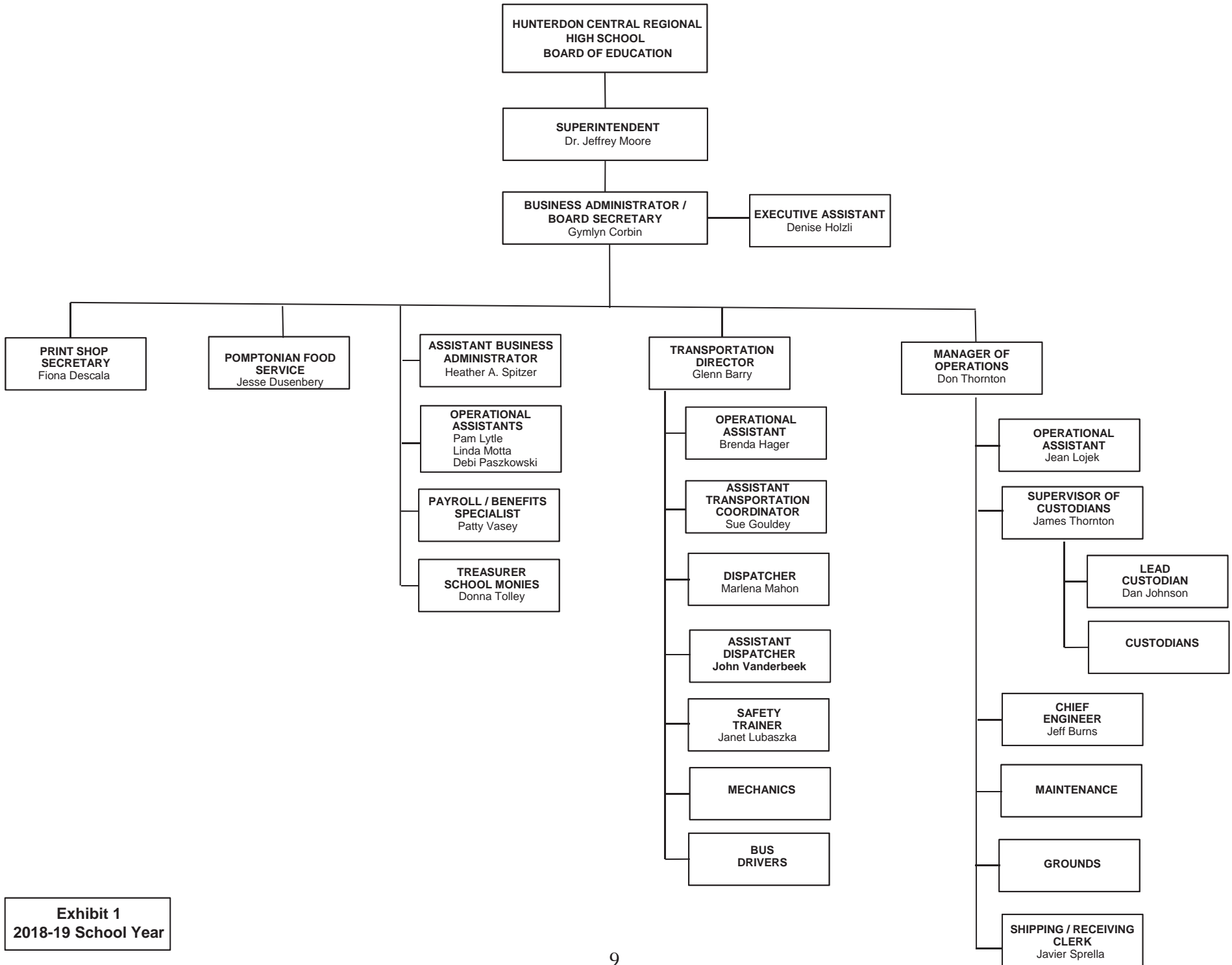


Exhibit 1
2018-19 School Year

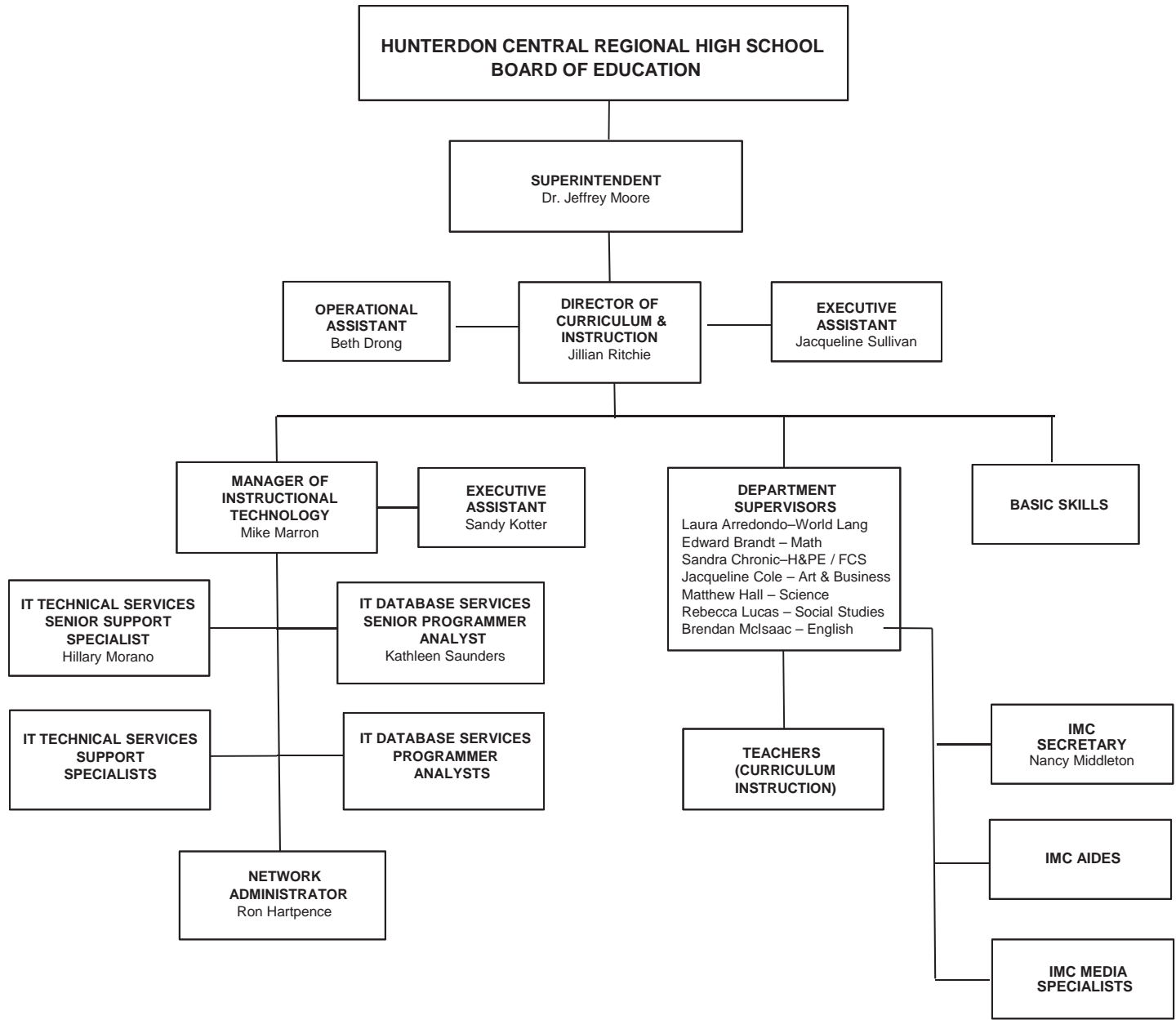


Exhibit 2
2018-19 School Year

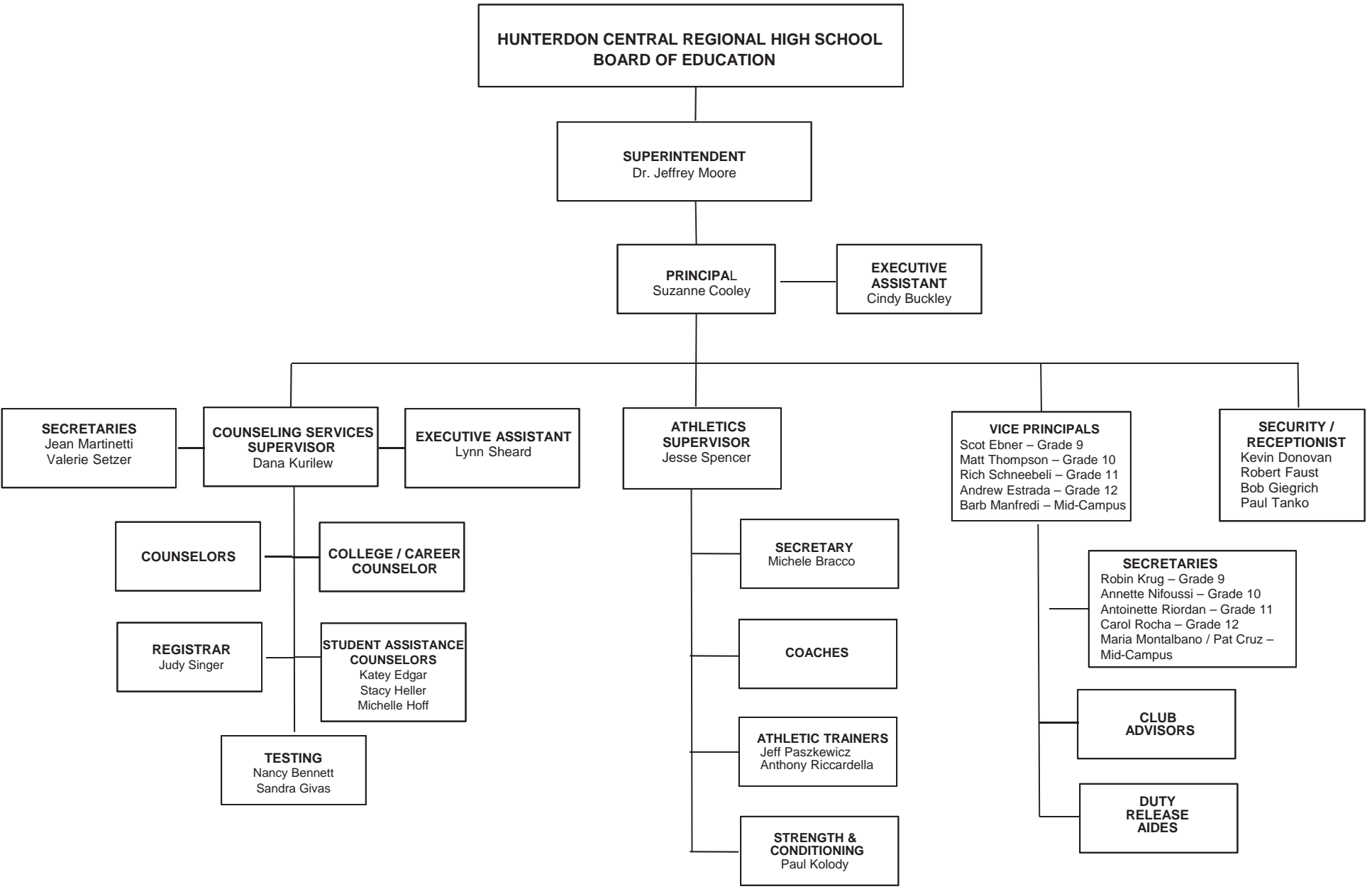


Exhibit 3
2018-19 School Year

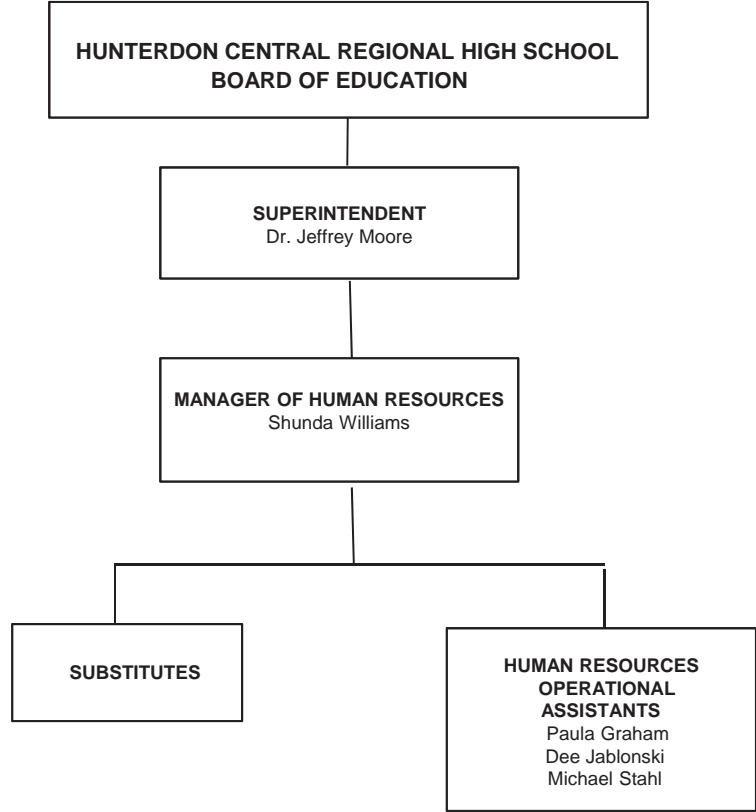


Exhibit 4
2018-19 School Year

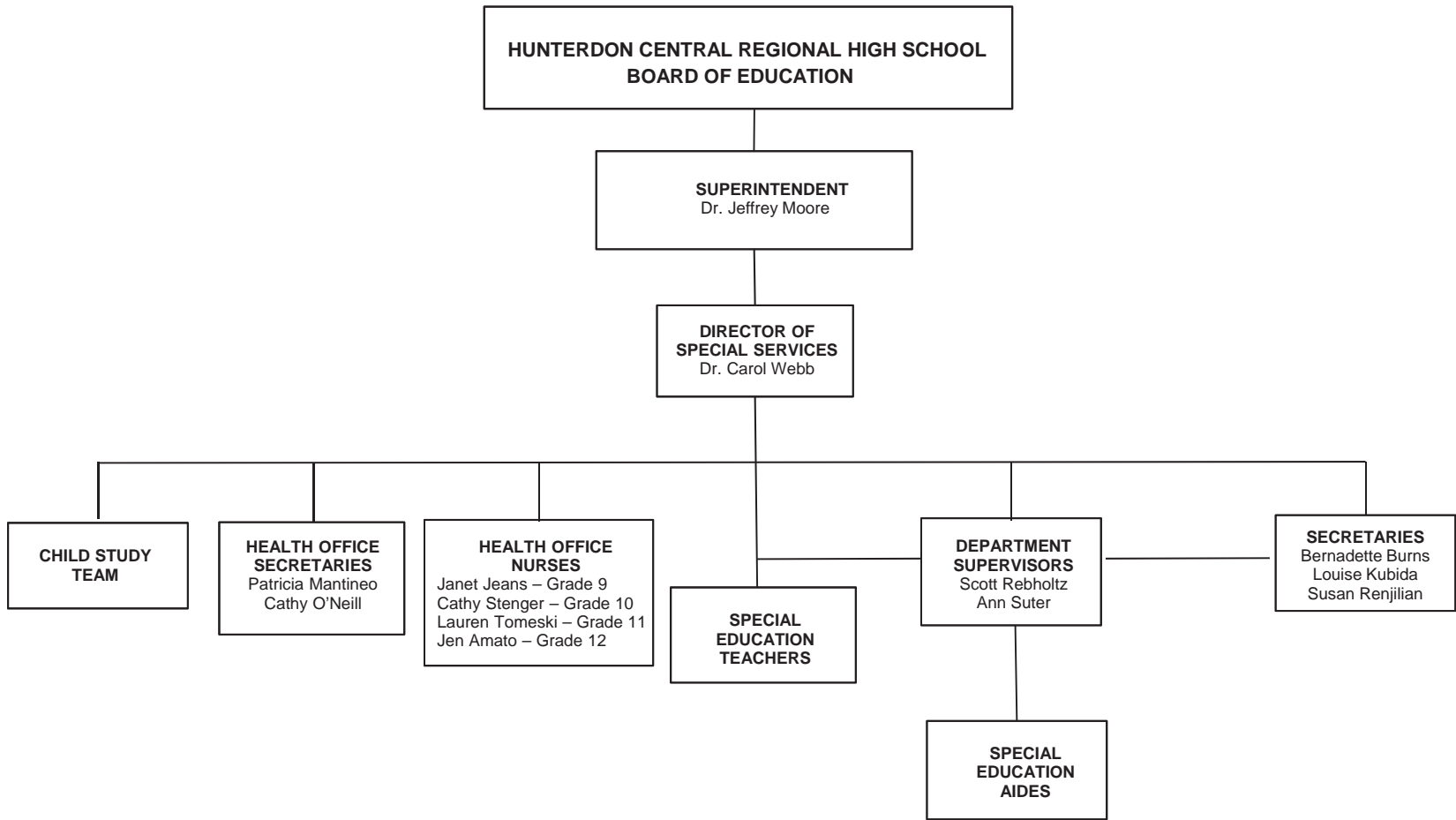


Exhibit 5
2018-19 School Year

**HUNTERDON CENTRAL REGIONAL HIGH SCHOOL
Roster of Officials**

Members of the Board Of Education **Term Expires**

Raritan Township:

Kathryn Raborn	2020
Patrick Dugan	2019
Robert Richard	2019

Readington Township:

Lisa Hughes	2020
Vincent Panico, President	2018
Lori Blutfield	2019

Delaware Township:

Roseanne Peluso Nguyen	2018
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East Amwell Township:

Christopher Sobieski	2020
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Flemington Borough:

Robert McNally	2018
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Appointed Officials

Dr. Jeffrey Moore, Superintendent

Gymlyn Corbin, Business Administrator/Board Secretary

Suzanne Cooley, Principal

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL
Consultants and Advisors

AUDITOR

BKC, CPAs P.C.
114 Broad St
Flemington, NJ 08822

BOARD ATTORNEYS

Comegno Law Group, PC
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Parker McCay
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BOND COUNSEL

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Suite 900, Box 10
Woodbridge, NJ 07095-0958

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL
Consultants and Advisors

OFFICIAL DEPOSITORY

The Provident Bank
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Flemington, NJ 08822

ARCHITECT

Ssp Architects
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Bridgewater, NJ 08807

RISK MANAGER

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Fair Haven, NJ 07704

BENEFITS ADVISOR

Brown & Brown Benefits Advisor
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Lambertville, NJ 08530



Certified Public Accountants, PC
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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hunterdon Central Regional High School District, (the District) in the County of Hunterdon, the State of New Jersey, as of and for the year ended June 30, 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 do to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Change in Accounting Principle

As discussed in Note 7 to the financial statements, in 2018 the District adopted new accounting guidance, *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is 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 and Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The introduction section, combining and individual non-major fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and schedule of state awards required by New Jersey Department of the Treasury OMB 15-08 is also not a required part of the basic financial statements. The combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introduction and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 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.



BKC, CPAs, PC



Michael Holk, CPA, PSA

February 26, 2019
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

The Hunterdon Central Regional High School District's (the School District) management's discussion and analysis is designed to provide an overview of the District's financial activities for the year ended June 30, 2018, identify changes in the District's financial position, identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

Financial Highlights

Key financial highlights for fiscal year 2018 are as follows:

- In total, net position increased \$4,366,626 which represents a 6.88% percent increase from fiscal year 2017.
- General revenues accounted for \$84,305,186 in revenue or 91.40 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$7,934,804 or 8.60 percent to total revenues of \$92,239,990.
- Total assets of governmental activities increased by \$1,524,838 as cash and cash equivalents increased by \$45,043; receivables increased by \$2,886 and capital assets increased by \$1,476,909.
- The School District had \$89,486,908 in expenses; only \$7,934,804 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues (primarily property taxes) of \$84,305,186 were adequate to provide for these programs.
- Among major funds, the general fund had \$65,557,049 in revenues and \$65,519,110 in expenditures. After accounting for other financing sources of \$171,773; the general fund's balance increased \$209,712 from fiscal year 2017. This increase was anticipated by the District and was the result of effective cost-cutting measures and revenues received in excess of anticipated amounts.

Using this Generally Accepted Accounting Principles Report (GAAP)

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2018?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statement focus on the School District's most significant funds. The School District's major governmental funds are the general fund, special revenue fund, capital project fund and debt service fund.

Governmental Funds

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

The School District as a Whole

Table 1 provides a summary of the District's net position at June 30, 2018 with comparison to June 30, 2017.

Table 1
Net Position

	06/30/18	06/30/17	Variance	
			Dollars	%
Current & Other Assets	\$ 33,433,654	\$ 33,792,153	\$ (358,499)	-1.06%
Capital Assets	68,788,061	67,328,784	1,459,277	2.17%
Total Assets	<u>102,221,715</u>	<u>101,120,937</u>	<u>1,100,778</u>	1.09%
Deferred Pension Activity	<u>7,475,597</u>	<u>9,813,317</u>	<u>(2,337,720)</u>	23.82%
Total Deferred Outflow of Resources	<u>7,475,597</u>	<u>9,813,317</u>	<u>(2,337,720)</u>	23.82%
Long-Term Liabilities	36,532,629	46,597,317	(10,064,688)	21.60%
Other Liabilities	<u>174,569</u>	<u>835,875</u>	<u>(661,306)</u>	79.12%
Total Liabilities	<u>36,707,198</u>	<u>47,433,192</u>	<u>(10,725,994)</u>	22.61%
Deferred Pension Activity	<u>5,186,025</u>	<u>63,599</u>	<u>5,122,426</u>	*
Total Deferred Inflow of Resources	<u>5,186,025</u>	<u>63,599</u>	<u>5,122,426</u>	*
Net Position				
Net Investment in				
Capital Assets	60,758,061	57,588,784	3,169,277	5.50%
Restricted	20,933,046	18,138,506	2,794,540	15.41%
Unrestricted	<u>(13,887,018)</u>	<u>(12,289,827)</u>	<u>(1,597,191)</u>	13.00%
Total Net Position	<u>\$ 67,804,089</u>	<u>\$ 63,437,463</u>	<u>\$ 4,366,626</u>	6.88%

*- Undefined

Total assets on a government-wide basis increased by \$1,100,778. Cash and cash equivalents decreased by \$349,294, receivables and other assets decreased by \$9,205 and capital assets increased by \$1,459,277. Unrestricted net position; the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District decreased by \$1,597,191.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

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

Table 2 provides a summary of the District's changes in net position in fiscal year ending June 30, 2018 with comparisons to June 30, 2017.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Table 2
Changes in Net Position

	Fiscal Year Ending		Variance	
	06/30/18	06/30/17	Dollars	%
Revenues				
Program Revenues				
Charges for Services	\$ 7,020,919	\$ 6,425,441	\$ 595,478	9.27%
Operating Grants	913,885	910,058	3,827	0.42%
Capital Grants	-	18,122	(18,122)	-100.00%
General Revenues				
Property Taxes	53,781,835	52,787,244	994,591	1.88%
Unrestricted Grants	29,847,462	24,692,473	5,154,989	20.88%
Other	675,889	555,922	119,967	21.58%
Total Revenues	<u>92,239,990</u>	<u>85,389,260</u>	<u>6,850,730</u>	8.02%
Program Expenses				
Instruction				
Regular	36,986,943	34,192,908	2,794,035	8.17%
Special	8,217,604	7,715,730	501,874	6.50%
Other	4,128,615	3,604,713	523,902	14.53%
Support Services				
Tuition	3,346,610	3,898,610	(552,000)	-14.16%
Student & Instructional Staff	14,534,466	13,852,467	681,999	4.92%
General & Business Administration	2,819,513	2,926,256	(106,743)	-3.65%
School Administration	2,864,671	2,501,683	362,988	14.51%
Maintenance	6,184,785	5,958,363	226,422	3.80%
Transportation	8,713,104	8,437,580	275,524	3.27%
Food Service	1,329,143	1,354,262	(25,119)	-1.85%
Interest on Long-Term Debt	361,454	587,273	(225,819)	-38.45%
Total Expenses	<u>89,486,908</u>	<u>85,029,845</u>	<u>4,457,063</u>	5.24%
Increases (Decreases) Before Special Items & Transfers	<u>2,753,082</u>	<u>359,415</u>	<u>2,393,667</u>	665.99%
Special Items & Transfers				
Gain/(Loss) on Disposal of Assets	(79,881)	-	(79,881)	*
Refund of Prior Year Revenue	(71,706)	(85,295)	13,589	-15.93%
Change in compensated absences	1,765,131	-	1,765,131	*
Total Special Items & Transfers	<u>1,613,544</u>	<u>(85,295)</u>	<u>1,698,839</u>	-1,991.72%
Increase (Decrease) in Net Position	<u>\$ 4,366,626</u>	<u>\$ 274,120</u>	<u>\$ 4,092,506</u>	1,492.96%

* = Undefined

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Governmental Activities

New Jersey P.L. 2011, Chapter 202, which eliminated the annual school budget vote when within the tax levy cap and allowed school board member elections to be moved to the general election in November, was implemented by the District in fiscal year 2013. Local property taxes made up 62.72% of the total revenues for governmental activities for the District of \$85,745,598 for the year ended June 30, 2018. Federal, State, and local grants accounted for another 34.81% of revenue, while charges for services provided 1.71% and miscellaneous/other were 0.76%.

Business-Type Activities

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

Food Service

- Food service expenditures exceeded revenues by \$1,968.
- Charges for services accounted for \$1,120,389 of revenue. These charges are the amounts paid by patrons for daily food services.
- Federal and State reimbursement for meals, including payments for free and reduced breakfasts and lunches and donated commodities, was \$189,905.

Transportation Services

Transportation service revenues for other local education agencies (LEAs) in the State exceeded expenditures by \$297,785. Other financing uses were for a transfer out to the General Fund of \$171,773 and a refund of prior year revenue to other LEAs of \$71,706.

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending June 30, 2018 with comparisons to June 30, 2017.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/18	06/30/17	06/30/18	06/30/17
Instruction	\$49,333,162	\$45,513,351	\$48,917,450	\$45,078,190
Support Services				
Tuition	3,346,610	3,898,610	2,789,738	3,347,649
Student & Instructional Staff	14,534,466	13,852,467	14,410,678	13,763,464
General & Business				
administration	2,819,513	2,926,256	2,793,368	2,898,280
School Administration	2,864,671	2,501,683	2,864,671	2,500,997
Plant Operations & Maintenance	6,184,785	5,958,363	6,068,688	5,826,856
Pupil Transportation	3,843,672	4,252,464	3,619,232	3,965,418
Interest on Long-Term Debt	361,454	587,273	361,454	587,273
Total Expenses	<u>\$83,288,333</u>	<u>\$79,490,467</u>	<u>\$81,825,279</u>	<u>\$77,968,127</u>

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

The School District's Funds

School District's major funds are accounted for using the modified accrual basis of accounting. All Governmental funds had total revenues of \$68,495,415 and expenditures of \$68,457,690 and other financing sources of \$171,773. The net positive change in fund balance of \$209,498 for the year was most significant in the General fund with an increase of \$209,712. This can be attributed in large part to effective cost-cutting measures initiated by the District and excess revenues received.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

General Fund Budgetary Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of the fiscal year 2018, the School District amended its general fund budget as needed. The School District uses program based budgeting, and the budgeting systems are designed to tightly control total program budgets and provide flexibility for program management. For the general fund, budgeted revenues were \$58,827,313 which was \$1,097,132 above original budgeted estimates of \$57,730,181. This difference was due primarily to realized tuition, miscellaneous and state aid revenues in excess of original budgets. The general fund revenues and other financing sources of the School District were more than expenditures and other financing uses by \$229,375.

Capital Assets

At the end of fiscal year 2018, the District had \$68,788,061 invested in land, buildings, furniture, equipment, and vehicles.

Table 4 provides a summary of the School District's capital assets net of depreciation at June 30, 2018 with comparisons to June 30, 2017.

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

	06/30/18	06/30/17	Variance	
			Dollars	%
Land	\$ 475,000	\$ 475,000	\$ -	0.00%
Construction in Progress	3,895,660	5,338,159	(1,442,499)	-27.02%
Land Improvements	3,059,275	3,660,869	(601,594)	-16.43%
Buildings & Improvements	57,724,483	54,632,437	3,092,046	5.66%
Machinery & Equipment	2,619,029	2,539,570	79,459	3.13%
Vehicles	1,014,614	682,749	331,865	48.61%
Total	\$68,788,061	\$ 67,328,784	\$ 1,459,277	2.17%

Capital additions were more than depreciation expense and asset disposals in the current fiscal year by \$1,459,277. Additions to capital assets included a sewer line re-location project as well as improvements to the cafeteria and kitchen, fitness center and field house.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Debt and Long-term Liabilities

At June 30, 2018, the School District had \$36,532,629 in long-term liabilities. At June 30, 2018, the School District's overall legal debt limit was \$280,145,182 and the legal borrowing margin was \$272,115,182.

Table 5 provides a summary of the District's outstanding long-term liabilities at June 30, 2018 with comparisons to June 30, 2017.

Table 5
Long-term Liabilities at Year-end

	06/30/18	06/30/17	Variance	
			Dollars	%
2003 ERIP Pension Bonds	\$ -	\$ 145,000	\$ (145,000)	-100.00%
General Obligation Bonds Payable	8,030,000	9,740,000	(1,710,000)	-17.56%
Net Pension Liability	25,611,480	32,168,709	(6,557,229)	-20.38%
Unamortized Bond Premium	494,288	648,212	(153,924)	-23.75%
Compensated Absences Payable	2,396,861	3,895,396	(1,498,535)	-38.47%
	<u>\$ 36,532,629</u>	<u>\$ 46,597,317</u>	<u>\$(10,064,688)</u>	-21.60%

For the Future

The Hunterdon Central Regional High School District is in excellent financial condition. The major concern for the future is the inevitable reduction in State aid funding. Other challenges included the 2% tax levy budget cap, downward student population trends, and the reliance placed on local property taxes for the majority of school funding. The District balances increasing costs of staff salaries and health benefits, out-of-district tuition, and transportation.

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

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Contacting the School District's Financial Management

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

DISTRICT-WIDE FINANCIAL STATEMENTS

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 10,940,758	\$ 732,967	\$ 11,673,725
Due from other funds	42,578	-	42,578
Receivables, net	749,601	10,984	760,585
Inventory	-	23,842	23,842
Restricted assets			
Capital reserve account - cash	17,434,393	-	17,434,393
Maintenance reserve account - cash	2,905,531	-	2,905,531
Emergency reserve account - cash	593,000	-	593,000
Capital assets, net			
Land and construction in progress	4,370,660	-	4,370,660
Other capital assets, net of depreciation	64,238,615	178,786	64,417,401
Total assets	<u>101,275,136</u>	<u>946,579</u>	<u>102,221,715</u>
Deferred outflows of resources			
Deferred amount on pension activity	7,475,597	-	7,475,597
Liabilities			
Accounts payable	7,140	11,472	18,612
Due to other funds	1,188	-	1,188
Accrued interest	92,781	-	92,781
Payable to governments	90	5,324	5,414
Unearned revenue	34,050	22,524	56,574
Long-term liabilities			
Due within one year	2,235,063	-	2,235,063
Due beyond one year	34,297,566	-	34,297,566
Total liabilities	<u>36,667,878</u>	<u>39,320</u>	<u>36,707,198</u>
Deferred inflows of resources			
Deferred amount on pension liability	5,186,025	-	5,186,025
Net position			
Net investment in capital assets	60,579,275	178,786	60,758,061
Restricted for			
Debt service fund	122	-	122
Capital reserve fund	17,434,393	-	17,434,393
Maintenance reserve fund	2,905,531	-	2,905,531
Emergency reserve fund	593,000	-	593,000
Unrestricted	(14,615,491)	728,473	(13,887,018)
Total net position	<u>\$ 66,896,830</u>	<u>\$ 907,259</u>	<u>\$ 67,804,089</u>

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2018

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 16,629,169	\$ 20,357,774	\$ 170,475	\$ 34,526	\$ -	\$ (36,781,942)	\$ -	\$ (36,781,942)
Special education	3,660,669	4,556,935	6,376	-	-	(8,211,228)	-	(8,211,228)
Other special instruction	474,587	521,165	-	63,152	-	(932,600)	-	(932,600)
Other instruction	1,744,183	1,388,680	141,183	-	-	(2,991,680)	-	(2,991,680)
Support services								
Tuition	3,346,610	-	-	556,872	-	(2,789,738)	-	(2,789,738)
Students and instruction related services	6,753,013	7,781,453	54,358	69,430	-	(14,410,678)	-	(14,410,678)
General and business administration services	1,523,455	1,296,058	26,145	-	-	(2,793,368)	-	(2,793,368)
School administration services	1,324,540	1,540,131	-	-	-	(2,864,671)	-	(2,864,671)
Plant operations and maintenance	4,516,823	1,667,962	116,097	-	-	(6,068,688)	-	(6,068,688)
Pupil transportation	3,065,215	778,457	224,440	-	-	(3,619,232)	-	(3,619,232)
Interest on long-term debt	361,454	-	-	-	-	(361,454)	-	(361,454)
Total governmental activities	<u>43,399,718</u>	<u>39,888,615</u>	<u>739,074</u>	<u>723,980</u>	<u>-</u>	<u>(81,825,279)</u>	<u>-</u>	<u>(81,825,279)</u>
Business-type activities								
Food service	1,329,143	-	1,120,389	189,905	-	-	(18,849)	(18,849)
Transportation	4,869,432	-	5,161,456	-	-	-	292,024	292,024
Total business-type activities	<u>6,198,575</u>	<u>-</u>	<u>6,281,845</u>	<u>189,905</u>	<u>-</u>	<u>-</u>	<u>273,175</u>	<u>273,175</u>
Total primary government	<u>\$ 49,598,293</u>	<u>\$ 39,888,615</u>	<u>\$ 7,020,919</u>	<u>\$ 913,885</u>	<u>\$ -</u>	<u>(81,825,279)</u>	<u>273,175</u>	<u>(81,552,104)</u>
General revenues, special items & transfers								
Property taxes levied for general purposes						51,567,449	-	51,567,449
Property taxes levied for debt service						2,214,386	-	2,214,386
Federal & state aid not restricted						29,847,462	-	29,847,462
Investment earnings						287,977	-	287,977
Miscellaneous income						365,270	22,642	387,912
Transfers						171,773	(171,773)	-
Special item - refund of prior year revenue						-	(71,706)	(71,706)
Special item - disposition of assets						(79,881)	-	(79,881)
Special item - change in compensated absences liability						1,765,131	-	1,765,131
Total general revenues & special items						<u>86,139,567</u>	<u>(220,837)</u>	<u>85,918,730</u>
Change in net position						4,314,288	52,338	4,366,626
Net position - beginning						62,582,542	854,921	63,437,463
Net position - ending						<u>\$ 66,896,830</u>	<u>\$ 907,259</u>	<u>\$ 67,804,089</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2018

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 10,937,727	\$ 2,909	\$ -	\$ 122	\$ 10,940,758
Due from other funds	42,578	-	-	-	42,578
Receivables from other governments					
State	516,995	-	-	-	516,995
Federal	-	29,281	-	-	29,281
Local	56,806	-	-	-	56,806
Other accounts receivables	146,519	-	-	-	146,519
Restricted cash and equivalents	20,932,924	-	-	-	20,932,924
Total assets	\$ 32,633,549	\$ 32,190	\$ -	\$ 122	\$ 32,665,861
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ 1,188	\$ -	\$ -	\$ -	\$ 1,188
Payables to other governments					
State	-	90	-	-	90
Accounts payable	7,140	-	-	-	7,140
Unearned revenue	1,950	32,100	-	-	34,050
Total liabilities	10,278	32,190	-	-	42,468

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2018

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances (cont'd)					
Fund balances					
Restricted fund balance					
Excess surplus	\$ 4,098,445	\$ -	\$ -	\$ -	\$ 4,098,445
Excess surplus - designated for subsequent year's expenditures	3,923,848	-	-	-	3,923,848
Capital reserve account	17,434,393	-	-	-	17,434,393
Maintenance reserve account	2,905,531	-	-	-	2,905,531
Emergency reserve account	593,000	-	-	-	593,000
Committed fund balance					
Year-end encumbrances	2,600,543	-	-	-	2,600,543
Assigned fund balance					
Designated for subsequent year's expenditures	-	-	-	19	19
Debt service - undesignated balance	-	-	-	103	103
Unassigned fund balance	1,067,511	-	-	-	1,067,511
Total fund balances	<u>32,623,271</u>	<u>-</u>	<u>-</u>	<u>122</u>	<u>32,623,393</u>
Total liabilities and fund balances	<u>\$ 32,633,549</u>	<u>\$ 32,190</u>	<u>\$ -</u>	<u>\$ 122</u>	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$117,705,009 and the accumulated depreciation is \$49,095,734.	68,609,275
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.	(36,532,629)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	2,289,572
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(92,781)</u>
Total net position of governmental activities	<u>\$ 66,896,830</u>

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 51,567,449	\$ -	\$ -	\$ 2,214,386	\$ 53,781,835
Tuition - other LEAs within the state	128,470	-	-	-	128,470
Transportation fees	48,101	-	-	-	48,101
Interest earned on legal reserve funds	78,892	-	-	-	78,892
Interest on investments	209,085	-	-	-	209,085
Miscellaneous	607,835	35,555	-	-	643,390
Total local sources	<u>52,639,832</u>	<u>35,555</u>	<u>-</u>	<u>2,214,386</u>	<u>54,889,773</u>
State sources	12,892,413	2,790	-	-	12,895,203
Federal sources	24,804	685,635	-	-	710,439
Total revenues	<u>65,557,049</u>	<u>723,980</u>	<u>-</u>	<u>2,214,386</u>	<u>68,495,415</u>
Expenditures					
Current					
Instructional					
Regular instruction	16,552,638	34,526	-	-	16,587,164
Special education instruction	3,654,293	-	-	-	3,654,293
Other special instruction	411,435	63,152	-	-	474,587
Other instruction	1,736,800	-	-	-	1,736,800
Support service and undistributed costs					
Tuition	2,789,738	556,872	-	-	3,346,610
Student and instruction related services	6,665,225	69,430	-	-	6,734,655
General and business administrative services	1,520,910	-	-	-	1,520,910
School administrative services	1,324,540	-	-	-	1,324,540
Plant operations and maintenance	4,449,891	-	-	-	4,449,891
Pupil transportation	2,888,876	-	-	-	2,888,876
Unallocated benefits	17,824,444	-	-	-	17,824,444

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 5,521,203	\$ -	\$ -	\$ -	\$ 5,521,203
Debt service					
Principal	-	-	-	1,855,000	1,855,000
Interest and other charges	-	-	-	359,600	359,600
Interest on NJ SDA obligations	179,117	-	-	-	179,117
Total expenditures	<u>65,519,110</u>	<u>723,980</u>	<u>-</u>	<u>2,214,600</u>	<u>68,457,690</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,939</u>	<u>-</u>	<u>-</u>	<u>(214)</u>	<u>37,725</u>
Other financing sources (uses)					
Transfers in	<u>171,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,773</u>
Total other financing sources (uses)	<u>171,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,773</u>
Net change in fund balance	209,712	-	-	(214)	209,498
Fund balances, July 1	<u>32,413,559</u>	<u>-</u>	<u>-</u>	<u>336</u>	<u>32,413,895</u>
Fund balances, June 30	<u>\$ 32,623,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122</u>	<u>\$ 32,623,393</u>

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
For the Fiscal Year Ended June 30, 2018

Total net changes in fund balances - governmental funds (from B-2) \$ 209,498

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays exceeds depreciation in the period:

Capital outlays	\$ 5,521,203	
Depreciation expense	(3,964,413)	
Disposal of assets	<u>(79,881)</u>	1,476,909

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

Debt principal payments	1,855,000
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Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. (902,917)

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

Amortization of bond premium	153,924
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See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2018

In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item. \$ 23,339

In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation. 1,498,535

Change in net position of governmental activities \$ 4,314,288

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Net Position
June 30, 2018

	Food Service Fund	Transportation Fund	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 205,933	\$ 527,034	\$ 732,967
Receivables from other governments			
State	378	-	378
Federal	10,556	-	10,556
Local	-	50	50
Inventory	23,842	-	23,842
Total current assets	<u>240,709</u>	<u>527,084</u>	<u>767,793</u>
Noncurrent assets			
Capital assets	965,300	-	965,300
Less: accumulated depreciation	786,514	-	786,514
Total noncurrent assets	<u>178,786</u>	<u>-</u>	<u>178,786</u>
Total assets	<u>419,495</u>	<u>527,084</u>	<u>946,579</u>
Liabilities			
Current liabilities			
Accounts payable	11,472	-	11,472
Unearned revenues - commodities	5,324	-	5,324
Unearned revenues - prepaid sales	22,524	-	22,524
Total current liabilities	<u>39,320</u>	<u>-</u>	<u>39,320</u>
Net position			
Net investment in capital assets	178,786	-	178,786
Unrestricted	201,389	527,084	728,473
Total net position	<u>\$ 380,175</u>	<u>\$ 527,084</u>	<u>\$ 907,259</u>

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2018

	Food Service Fund	Transportation Fund	Total
Operating revenues			
Charges for services			
Daily sales - reimbursable programs	\$ 325,476	\$ -	\$ 325,476
Daily sales - non-reimbursable programs	794,913	-	794,913
Transportation fees from other LEA's	-	5,161,456	5,161,456
Total operating revenues	<u>1,120,389</u>	<u>5,161,456</u>	<u>6,281,845</u>
Operating expenses			
Cost of sales - reimbursable programs	217,399	-	217,399
Cost of sales - non-reimbursable programs	354,217	-	354,217
Commodity food costs	34,026	-	34,026
Salaries	456,754	1,200,938	1,657,692
Support services - employee benefits	93,137	883,614	976,751
Purchased professional/technical services	1,342	41,976	43,318
Purchased property services	13,081	18,274	31,355
Contracted services - transportation	-	2,056,035	2,056,035
Other purchased services			
Insurance	57,149	45,620	102,769
Management fee	50,893	29,774	80,667
Other purchased services	7,944	5,636	13,580
Supplies and materials	15,354	3,298	18,652
Transportation supplies (including gasoline)	-	98,575	98,575
Utilities	-	11,740	11,740
Acquisition of vehicles and other equipment	-	470,206	470,206
Depreciation	27,847	-	27,847
Miscellaneous expenditures	-	3,746	3,746
	<u>1,329,143</u>	<u>4,869,432</u>	<u>6,198,575</u>
Operating income (loss)	<u>(208,754)</u>	<u>292,024</u>	<u>83,270</u>
Non-operating revenues (expenses)			
State sources			
State school lunch program	5,924	-	5,924
Federal sources			
National school breakfast program	23,691	-	23,691
National school lunch program			
Cash assistance	126,264	-	126,264
Non cash assistance (commodities)	34,026	-	34,026
Miscellaneous	16,881	5,761	22,642
Total non-operating revenues (expenses)	<u>206,786</u>	<u>5,761</u>	<u>212,547</u>
Other financing sources (uses)			
Refund of prior year revenue	-	(71,706)	(71,706)
Transfer out	-	(171,773)	(171,773)
Total other financing sources (uses)	<u>-</u>	<u>(243,479)</u>	<u>(243,479)</u>
Change in net position	(1,968)	54,306	52,338
Net position, beginning	<u>382,143</u>	<u>472,778</u>	<u>854,921</u>
Net position, ending	<u>\$ 380,175</u>	<u>\$ 527,084</u>	<u>\$ 907,259</u>

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

	Food Service Fund	Transportation Fund	Total
Cash flows from operating activities			
Receipts from services provided (net)	\$ 1,120,883	\$ 4,675,722	\$ 5,796,605
Payments to employees	(47,385)	(1,200,938)	(1,248,323)
Payments for employee benefits	(3,625)	(883,614)	(887,239)
Payments to Food Service Management Co.	(1,172,786)	-	(1,172,786)
Payments to vendors (net)	(18,519)	(2,784,880)	(2,803,399)
Net cash provided by (used for) operating activities	<u>(121,432)</u>	<u>(193,710)</u>	<u>(315,142)</u>
Cash flows from non-capital financing activities			
State sources	5,766	-	5,766
Federal sources	146,091	-	146,091
Miscellaneous	16,881	5,761	22,642
General fund interfund activity	-	(171,773)	(171,773)
Refund of prior year revenue	-	(71,706)	(71,706)
Net cash provided by (used for) non-capital financing activities	<u>168,738</u>	<u>(237,718)</u>	<u>(68,980)</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	<u>(10,215)</u>	<u>-</u>	<u>(10,215)</u>
Net cash provided by (used for) capital and related financing activities	<u>(10,215)</u>	<u>-</u>	<u>(10,215)</u>
Net increase (decrease) in cash and cash equivalents	37,091	(431,428)	(394,337)
Cash and cash equivalents, beginning	<u>168,842</u>	<u>958,462</u>	<u>1,127,304</u>
Cash and cash equivalents, ending	<u>\$ 205,933</u>	<u>\$ 527,034</u>	<u>\$ 732,967</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ (208,754)	\$ 292,024	\$ 83,270
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	27,847	-	27,847
Federal food donation program	34,026	-	34,026
(Increase) decrease in accounts receivable	4,431	6,785	11,216
(Increase) decrease in inventory	4,897	-	4,897
Increase (decrease) in accounts payable	11,472	-	11,472
Increase (decrease) in payable to local governments - current year revenue	-	(492,519)	(492,519)
Increase (decrease) in unearned revenues	4,649	-	4,649
Net cash provided by (used for) operating activities	<u>\$ (121,432)</u>	<u>\$ (193,710)</u>	<u>\$ (315,142)</u>

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Position
June 30, 2018

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Agency Funds
Assets			
Cash and cash equivalents	\$ 416,245	\$ 248,638	\$ 1,163,188
Due from other funds	163,058	-	1,188
Due from state governments	1,110	-	12,224
Due from local governments	-	-	42,578
Total assets	<u>\$ 580,413</u>	<u>\$ 248,638</u>	<u>\$ 1,219,178</u>
Liabilities			
Accounts payable	\$ 4,073	\$ -	\$ -
Due to other funds	-	-	205,636
Due to student groups	-	-	661,374
Payroll deductions and withholdings	-	-	352,168
Total liabilities	<u>4,073</u>	<u>-</u>	<u>\$ 1,219,178</u>
Net position			
Held in trust for unemployment claims and other purposes	576,340	-	
Reserve for scholarship funds	-	248,638	
Total net position	<u>\$ 576,340</u>	<u>\$ 248,638</u>	

See accompanying notes to financial statements.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2018

	<u>Unemployment Compensation Fund</u>	<u>Private Purpose Scholarship Fund</u>
Additions		
Contributions		
Plan members	\$ 54,435	\$ -
Other	-	33,285
Investment earnings		
Interest	3,139	590
Total additions	<u>57,574</u>	<u>33,875</u>
Deductions		
Unemployment claims	56,302	-
Scholarships awarded	-	39,714
Miscellaneous expenses	-	2,523
Total deductions	<u>56,302</u>	<u>42,237</u>
Change in net position	1,272	(8,362)
Net position, beginning of the year	<u>575,068</u>	<u>257,000</u>
Net position, end of the year	<u>\$ 576,340</u>	<u>\$ 248,638</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

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

The basic financial statements include:

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

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

A. Reporting entity

The District is a Type II District located in the County of Hunterdon, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in Grades 9 to 12. The District serves the communities of Delaware Township, East Amwell Township, Borough of Flemington, Raritan Township, and Readington Township (the constituent districts). The District had an approximate enrollment at June 30, 2018 of 2,903 students.

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

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

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

The District reports the following major governmental funds:

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

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

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

Additionally, the District reports the following fund types:

Proprietary Fund types

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

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

The District's enterprise fund is comprised of the food service fund and the transportation service fund.

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

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

Equipment	12 Years
Building improvements	45 Years

Fiduciary Fund types

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

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

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

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

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

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the Spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board Resolution. Budget amendments during the fiscal year ended June 30, 2017 were insignificant.

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

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

E. Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year-end.

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

F. Tuition receivable

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

G. Tuition payable

Tuition charges are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable/payables

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

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2018.

J. Capital assets

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

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

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

J. Capital assets (continued)

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

K. Compensated absences

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

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

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

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

L. Unearned revenue

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

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

M. Long-term obligations

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

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

N. Net position

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

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

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

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

P. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates

Q. Allocation of indirect expenses

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

R. Deferred outflows/inflows of resources

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

Note 2 - Tax assessments and property taxes

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

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

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

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes (continued)

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

Note 3 - Deposits and investments

Cash, cash equivalents and investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash and cash equivalents regardless of the date of maturity. As of June 30, 2018, the District had no investments.

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

N.J.S.A. 17:9-41 e.t. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured.

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.

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits and investments (continued)

As of June 30, 2018, the District's bank balances of \$36,096,513 were exposed to custodial credit risk as follows:

Insured by the FDIC	\$	500,000
Insured by GUDPA		35,596,513
Total		\$ 36,096,513

Deposits at June 30, 2018 appear in the financial statements as summarized below:

Cash and cash equivalents		\$	34,434,720
Unrestricted cash			
Governmental funds, Balance Sheet	Ref.	\$	10,940,758
Enterprise funds, Statement of Net Position	B-1		732,967
Fiduciary funds, Statement of Net Position	B-4		1,828,071
Restricted cash			
Governmental funds, Balance Sheet	B-7		20,932,924
Total cash		\$	34,434,720

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 -

Capital assets

Capital asset activity for the fiscal year ended June 30, 2018 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 475,000	\$ -	\$ -	\$ 475,000
Construction in progress	<u>5,338,159</u>	<u>5,011,568</u>	<u>6,454,067</u>	<u>3,895,660</u>
Total	<u>5,813,159</u>	<u>5,011,568</u>	<u>6,454,067</u>	<u>4,370,660</u>
Capital assets, being depreciated				
Land improvements	8,257,414	77,898	330,235	8,005,077
Building & improvements	90,420,179	6,121,411	-	96,541,590
Vehicles	2,730,880	524,239	365,702	2,889,417
Furniture & equipment	<u>5,481,191</u>	<u>524,561</u>	<u>107,487</u>	<u>5,898,265</u>
Total	<u>106,889,664</u>	<u>7,248,109</u>	<u>803,424</u>	<u>113,334,349</u>
Accumulated depreciation				
Land improvements	4,596,545	357,513	8,256	4,945,802
Building & improvements	35,790,118	3,029,326	-	38,819,444
Vehicles	2,048,131	192,374	365,702	1,874,803
Furniture & equipment	<u>3,135,663</u>	<u>385,200</u>	<u>65,178</u>	<u>3,455,685</u>
Total	<u>45,570,457</u>	<u>3,964,413</u>	<u>439,136</u>	<u>49,095,734</u>
Total capital assets, being depreciated, net	<u>61,319,207</u>	<u>3,283,696</u>	<u>364,288</u>	<u>64,238,615</u>
Transfer	<u>-</u>	<u>(6,301,016)</u>	<u>(6,301,016)</u>	<u>-</u>
Governmental activities capital assets, net	<u>\$ 67,132,366</u>	<u>\$ 1,994,248</u>	<u>\$ 517,339</u>	<u>\$ 68,609,275</u>

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business type activities				
Furniture equipment	\$ 951,579	\$ 10,215	\$ -	\$ 961,794
Building improvements	3,506	-	-	3,506
Less: accumulated depreciation	<u>(758,667)</u>	<u>27,847</u>	<u>-</u>	<u>(786,514)</u>
Business type activities capital assets, net	<u>\$ 196,418</u>	<u>\$ (17,632)</u>	<u>\$ -</u>	<u>\$ 178,786</u>

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

Instruction	
Regular	\$ 2,041,681
Special education	449,800
Other special instruction	58,416
Co-curricular activities	213,779
Support services	
Student & instruction	828,955
General & business administration	187,206
School administration	163,035
Plant & maintenance	20,140
Transportation	1,401
Total depreciation expense, governmental activities	<u>\$ 3,964,413</u>

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2018 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
General obligation bonds payable	\$ 9,740,000	\$ -	\$ 1,710,000	\$ 8,030,000	\$ 1,920,000
ERIP pension refunding bonds	145,000	-	145,000	-	-
Unamortized bond premium	648,212	-	153,924	494,288	153,924
PERS net pension liability	32,168,709	-	6,557,229	25,611,480	-
Compensated absences payable	<u>3,895,396</u>	<u>473,949</u>	<u>1,972,484</u>	<u>2,396,861</u>	<u>161,139</u>
Total governmental activities long-term liabilities	<u>\$ 46,597,317</u>	<u>\$ 473,949</u>	<u>\$10,538,637</u>	<u>\$ 36,532,629</u>	<u>\$ 2,235,063</u>

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The compensated absences liability is paid in the current expenditures budget of the District's general fund and the other long-term debts are amortized over a determined period.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2018 including interest payments are listed as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,920,000	\$ 279,707	\$ 2,199,707
2020	1,965,000	202,006	2,167,006
2021	2,035,000	123,553	2,158,553
2022	2,110,000	42,200	2,152,200
Total	<u>\$ 8,030,000</u>	<u>\$ 647,466</u>	<u>\$ 8,677,466</u>

General Obligation Bonds - General obligation school building bonds payable at June 30, 2017, with their outstanding balances are comprised of the following individual issues:

\$13,480,000 - 2011 general obligation refunding bonds, interest at 2.00% to 4.00%, due in annual installments beginning September 15, 2012 to September 15, 2021.

\$ 8,030,000

The general obligation bonded debt of the District is limited by State law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2018 is \$280,145,182. General obligation debt at June 30, 2018 is \$8,030,000, resulting in a legal debt margin of \$272,115,182.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

Description of systems

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

A. Public employees' retirement systems (PERS)

Plan description

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10-years of service, except for medical benefits, which vest after 25-years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Plan description (continued)

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

Allocation methodology and reconciliation to financial statements

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer Allocations are applied to amounts presented in the Schedules of Pension Amounts by Employer. The allocation percentages for each group as of June 30, 2017 are based on the ratio of each employer's contributions to the group for the fiscal years ended June 30, 2017. In accordance with Generally Accepted Accounting Principles, measurement for PERS pension in the District's financial statements is based upon the most recent available information which is for the State fiscal year ended June 30, 2017.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's Schedule of Employer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the State fiscal year ended June 30, 2018. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the Schedule of Pension Amounts by Employer may result in immaterial differences.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the State fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in the State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The Actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15-years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

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

Collective net pension liability and actuarial information

Components of net pension liability

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2017 are as follows:

	<u>2017</u>
Total pension liability	\$ 49,347,698
Plan fiduciary net position	<u>23,736,218</u>
Net pension liability	<u>\$ 25,611,480</u>
Plan fiduciary net position as a percentage of the total pension liability	48.10%

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Components of net pension liability (continued)

The total pension liability for the June 30, 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 (based on age)	
Through 2026	1.65% - 4.15%
Thereafter	2.65% - 5.15%
Investment rate of return	7.00%

Preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For local employees, mortality tables are set back two years for males and seven 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. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back one 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 three 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.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Long-term expected rate of return

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

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected 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 markets 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 on the rate in the most recent State fiscal year.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Discount rate (continued)

State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plans fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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.

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

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

<u>District's Proportionate Share of the Net Pension Liability</u>	<u>2017</u>
At current discount rate (5.00%)	\$ 25,611,480
At a 1% lower rate (4.00%)	31,772,780
At a 1% higher rate (6.00%)	20,478,355

Collective deferred outflows of resources and deferred inflows of resources

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 603,062	\$ -
Changes of assumptions	5,159,831	5,140,914
Net difference between projected and actual earnings on pension plan investments	174,397	-
Changes in proportion and differences between District contributions and proportionate share of contributions	519,066	45,111
District contributions subsequent to the measurement date	1,019,241	-
Total	<u>\$ 7,475,597</u>	<u>\$ 5,186,025</u>

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2018, the plan measurement date is June 30, 2017) of \$1,019,241 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2018.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

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

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2017:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Deferred outflows of resources				
Differences between expected and actual experience	\$ 605,992	\$ 187,018	\$ 189,948	\$ 603,062
Changes of assumptions	6,749,977	-	1,590,146	5,159,831
Difference between projected and actual earnings on pension plan investments	1,242,515	(1,097,768)	(29,650)	174,397
Deferred inflows of resources				
Changes of assumptions	-	(6,288,439)	(1,147,525)	(5,140,914)
Net of deferred outflows	<u>\$ 8,598,484</u>	<u>\$ (7,199,189)</u>	<u>\$ 602,919</u>	<u>\$ 796,376</u>

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

State Fiscal Year Ending June 30

2018	\$ 602,919
2019	909,820
2020	551,304
2021	(733,236)
2022	(534,431)
Total	<u>\$ 796,376</u>

Pension expense

For the fiscal year ended June 30, 2018, the District recognized net pension expense of \$1,941,542, which represents the District's proportionate share of allocable plan pension expense of \$1,847,311, plus the net amortization of deferred amounts from changes in proportion of \$148,550 less other adjustments to the net pension liability of \$54,319. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2017 are as follows:

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Pension expense (continued)

Service cost	\$ 1,194,585
Interest on total pension liability	2,167,743
Member contributions	(568,247)
Administrative expense	14,869
Expected investment return net of investment expense	(1,547,752)
Pension expense related to specific liabilities of individual employers	(16,806)
Recognition of deferred inflows/outflows of resources	
Amortization of assumption changes or inputs	442,621
Amortization of expected versus actual experience	189,948
Amortization of projected versus actual investment earnings on pension plan investments	(29,650)
Pension expense	\$ 1,847,311

B. Teachers' pension and annuity fund (TPAF)

Plan description

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

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after 10-years of service, except for medical benefits, which vest after 25-years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

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

Plan description

The following represents the membership Tiers for TPAF:

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

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

Contributions

The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the State fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Special funding situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. During the State fiscal year ending June 30, 2017, the State of New Jersey contributed \$1,678,764 to the TPAF for normal pension benefits on behalf of the District.

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

Components of net pension liability

For purposes of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the State's proportionate share of the net pension liability attributable to the employer, employer pension expense and related revenue, non-employer contributions and their allocable proportionate percentage for the fiscal year ending June 30, 2017 is as follows:

	<u>2017</u>
State's proportionate share of net pension liability	\$ 142,400,400
District's proportionate share of net pension liability	-
Employer pension expense and related revenue	9,864,779
Non-employer contribution	2,371,618
Allocable proportionate percentage	.2112025872%

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Special funding situation (continued)

The components of the contractually required contribution, which exclude amounts related to specific liabilities of individual employers, for the District for the year ending June 30, 2017 are as follows:

Service cost	\$ 6,373,361
Interest on total pension liability	6,954,783
Member contributions	(1,664,078)
Administrative expense	25,092
Expected investment return net of investment expense	(3,381,547)
Pension expense related to specific liabilities of individual employers	(753)
Recognition of deferred inflows/outflows of resources	
Amortization of economic /demographic gains or losses	112,226
Amortization of assumption changes or inputs	1,523,177
Amortization of investment gains or losses	(77,482)
Pension expense	\$ 9,864,779

Collective net pension liability and actuarial information

Components of net pension liability

As detailed earlier, the District was not required to report a liability for its proportionate share of net pension expense for TPAF due to a special funding situation. The State's proportionate share of the net pension liability for TPAF as of June 30, 2017 is as follows:

	2017
Total pension liability	\$ 190,918,156
Plan fiduciary net position	48,517,756
Net pension liability	\$ 142,400,400

Plan fiduciary net position as a percentage of the total pension liability 25.41%

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%

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Components of net pension liability (continued)

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

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

Long-term expected rate of return

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

Asset Class	Target Allocations	Long-Term Expected 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%

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Discount rate

The discount rate used to measure the total pension liability was 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 on the rate in the most recent State fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plans fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on 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 collective net pension liability to changes in the discount rate

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

<u>District's Proportionate Share of the Net Pension Liability</u>	<u>2017</u>
At current discount rate (4.25%)	\$ 142,400,400
At a 1% lower rate (3.25%)	169,176,142
At a 1% higher rate (5.25%)	120,342,427

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,300 in 2018) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcprp.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

C. Defined contribution retirement program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year 2018 was \$15,349.

D. Other pension plan information

During the fiscal year ended June 30, 2018, the State of New Jersey contributed \$2,018,166 to the TPAF for post-retirement medical benefits, \$74,032 for noncontributory insurance premiums, \$4,433 for long-term disability insurance and \$3,050,651 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,602,117 during the fiscal year ended June 30, 2018 for the employer's share of Social Security Contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 68.

Note 7 - Post-retirement benefits

Chapter 384 of PL 1987 and Chapter 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25-years of credited service or on a disability retirement. Chapter 103 of PL 2007 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2017, there were 112,966 statewide retirees eligible for post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62 of PL 1994. Funding of post-retirement medical premiums are on a pay-as-you-go basis.

The State is also responsible for the cost attributable to Chapter 126 of PL 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a School District or County College with 25-years of service. In fiscal year 2017, the State paid \$238.9 million toward Chapter 126 of PL 1992 benefits for 20,913 eligible retired members.

GASB Statement No. 75 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Post-retirement benefits (continued)

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

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

Funding Policy - Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

Total OPEB liability - Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

Total OPEB liability

For purposes of reporting required GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2017 is as follows:

	2017
State's proportionate share of the OPEB liability	\$ 53,639,841,858
District's proportionate share of the State's OPEB liability	115,868,340
Employer pension expense and related revenue	7,065,466
Allocable proportionate percentage	.216011711%

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Post-retirement benefits (continued)
Total OPEB liability (continued)
Changes in the total OPEB liability

	Total OPEB Liability
Total OPEB liability at June 30, 2016	\$ 124,721,269
Service cost	4,980,368
Interest cost	3,659,920
Change of benefit terms	-
Differences between expected and actual experiences	-
Changes of assumptions	(14,908,283)
Member contributions	98,823
Gross benefit payments	(2,683,757)
Total OPEB liability at June 30, 2017	\$ 115,868,340

There were no changes of the benefit terms from June 30, 2016 to June 30, 2017.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

The total non-employer 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 non-employer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. 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	PERS
	(based on years	(based on age)
Salary increases	of service)	(based on age)
Through 2026	1.55% - 4.55%	2.15% - 4.15%
Thereafter	2.00% - 5.45%	3.15% - 5.15%

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 the MP-2017 scale. Post-retirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy 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.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Post-retirement benefits (continued)

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 trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend 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.

Discount rate

The discount rate for June 30, 2017 was 3.58%. This represents the municipal bond return rate as chosen by the Division. 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.

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2017, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

<u>Total OPEB Liability (school retirees)</u>	2017
At current discount rate (3.58%)	\$ 115,868,340
At a 1% lower rate (2.58%)	137,544,079
At a 1% higher rate (4.58%)	98,674,938

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability, as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

<u>Total OPEB Liability (school retirees)</u>	2017
Healthcare cost trend rate	\$ 115,868,340
At a 1% lower rate (1% decrease)	95,290,509
At a 1% higher rate (1% increase)	143,195,458

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended June 30, 2017, the District recognized OPEB expense of \$7,065,466 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Post-retirement benefits (continued)

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Note 8 - Deferred compensation

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

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

Note 9 - Interfund receivables and payables

The composition of interfund balances as of June 30, 2018 is as follows:

Fund	Receivable Fund	Payable Fund
General fund	\$ 42,578	\$ 1,188
Miscellaneous agency fund	-	42,578
Unemployment compensation fund	163,058	-
Payroll agency fund	1,188	163,058
Total	\$ 206,824	\$ 206,824

The amount due from the general fund to the payroll agency fund of \$1,188 represents excess reimbursements made to the general fund for health insurance withholdings of \$17,819 offset by an imprest balance of \$15,000 and activity transacted in the payroll agency fund for the general fund of \$1,631. The balance due from the miscellaneous agency fund to the general fund of \$42,578 represents a loan from the general fund due to cash flow issues related to the delayed receipt of reimbursements from local government agencies. The balance due from the payroll agency fund to the unemployment compensation fund of \$163,058 represents employee withholdings for the unemployment trust not yet transferred at year end.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2018 consisted of the following:

Food	\$ 18,775
Supplies	5,067
Total	\$ 23,842

Note 11 - Contingent liabilities

Litigation

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

Grantor agencies

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

Note 12 - Risk management

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

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

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

Fiscal Year	Receivable Canceled	Interest Earnings	Employee Deposits	Amount Reimbursed	Ending Balance
2017 - 2018	\$ -	\$ 3,139	\$ 54,435	\$ (56,302)	\$ 576,340
2016 - 2017	(6,306)	2,498	54,861	(60,314)	575,068
2015 - 2016	-	1,232	53,762	(15,196)	584,329

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - Legal reserve accounts

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

Funds placed in the capital reserve account are restricted to capital projects in the Districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per N.J.S.A. 18A:7F-41(a) & 41(b) to deposit to the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this State statute, the District deposited \$5,000,000 to their capital reserve account and \$144,990 to their maintenance reserve account by Board Resolution in June 2018.

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

Reserve Type	Beginning Balance	District Contribution	Interest Earnings	Withdrawals Net of Return	Ending Balance
Capital	\$ 14,673,960	\$ 5,000,000	\$ 78,892	\$ 2,318,459	\$ 17,434,393
Maintenance	2,871,210	144,990	-	110,669	2,905,531
Emergency	593,000	-	-	-	593,000
Total	<u>\$ 18,138,170</u>	<u>\$ 5,144,990</u>	<u>\$ 78,892</u>	<u>\$ 2,429,128</u>	<u>\$ 20,932,924</u>

The June 30, 2018 LRFP balance of local support costs of uncompleted capital projects exceeded the amount in capital reserve.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 14 - Fund balances - general fund

As described in Note 1 (N) fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2018 is as follows:

	2018
Restricted	
Excess surplus - Designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	\$ 3,923,848
Excess surplus - Represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated for utilization in succeeding year's budgets.	4,098,445
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	17,434,393
Maintenance reserve account - Represents funds restricted for required maintenance of school facilities.	2,905,531
Emergency reserve account - Represents funds restricted to finance unanticipated general fund expenditures required for a thorough and efficient education.	593,000
Committed	
Year-end encumbrance - Represents fund balance assigned for purchase orders that have been issued but goods or services were not received as of June 30.	2,600,543
Unassigned	
Undesignated - Represents fund balance which has not been restricted or designated.	1,613,842
Total fund balance - Budgetary basis (Exhibit C-1)	33,169,602
Last state aid payments not recognized on GAAP basis	(546,331)
Total fund balance - GAAP basis (Exhibit B-1)	\$ 32,623,271

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey School Districts are required to reserve general fund, fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018 is \$4,098,445.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 16 - Recent accounting pronouncements not yet effective

The following is of recent accounting pronouncements which are not yet effective as of the date of this report:

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 *Leases*. This statement, which is effective for reporting periods beginning after June 15, 2019, is not expected to have a material impact on the District's financial reporting.

Note 17 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2018 of \$14,615,491 on Schedule A-1 Statement of Net Position. The deficit balance is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Note 18 - Tax abatements

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

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

The Borough of Flemington has entered into tax abatement agreements relating to Herman Kapp Senior Citizen Center. This agreement will not directly affect the District's local tax revenue.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

- Note 19 - Adjustment to the compensated absences liability
During the fiscal year ending June 30, 2018, the District made an adjustment to the compensated absences liability after changing the eligibility criteria for employee inclusion. The result of the adjustment was a reduction in the compensated absence liability totaling \$1,765,131.
- Note 20 - Subsequent events
The District has evaluated subsequent events through February 26, 2019, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources					
Local tax levy	\$ 51,567,449	\$ -	\$ 51,567,449	\$ 51,567,449	\$ -
Tuition from other LEAs within the state	-	-	-	128,470	128,470
Transportation fees from individuals	-	-	-	12,340	12,340
Transportation fees from other LEAs	-	-	-	35,761	35,761
Rents and royalties	-	-	-	49,165	49,165
Sale of property	-	-	-	71,924	71,924
Unrestricted miscellaneous revenues	425,000	-	425,000	695,831	270,831
Interest earned on capital reserve funds	-	-	-	78,892	78,892
Total	51,992,449	-	51,992,449	52,639,832	647,383
State Sources					
School choice aid	247,068	-	247,068	247,068	-
Categorical transportation aid	308,410	-	308,410	308,410	-
Extraordinary aid	-	-	-	404,858	404,858
Categorical special education aid	1,840,406	-	1,840,406	1,840,406	-
Equalization aid	3,185,863	-	3,185,863	3,185,863	-
Categorical security aid	48,383	-	48,383	48,383	-
PARCC readiness aid	29,880	-	29,880	29,880	-
Per pupil growth aid	29,880	-	29,880	29,880	-
Professional learning community aid	29,810	-	29,810	29,810	-
Lead testing for drinking water	-	-	-	4,529	4,529
Other state aid	-	-	-	33,590	33,590
TPAF pension (on-behalf)	-	-	-	3,124,683	3,124,683
TPAF social security (reimbursed)	-	-	-	1,602,117	1,602,117
TPAF post retirement benefits	-	-	-	2,018,166	2,018,166
TPAF long-term disability insurance	-	-	-	4,433	4,433
Total	5,719,700	-	5,719,700	12,912,076	7,192,376
Federal sources					
Medicaid reimbursement	18,032	-	18,032	24,804	6,772
Total	18,032	-	18,032	24,804	6,772
Total revenues	\$ 57,730,181	\$ -	\$ 57,730,181	\$ 65,576,712	\$ 7,846,531
EXPENDITURES					
Current					
Instruction - regular program					
Salaries of teachers					
Grades 9-12	\$ 15,481,687	\$ (60,314)	\$ 15,421,373	\$ 14,886,174	\$ 535,199
Home instruction					
Salaries of teacher	30,000	15,160	45,160	44,540	620
Purchased professional - educational services	30,000	(7,109)	22,891	22,891	-
Other purchased services	3,000	(1,709)	1,291	1,291	-
Regular programs - undistributed instruction					
Other salaries for instruction	231,740	-	231,740	229,168	2,572
Purchased technical services	13,000	-	13,000	8,500	4,500
Other purchased services	448,105	(16,032)	432,073	333,062	99,011
General supplies	1,004,966	(22,789)	982,177	843,170	139,007
Textbooks	217,736	4,477	222,213	174,473	47,740
Other objects	23,070	(1,790)	21,280	9,369	11,911
Total	17,483,304	(90,106)	17,393,198	16,552,638	840,560

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Special education					
Behavioral disabilities					
Salaries of teachers	\$ 139,750	\$ -	\$ 139,750	\$ 114,740	\$ 25,010
Other salaries for instruction	52,900	-	52,900	24,590	28,310
Other purchased services	5,800	-	5,800	4,806	994
General supplies	1,000	-	1,000	331	669
Textbooks	250	-	250	-	250
Other objects	500	-	500	-	500
Total	<u>200,200</u>	<u>-</u>	<u>200,200</u>	<u>144,467</u>	<u>55,733</u>
Resource room/resource center					
Salaries of teachers	2,763,600	(19,474)	2,744,126	2,739,906	4,220
Other salaries for instruction	733,140	(19,649)	713,491	692,316	21,175
Other purchased services	3,500	4,500	8,000	7,100	900
General supplies	12,300	20,763	33,063	16,189	16,874
Textbooks	5,000	(3,960)	1,040	406	634
Other objects	700	(200)	500	473	27
Total	<u>3,518,240</u>	<u>(18,020)</u>	<u>3,500,220</u>	<u>3,456,390</u>	<u>43,830</u>
Home instruction					
Salaries of teachers	15,000	-	15,000	14,750	250
Purchased professional - educational services	15,000	25,906	40,906	37,030	3,876
Other purchased services	10,000	(7,886)	2,114	1,656	458
Total	<u>40,000</u>	<u>18,020</u>	<u>58,020</u>	<u>53,436</u>	<u>4,584</u>
Total special education	<u>3,758,440</u>	<u>-</u>	<u>3,758,440</u>	<u>3,654,293</u>	<u>104,147</u>
Basic skills/remedial					
Salaries of teachers	112,110	(32,000)	80,110	70,175	9,935
Other salaries for instruction	25,120	-	25,120	24,960	160
Other purchased services	150	-	150	-	150
General supplies	1,500	231	1,731	1,731	-
Textbooks	2,000	(231)	1,769	1,763	6
Total	<u>140,880</u>	<u>(32,000)</u>	<u>108,880</u>	<u>98,629</u>	<u>10,251</u>
Bilingual education - instruction					
Salaries of teachers	271,930	(7)	271,923	264,675	7,248
Other salaries for instruction	30,540	(375)	30,165	30,165	-
Other purchased services	8,000	(1,700)	6,300	5,917	383
General supplies	8,926	387	9,313	9,243	70
Textbooks	2,500	-	2,500	2,500	-
Other objects	500	(192)	308	306	2
Total	<u>322,396</u>	<u>(1,887)</u>	<u>320,509</u>	<u>312,806</u>	<u>7,703</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	286,130	-	286,130	267,140	18,990
Supplies and materials	18,000	-	18,000	18,000	-
Other objects	14,000	5,935	19,935	12,800	7,135
Total	<u>318,130</u>	<u>5,935</u>	<u>324,065</u>	<u>297,940</u>	<u>26,125</u>

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
School-sponsored athletics - instruction					
Salaries	\$ 1,099,740	\$ (11,257)	\$ 1,088,483	\$ 1,065,931	\$ 22,552
Unused vacation payment to terminated/retired staff	-	17,708	17,708	-	17,708
Purchased services	281,633	(11,623)	270,010	268,371	1,639
Supplies and materials	108,332	(6,005)	102,327	94,210	8,117
Other objects	11,450	(785)	10,665	10,348	317
Total	1,501,155	(11,962)	1,489,193	1,438,860	50,333
 Instructional alternative ed program - instruction					
Salaries of teachers	35,000	(5,000)	30,000	-	30,000
Other purchased services	4,500	(935)	3,565	-	3,565
Total	39,500	(5,935)	33,565	-	33,565
 Total instruction regular	\$ 23,563,805	\$ (135,955)	\$ 23,427,850	\$ 22,355,166	\$ 1,072,684
 Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the state - regular	\$ 12,800	\$ -	\$ 12,800	\$ 70	\$ 12,730
Tuition to other LEAs within the state - special	305,400	90,641	396,041	391,102	4,939
Tuition to county vocational school district - regular	577,700	59,795	637,495	637,495	-
Tuition to county vocational school district - special	630,700	(38,785)	591,915	476,415	115,500
Tuition to cssd & regional day schools	-	31,327	31,327	31,327	-
Tuition to priv. school for the disabled w/i state	2,073,440	(201,967)	1,871,473	1,218,489	652,984
Tuition to priv. school disabled & other LEAs - spl, o/s state	228,409	-	228,409	18,000	210,409
Tuition - other	234,400	(21,010)	213,390	16,840	196,550
Total	4,062,849	(79,999)	3,982,850	2,789,738	1,193,112
 Undistributed expenditures - attendance & social work					
Other purchased services	7,500	-	7,500	-	7,500
Total	7,500	-	7,500	-	7,500
 Undistributed expenditures - health services					
Salaries	372,720	3,354	376,074	371,368	4,706
Unused vacation payment to terminated/retired staff	-	1,680	1,680	1,680	-
Purchased professional and technical services	37,793	78,389	116,182	52,285	63,897
Other purchased services	5,350	-	5,350	1,312	4,038
Supplies and materials	27,700	(1,743)	25,957	18,794	7,163
Total	443,563	81,680	525,243	445,439	79,804
 Undistributed expenditures - speech, ot, pt & related services					
Salaries	154,120	(7,954)	146,166	123,629	22,537
Purchased professional - educational services	55,910	6,616	62,526	38,793	23,733
Supplies and materials	750	1,338	2,088	2,087	1
Total	210,780	-	210,780	164,509	46,271
 Undistributed expend - other supp. service stds. - extra service					
Salaries	488,430	-	488,430	419,949	68,481
Total	488,430	-	488,430	419,949	68,481

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - guidance					
Salaries of other professional staff	\$ 1,677,580	\$ 6,000	\$ 1,683,580	\$ 1,628,488	\$ 55,092
Salaries of secretarial and clerical assistants	258,250	-	258,250	250,414	7,836
Purchased professional - educational services	3,200	(2,000)	1,200	601	599
Other purchased services	31,583	1,739	33,322	15,071	18,251
Supplies and materials	14,600	-	14,600	7,683	6,917
Other objects	4,400	(419)	3,981	2,431	1,550
Total	1,989,613	5,320	1,994,933	1,904,688	90,245
Undistributed expenditures - child study teams					
Salaries of other professional staff	1,197,170	(19,198)	1,177,972	1,137,867	40,105
Salaries of secretarial and clerical assistants	188,090	(30,000)	158,090	154,469	3,621
Unused vacation payment to terminated/retired staff	4,908	11,698	16,606	4,897	11,709
Other purchased professional & technical services	14,000	37,500	51,500	50,042	1,458
Other purchased services	11,833	(360)	11,473	6,024	5,449
Miscellaneous purchased service	3,600	605	4,205	4,205	-
Supplies and materials	20,000	(245)	19,755	18,692	1,063
Other objects	3,200	-	3,200	2,128	1,072
Total	1,442,801	-	1,442,801	1,378,324	64,477
Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	1,082,560	10,709	1,093,269	1,093,269	-
Salaries of secretarial & clerical assist	111,590	(1,037)	110,553	110,553	-
Unused vacation payment to terminated/retired staff	10	(10)	-	-	-
Other purchased professional & technical services	-	500	500	493	7
Other purchased services	43,231	(11,015)	32,216	18,538	13,678
Supplies and materials	2,000	-	2,000	2,000	-
Other objects	11,400	(63)	11,337	8,918	2,419
Total	1,250,791	(916)	1,249,875	1,233,771	16,104
Undistributed expenditures - edu. media service/sch. library					
Salaries	872,120	(479)	871,641	845,226	26,415
Salaries of technology coordinators	92,640	479	93,119	93,118	1
Unused vacation payment to terminated/retired staff	10	-	10	-	10
Other purchased services	69,950	(5,000)	64,950	42,667	22,283
Supplies and materials	43,035	5,000	48,035	44,814	3,221
Other objects	1,200	-	1,200	195	1,005
Total	1,078,955	-	1,078,955	1,026,020	52,935
Undistributed expenditures - instructional staff training services					
Salaries of other professional staff	69,000	34,823	103,823	59,061	44,762
Purchased professional - educational services	8,980	(1,228)	7,752	7,752	-
Other purchased services	2,000	3,335	5,335	5,335	-
Supplies and materials	13,000	7,566	20,566	20,377	189
Other objects	2,500	(2,500)	-	-	-
Total	95,480	41,996	137,476	92,525	44,951

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expend. - support service - general admin.					
Salaries	\$ 349,090	\$ -	\$ 349,090	\$ 346,610	\$ 2,480
Legal services	185,000	(8,791)	176,209	105,389	70,820
Audit fees	45,000	-	45,000	-	45,000
Other purchased professional services	6,000	5,158	11,158	6,158	5,000
Communications/telephone	65,000	-	65,000	60,682	4,318
BOE other purchased services	3,000	853	3,853	857	2,996
Misc. purch services	151,500	9,550	161,050	123,968	37,082
General supplies	6,950	(1,727)	5,223	5,017	206
BOE in-house training/meeting supplies	2,500	277	2,777	2,777	-
Judgments against the school district	-	20,000	20,000	20,000	-
Miscellaneous expenditures	8,000	-	8,000	7,481	519
BOE membership dues and fees	27,000	-	27,000	25,657	1,343
Total	<u>849,040</u>	<u>25,320</u>	<u>874,360</u>	<u>704,596</u>	<u>169,764</u>
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	845,670	11,830	857,500	857,499	1
Salaries of secretarial and clerical assistants	362,810	(9,364)	353,446	351,051	2,395
Unused vacation payment to terminated/retired staff	10	4,485	4,495	-	4,495
Purchased professional and technical services	3,000	200	3,200	2,535	665
Other purchased services	20,765	(3,805)	16,960	4,864	12,096
Supplies and materials	9,500	-	9,500	3,118	6,382
Other objects	9,400	-	9,400	7,255	2,145
Total	<u>1,251,155</u>	<u>3,346</u>	<u>1,254,501</u>	<u>1,226,322</u>	<u>28,179</u>
Undistributed expenditures - central services					
Salaries	738,900	(7,403)	731,497	724,502	6,995
Unused vacation payment to terminated/retired staff	7,596	7,403	14,999	14,999	-
Purchased technical services	58,800	-	58,800	46,802	11,998
Miscellaneous purchased services	23,200	(2,195)	21,005	18,456	2,549
Supplies and materials	6,000	2,350	8,350	8,182	168
Other objects	4,000	(155)	3,845	3,373	472
Total	<u>838,496</u>	<u>-</u>	<u>838,496</u>	<u>816,314</u>	<u>22,182</u>
Undistributed expenditures - admin. info. technology					
Salaries	92,640	479	93,119	93,119	-
Unused vacation payment to terminated/retired staff	10	-	10	-	10
Other purchased services	3,500	(479)	3,021	532	2,489
Supplies and materials	7,350	-	7,350	4,567	2,783
Total	<u>103,500</u>	<u>-</u>	<u>103,500</u>	<u>98,218</u>	<u>5,282</u>
Undistributed expend. - required maint. for school facilities					
Salaries	504,820	15,516	520,336	514,534	5,802
Unused vacation payment to terminated/retired staff	10	-	10	-	10
Cleaning, repair, and maintenance services	539,173	96,653	635,826	454,522	181,304
General supplies	115,000	-	115,000	109,641	5,359
Total	<u>1,159,003</u>	<u>112,169</u>	<u>1,271,172</u>	<u>1,078,697</u>	<u>192,475</u>

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - custodial services					
Salaries	\$ 1,559,660	\$ (123,098)	\$ 1,436,562	\$ 1,396,417	\$ 40,145
Unused vacation payment to terminated/retired staff	10	8,330	8,340	8,340	-
Purchased professional and technical services	80,000	(5,000)	75,000	975	74,025
Cleaning, repair, and maintenance service	103,050	(14,167)	88,883	53,124	35,759
Other purchased property services	247,839	(13,385)	234,454	218,101	16,353
Insurance	208,100	(38,072)	170,028	165,528	4,500
Miscellaneous purchased services	4,000	3,750	7,750	6,449	1,301
General supplies	219,406	(31,600)	187,806	155,614	32,192
Energy (natural gas)	179,764	(900)	178,864	158,749	20,115
Energy (electricity)	806,543	205,142	1,011,685	738,180	273,505
Other objects	7,500	-	7,500	7,219	281
Total	3,415,872	(9,000)	3,406,872	2,908,696	498,176
Undistributed expenditures - care and upkeep of grounds					
Salaries	141,660	(42,399)	99,261	81,173	18,088
Unused vacation payment to terminated/retired staff	-	10	10	-	10
Purchased professional and technical services	10	(10)	-	-	-
Cleaning, repair, and maintenance service	130,730	(3,186)	127,544	99,075	28,469
General supplies	43,800	(22,161)	21,639	21,346	293
Total	316,200	(67,746)	248,454	201,594	46,860
Undistributed expenditures - security					
Salaries	133,080	5,801	138,881	138,281	600
Purchased professional and technical services	92,000	(5,400)	86,600	86,600	-
Cleaning, repair, and maintenance service	39,400	(3,321)	36,079	26,170	9,909
General supplies	10,500	2,920	13,420	9,853	3,567
Other objects	500	-	500	-	500
Total	275,480	-	275,480	260,904	14,576
Undistributed expenditures - student transportation service					
Salaries for pupil trans (between home & school) - reg.	983,376	(271)	983,105	765,647	217,458
Salaries for pupil trans (between home & school) - sp ed	225,500	(253)	225,247	142,637	82,610
Salaries for pupil trans (other than between home & school)	19,578	523	20,101	2,676	17,425
Unused vacation payment to terminated/retired staff	2,622	-	2,622	2,612	10
Management fee - esc & ctsa trans. program	45,000	-	45,000	26,641	18,359
Other purchased professional and technical service	17,500	-	17,500	11,106	6,394
Cleaning, repair, & maint. services	18,450	-	18,450	18,274	176
Contract service-aid in lieu pymts - non-public schools	119,340	(7,660)	111,680	87,500	24,180
Contract service-aid in lieu pymts-choice school students	8,840	7,660	16,500	16,000	500
Contract service (between home & school) - vendors	854,500	-	854,500	798,326	56,174
Contract service (oth. than between home & school) - vend	322,808	3,798	326,606	290,368	36,238
Contract service (between home & school) - joint agreements	-	3,591	3,591	3,193	398
Contract service (sp ed stds) - vendors	163,000	(39,091)	123,909	13,548	110,361
Contract service (sp ed stds) - joint agreements	12,000	-	12,000	-	12,000
Contract service (reg. students) - escs & ctsas	-	35,500	35,500	32,055	3,445
Contract service (spl. ed. students) - escs & ctsas	800,000	(124,507)	675,493	429,095	246,398
Miscellaneous purchased services - transportation	74,300	124,507	198,807	146,231	52,576
General supplies	7,300	-	7,300	3,343	3,957
Transportation supplies	246,101	-	246,101	95,803	150,298
Other objects	7,500	-	7,500	3,821	3,679
Total	3,927,715	3,797	3,931,512	2,888,876	1,042,636

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Unallocated benefits - employee benefits					
Social security contributions	\$ 853,372	\$ (34,020)	\$ 819,352	\$ 749,667	\$ 69,685
Other retirement contributions - PERS	935,880	34,019	969,899	943,038	26,861
Other retirement contributions - regular	12,000	-	12,000	10,086	1,914
Workmen's compensation	251,370	(1,118)	250,252	216,370	33,882
Health benefits	11,927,924	(27,652)	11,900,272	8,718,361	3,181,911
Tuition reimbursement	225,073	20,000	245,073	196,204	48,869
Other employee benefits	140,000	-	140,000	94,058	45,942
Unused sick payment to terminated/retired staff	437,932	(1,680)	436,252	147,261	288,991
Total	14,783,551	(10,451)	14,773,100	11,075,045	3,698,055
On-behalf TPAF pension contribution	-	-	-	3,124,683	(3,124,683)
On-behalf TPAF post retirement medical benefits	-	-	-	2,018,166	(2,018,166)
On-behalf TPAF long-term disability insurance	-	-	-	4,433	(4,433)
Reimbursed TPAF social security contribution	-	-	-	1,602,117	(1,602,117)
Total	-	-	-	6,749,399	(6,749,399)
Total undistributed expenditures	\$ 37,990,774	\$ 105,516	\$ 38,096,290	\$ 37,463,624	\$ 632,666
Total current	\$ 61,554,579	\$ (30,439)	\$ 61,524,140	\$ 59,818,790	\$ 1,705,350
Capital outlay					
Equipment					
Grades 9-12	\$ 65,980	\$ 47,449	\$ 113,429	\$ 92,738	\$ 20,691
Vocational programs					
School-sponsored and other instructional programs	-	18,413	18,413	-	18,413
Undistributed					
Undistributed expenditures - custodial services	7,343	3,199	10,542	10,542	-
Undistributed expenditures - care and upkeep of grounds	43,372	72,046	115,418	43,372	72,046
Undistributed expenditures student transportation	8,500	-	8,500	-	8,500
School buses - regular	306,530	-	306,530	301,911	4,619
School buses - special	168,447	-	168,447	168,295	152
Total equipment	600,172	141,107	741,279	616,858	124,421
Facilities acquisition and construction service					
Legal services	12,019	9,889	21,908	15,829	6,079
Architectural/engineering services	333,166	18,321	351,487	163,603	187,884
Other purchased professional and technology services	21,000	-	21,000	896	20,104
Construction services	4,283,626	1,653,035	5,936,661	4,724,017	1,212,644
Assessment for debt service on SDA funding	179,117	-	179,117	179,117	-
Total facilities acquisition and construction service	4,828,928	1,681,245	6,510,173	5,083,462	1,426,711
Total capital outlay	\$ 5,429,100	\$ 1,822,352	\$ 7,251,452	\$ 5,700,320	\$ 1,551,132
Total expenditures	\$ 66,983,679	\$ 1,791,913	\$ 68,775,592	\$ 65,519,110	\$ 3,256,482

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (deficiency) of revenues over (under) expenditures	\$ (9,253,498)	\$ (1,791,913)	\$ (11,045,411)	\$ 57,602	\$ 11,103,013
Other financing sources (uses)					
Transfers from other funds	-	-	-	171,773	171,773
Capital reserve - transfer to capital projects fund	(7,652,500)	-	(7,652,500)	-	7,652,500
Total other financing sources (uses)	(7,652,500)	-	(7,652,500)	171,773	7,824,273
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	(16,905,998)	(1,791,913)	(18,697,911)	229,375	18,927,286
Fund balances, July 1	32,940,227	-	32,940,227	32,940,227	-
Fund balances, June 30	\$ 16,034,229	\$ (1,791,913)	\$ 14,242,316	\$ 33,169,602	\$ 18,927,286
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (5,266,636)	\$ -	\$ (5,266,636)	\$ (5,266,636)	\$ -
Increase in capital reserve	-	5,000,000	5,000,000	5,000,000	-
Interest deposit to capital reserve	-	-	-	78,892	78,892
Withdrawal from capital reserve	(7,652,500)	(2,318,459)	(9,970,959)	(2,318,459)	7,652,500
Increase in maintenance reserve	-	144,990	144,990	144,990	-
Withdrawal from maintenance reserve	-	(110,669)	(110,669)	(110,669)	-
Budgeted fund balance	(3,986,862)	(4,507,775)	(8,494,637)	2,701,257	11,195,894
Total	\$ (16,905,998)	\$ (1,791,913)	\$ (18,697,911)	\$ 229,375	\$ 18,927,286
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 3,923,848	
Excess surplus - current year				4,098,445	
Capital reserve				17,434,393	
Emergency reserve				593,000	
Maintenance reserve				2,905,531	
Committed fund balance					
Year-end encumbrances				2,600,543	
Unassigned fund balance				1,613,842	
Fund balance per budgetary basis				33,169,602	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(546,331)	
Fund balance per governmental funds (GAAP)				\$ 32,623,271	

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources	\$ 67,654	\$ -	\$ 67,654	\$ 35,674	\$ (31,980)
State sources	2,880	-	2,880	2,790	(90)
Federal sources	695,542	-	695,542	695,542	-
Total revenues	\$ 766,076	\$ -	\$ 766,076	\$ 734,006	\$ (32,070)
Expenditures					
Instruction					
Salaries	\$ 30,000	\$ (2,375)	\$ 27,625	\$ 27,625	\$ -
Purchased professional & technical services	97	-	97	97	-
Other purchased services	11,221	5,249	16,470	12,622	3,848
Tuition	556,872	-	556,872	556,872	-
General supplies	85,142	(2,192)	82,950	55,179	27,771
Other objects	779	(500)	279	279	-
Total	684,111	182	684,293	652,674	31,619
Support services					
Salaries	37,978	767	38,745	38,745	-
Personal services - employee benefits	5,201	(124)	5,077	5,077	-
Other purchased services	18,086	(825)	17,261	16,810	451
Supplies & materials	20,200	-	20,200	20,200	-
Other objects	500	-	500	500	-
Total	81,965	(182)	81,783	81,332	451
Total expenditures	\$ 766,076	\$ -	\$ 766,076	\$ 734,006	\$ 32,070

See independent auditors' report.

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

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

Sources/Inflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$65,576,712	\$ 734,006
Difference - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	19
Outstanding encumbrances - current year	-	(10,045)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State aid receivable prior year	526,668	-
State aid receivable current year	(546,331)	-
Total revenues (GAAP basis)	<u>\$65,557,049</u>	<u>\$ 723,980</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$65,519,110	\$ 734,006
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances - prior year	-	19
Outstanding encumbrances - current year	-	(10,045)
Total expenditures (GAAP basis)	<u>\$65,519,110</u>	<u>\$ 723,980</u>

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net pension liability (asset) - percentage	N/A	0.1100225044%	0.1086152086%	0.1079908869%	0.1059288304%	0.1065517934%	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ 25,611,480	\$ 32,168,709	\$ 24,241,790	\$ 19,832,774	\$ 20,364,165	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 7,318,713	7,315,031	7,420,679	7,439,392	7,383,978	7,163,447	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	350.12%	433.50%	325.86%	268.59%	284.28%	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	48.10%	40.14%	47.93%	52.08%	48.72%	N/A	N/A	N/A	N/A

N/A - Information Not Available

See independent auditors' report.

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 1,019,241	\$ 964,922	\$ 928,432	\$ 873,262	\$ 802,846	\$ 806,536	\$ 883,792	\$ 863,212	\$ 647,871	\$ 541,539
Contributions in relation to the contractually required contribution	<u>(1,019,241)</u>	<u>(964,922)</u>	<u>(928,432)</u>	<u>(873,262)</u>	<u>(802,846)</u>	<u>(806,536)</u>	<u>(883,792)</u>	<u>(863,212)</u>	<u>(647,871)</u>	<u>(541,539)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 7,318,713	\$ 7,315,031	\$ 7,420,679	\$ 7,439,392	\$ 7,383,978	\$ 7,163,447	\$ 7,167,189	\$ 7,312,609	\$ 7,943,221	\$ 7,695,279
Contributions as a percentage of covered employee payroll	13.93%	13.19%	12.51%	11.74%	10.87%	11.26%	12.33%	11.80%	8.16%	7.04%

See independent auditors' report.

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net pension liability (asset) - percentage	N/A	N/A	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	N/A	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	N/A	\$ 142,921,233	165,824,239	126,805,300	111,121,367	108,878,283	N/A	N/A	N/A	N/A
Total	\$ -	\$ 142,921,233	\$ 165,824,239	\$ 126,805,300	\$ 111,121,367	\$ 108,878,283	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ -	\$ 20,903,347	\$ 21,254,978	\$ 21,463,054	\$ 21,167,613	\$ 19,898,518	\$ -	\$ -	\$ -	\$ -
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	0.00%	25.41%	22.33%	28.71%	33.64%	33.76%	N/A	N/A	N/A	N/A

N/A - Information Not Available

See independent auditors' report.

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 3,214,683	\$ 2,375,613	\$ 1,687,701	\$ 1,084,667	\$ 879,547	\$ 1,392,035	\$ 681,334	\$ 66,234	\$ 70,327	\$ 68,254
Contributions in relation to the contractually required contribution	(3,214,683)	(2,375,613)	(1,687,701)	(1,084,667)	(879,547)	(1,392,035)	(681,334)	(66,234)	(70,327)	(68,254)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 22,466,499	\$ 20,903,347	\$ 21,254,978	\$ 21,463,054	\$ 21,167,613	\$ 19,898,518	\$20,030,994	#####	#####	\$ 20,872,153
Contributions as a percentage of covered employee payroll	14.31%	11.36%	7.94%	5.05%	4.16%	7.00%	3.40%	0.32%	0.33%	0.33%

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75) (UNAUDITED)**

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other
Postemployment Employee Benefits Liability
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net pension liability (asset) - percentage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	N/A	\$ 115,868,340	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$ -	\$ 115,868,340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	N/A	\$ 28,218,378	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information Not Available

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2018

- Note 1 - Special funding situation - TPAF and other post-retirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other post-retirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate increased from 3.22% in State fiscal year 2016 to 4.25% in State fiscal year 2017. The inflation rate was 2.50% for State fiscal years 2016 and 2.25% in State fiscal year 2017.
- Note 3 - Changes in assumptions - PERS
The discount rate increased from 3.98% in State fiscal year 2016 to 5.00% in State fiscal year 2017. The inflation rate decreased from 3.08% for State fiscal year 2016 to 2.25% for State fiscal year 2017.
- Note 4 - Changes in assumptions - other post-retirement employee benefits
The other post-retirement employee benefits discount rate increased from 2.85% in State fiscal year 2016 to 3.58% in State fiscal year 2017. The inflation rate was not available for State fiscal year 2016 and for State fiscal year 2017 was 2.50%.
- Note 5 - Changes in healthcare trend assumptions - other post-retirement employee benefits
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 trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend 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.
- Note 6 - Changes in benefit term assumptions - other post-retirement employee benefits
There were no changes of the benefit terms from June 30, 2016 to June 30, 2017.

SPECIAL REVENUE FUND

DETAIL STATEMENTS

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	ESSA	ESSA	ESSA	ESSA	ESSA	Emergency	IDEA	NJ	Local	Total
	Title IA	Title IIA	Title III	Title III Immigrant	Title IVA	Impact aid	Basic	Non-public	Grants	
Revenues										
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,674	\$ 35,674
State sources	-	-	-	-	-	-	-	2,790	-	2,790
Federal sources	73,063	36,584	11,151	3,622	10,000	4,250	556,872	-	-	695,542
Total revenues	\$ 73,063	\$ 36,584	\$ 11,151	\$ 3,622	\$ 10,000	\$ 4,250	\$ 556,872	\$ 2,790	\$ 35,674	\$ 734,006
Expenditures										
Instruction										
Salaries	\$ 27,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,625
Purchased professional & technical services	-	-	-	-	-	-	-	97	-	97
Other purchased services	10,750	-	-	500	-	-	-	-	1,372	12,622
Tuition	-	-	-	-	-	-	556,872	-	-	556,872
General supplies	25,275	-	4,251	1,622	-	3,750	-	2	20,279	55,179
Other objects	-	-	-	-	-	-	-	-	279	279
Total	63,650	-	4,251	2,122	-	3,750	556,872	99	21,930	652,674
Support services										
Salaries	-	33,984	-	-	4,761	-	-	-	-	38,745
Personal services - employee benefits	2,113	2,600	-	-	364	-	-	-	-	5,077
Other purchased services	7,100	-	-	-	4,875	-	-	2,691	2,144	16,810
Supplies & materials	200	-	6,900	1,500	-	-	-	-	11,600	20,200
Other objects	-	-	-	-	-	500	-	-	-	500
Total	9,413	36,584	6,900	1,500	10,000	500	-	2,691	13,744	81,332
Total expenditures	\$ 73,063	\$ 36,584	\$ 11,151	\$ 3,622	\$ 10,000	\$ 4,250	\$ 556,872	\$ 2,790	\$ 35,674	\$ 734,006

See independent auditors' report.

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

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

(NOT APPLICABLE TO THIS REPORT)

PROPRIETARY FUND

DETAIL STATEMENTS

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Net Position
June 30, 2018

	Food Service Fund	Transportation Fund	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 205,933	\$ 527,034	\$ 732,967
Receivables from other governments			
State	378	-	378
Federal	10,556	-	10,556
Local	-	50	50
Inventory	23,842	-	23,842
Total current assets	<u>240,709</u>	<u>527,084</u>	<u>767,793</u>
Noncurrent assets			
Capital assets	965,300	-	965,300
Less: accumulated depreciation	786,514	-	786,514
Total noncurrent assets	<u>178,786</u>	<u>-</u>	<u>178,786</u>
Total assets	<u>419,495</u>	<u>527,084</u>	<u>946,579</u>
Liabilities			
Current liabilities			
Accounts payable	11,472	-	11,472
Unearned revenues - commodities	5,324	-	5,324
Unearned revenues - prepaid sales	22,524	-	22,524
Total liabilities	<u>39,320</u>	<u>-</u>	<u>39,320</u>
Net position			
Net investment in capital assets	178,786	-	178,786
Unrestricted	201,389	527,084	728,473
Total net position	<u>\$ 380,175</u>	<u>\$ 527,084</u>	<u>\$ 907,259</u>

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2018

	Food Service Fund	Transportation Fund	Total
Operating revenues			
Charges for services			
Daily sales - reimbursable programs	\$ 325,476	\$ -	\$ 325,476
Daily sales - non-reimbursable programs	794,913	-	794,913
Transportation fees	-	5,161,456	5,161,456
Total operating revenues	<u>1,120,389</u>	<u>5,161,456</u>	<u>6,281,845</u>
Operating expenses			
Cost of sales - reimbursable programs	217,399	-	217,399
Cost of sales - non-reimbursable programs	354,217	-	354,217
Commodity food costs	34,026	-	34,026
Salaries	456,754	1,200,938	1,657,692
Support services - employee benefits	93,137	883,614	976,751
Purchased professional/technical services	1,342	41,976	43,318
Purchased property services	13,081	18,274	31,355
Contracted services - transportation	-	2,056,035	2,056,035
Other purchased services			
Insurance	57,149	45,620	102,769
Management fee	50,893	29,774	80,667
Other purchased services	7,944	5,636	13,580
Supplies and materials	15,354	3,298	18,652
Transportation supplies (including gasoline)	-	98,575	98,575
Utilities	-	11,740	11,740
Acquisition of vehicles and other equipment	-	470,206	470,206
Depreciation	27,847	-	27,847
Miscellaneous expenditures	-	3,746	3,746
Total operating expenses	<u>1,329,143</u>	<u>4,869,432</u>	<u>6,198,575</u>
Operating income (loss)	<u>(208,754)</u>	<u>292,024</u>	<u>83,270</u>
Non-operating revenues (expenses)			
State sources			
State school lunch program	5,924	-	5,924
Federal sources			
National school breakfast program	23,691	-	23,691
National school lunch program			
Cash assistance	126,264	-	126,264
Non cash assistance (commodities)	34,026	-	34,026
Miscellaneous	16,881	5,761	22,642
Total non-operating revenues (expenses)	<u>206,786</u>	<u>5,761</u>	<u>212,547</u>
Other financing sources (uses)			
Refund of prior year revenue	-	(71,706)	(71,706)
Transfer out	-	(171,773)	(171,773)
Total other financing sources (uses)	<u>-</u>	<u>(243,479)</u>	<u>(243,479)</u>
Change in net position	(1,968)	54,306	52,338
Net position, beginning	<u>382,143</u>	<u>472,778</u>	<u>854,921</u>
Net position, ending	<u>\$ 380,175</u>	<u>\$ 527,084</u>	<u>\$ 907,259</u>

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

	Food Service Fund	Transportation Fund	Total
Cash flows from operating activities			
Receipts from services provided (net)	\$ 1,120,883	\$ 4,675,722	\$ 5,796,605
Payments to employees	(47,385)	(1,200,938)	(1,248,323)
Payments for employee benefits	(3,625)	(883,614)	(887,239)
Payments to Food Service Management Company	(1,172,786)	-	(1,172,786)
Payments to vendors and customers (net)	(18,519)	(2,784,880)	(2,803,399)
Net cash provided by (used for) operating activities	<u>(121,432)</u>	<u>(193,710)</u>	<u>(315,142)</u>
Cash flows from non-capital financing activities			
State sources	5,766	-	5,766
Federal sources	146,091	-	146,091
Miscellaneous	16,881	5,761	22,642
General fund interfund activity	-	(171,773)	(171,773)
Refund of prior year revenue	-	(71,706)	(71,706)
Net cash provided by (used for) non-capital financing activities	<u>168,738</u>	<u>(237,718)</u>	<u>(68,980)</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	(10,215)	-	(10,215)
Net cash provided by (used for) investing activities	<u>(10,215)</u>	<u>-</u>	<u>(10,215)</u>
Net increase (decrease) in cash and cash equivalents	37,091	(431,428)	(394,337)
Cash and cash equivalents, beginning	<u>168,842</u>	<u>958,462</u>	<u>1,127,304</u>
Cash and cash equivalents, ending	<u>\$ 205,933</u>	<u>\$ 527,034</u>	<u>\$ 732,967</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating activities			
Operating income (loss)	\$ (208,754)	\$ 292,024	\$ 83,270
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	27,847	-	27,847
Federal food donation program	34,026	-	34,026
(Increase) decrease in accounts receivable	4,431	6,785	11,216
(Increase) decrease in inventory	4,897	-	4,897
Increase (decrease) in accounts payable	11,472	-	11,472
Increase (decrease) in payable to local governments - prior year revenue	-	(492,519)	(492,519)
Increase (decrease) in unearned revenues	4,649	-	4,649
Net cash provided by (used for) operating activities	<u>\$ (121,432)</u>	<u>\$ (193,710)</u>	<u>\$ (315,142)</u>

See independent auditors' report.

FIDUCIARY FUNDS

DETAIL STATEMENTS

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Position
June 30, 2018

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Student Activity Agency Fund	Payroll Agency Fund	Miscellaneous Agency Fund	Total
Assets						
Cash and cash equivalents	\$ 416,245	\$ 248,638	\$ 661,374	\$ 501,814	\$ -	\$ 1,828,071
Due from other funds	163,058	-	-	1,188	-	164,246
Due from state governments	1,110	-	-	12,224	-	13,334
Due from local governments	-	-	-	-	42,578	42,578
Total assets	\$ 580,413	\$ 248,638	\$ 661,374	\$ 515,226	\$ 42,578	\$ 2,048,229
Liabilities						
Accounts payable	\$ 4,073	\$ -	\$ -	\$ -	\$ -	\$ 4,073
Due to other funds	-	-	-	163,058	42,578	205,636
Due to student groups	-	-	661,374	-	-	661,374
Payroll deductions and withholdings	-	-	-	352,168	-	352,168
Total liabilities	4,073	-	661,374	515,226	42,578	1,223,251
Net position						
Held in trust for unemployment claims	576,340	-	-	-	-	576,340
Reserve for scholarship funds	-	248,638	-	-	-	248,638
Total net position	\$ 576,340	\$ 248,638	\$ -	\$ -	\$ -	\$ 824,978

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2018

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Total
Additions			
Contributions			
Employees	\$ 54,435	\$ -	\$ 54,435
Other	-	33,285	33,285
Investment earnings			
Interest	3,139	590	3,729
Total additions	<u>57,574</u>	<u>33,875</u>	<u>91,449</u>
Deductions			
Scholarships awarded	-	39,714	39,714
Unemployment claims	56,302	-	56,302
Miscellaneous expenses	-	2,523	2,523
Total deductions	<u>56,302</u>	<u>42,237</u>	<u>98,539</u>
Change in net position	1,272	(8,362)	(7,090)
Net position - beginning of the year	<u>575,068</u>	<u>257,000</u>	<u>832,068</u>
Net position - end of the year	<u>\$ 576,340</u>	<u>\$ 248,638</u>	<u>\$ 824,978</u>

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts & Disbursements
For the Fiscal Year Ended June 30, 2018

	Balance 07/01/17	Additions	Deletions	Balance 06/30/18
Assets				
Cash and cash equivalents	\$ 769,661	\$ 963,037	\$ 1,071,324	\$ 661,374
Total assets	\$ 769,661	\$ 963,037	\$ 1,071,324	\$ 661,374
Liabilities				
Due to other funds	\$ 1,518	\$ -	\$ 1,518	\$ -
Due to student groups				
Student activities	766,173	776,341	881,947	660,567
Athletic activities	1,970	186,696	187,859	807
Total liabilities	\$ 769,661	\$ 963,037	\$ 1,071,324	\$ 661,374

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Schedule of Receipts & Disbursements
For the Fiscal Year Ended June 30, 2018

	Balance 07/01/17	Additions	Deletions	Balance 06/30/18
Assets				
Cash and cash equivalents	\$ 557,550	\$ 37,805,180	\$ 37,860,916	\$ 501,814
Due from state governments	-	12,224	-	12,224
Accounts receivable - other	3,030	-	3,030	-
Due from other funds	18,298	-	17,110	1,188
Total assets	\$ 578,878	\$ 37,817,404	\$ 37,881,056	\$ 515,226
Liabilities				
Payroll deductions and withholdings				
Due to other funds	\$ 116,905	\$ 68,123	\$ 21,970	\$ 163,058
Net payroll	6,985	20,831,703	20,833,142	5,546
Payroll agency	454,988	16,917,578	17,025,944	346,622
Total liabilities	\$ 578,878	\$ 37,817,404	\$ 37,881,056	\$ 515,226

See independent auditors' report.

LONG-TERM DEBT SCHEDULES

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

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2018

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/17	Issued	Retired	Balance 06/30/18
			Date	Amount					
ERIP pension Refunding bonds	07/03/03	\$ 1,485,000				\$ 145,000	\$ -	\$ 145,000	\$ -
2011 refunding bond Issue of 2004 bonds	12/20/11	13,480,000	09/15/18	\$ 1,920,000	4.00%	9,740,000	-	1,710,000	8,030,000
			09/15/19	1,965,000	4.00%	-	-	-	-
			09/15/20	825,000	3.625%	-	-	-	-
			09/15/20	1,210,000	4.00%	-	-	-	-
			09/15/21	2,110,000	4.00%	-	-	-	-
						<u>\$ 9,885,000</u>	<u>\$ -</u>	<u>\$ 1,855,000</u>	<u>\$ 8,030,000</u>

See independent auditor's report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources					
Local tax levy	\$ 2,214,386	\$ -	\$ 2,214,386	\$ 2,214,386	\$ -
	<u>2,214,386</u>	<u>-</u>	<u>2,214,386</u>	<u>2,214,386</u>	<u>-</u>
Expenditures					
Interest on early retirement bonds	7,395	-	7,395	7,294	101
Interest on bonds	352,306	-	352,306	352,306	-
Redemption of principal - early retirement bonds	145,000	-	145,000	145,000	-
Redemption of principal - bonds	1,710,000	-	1,710,000	1,710,000	-
Total expenditures	<u>2,214,701</u>	<u>-</u>	<u>2,214,701</u>	<u>2,214,600</u>	<u>101</u>
Excess (deficiency) of revenues over (under) expenditures	(315)	-	(315)	(214)	101
Fund balance, July 1	<u>336</u>	<u>-</u>	<u>336</u>	<u>336</u>	<u>-</u>
Fund balance, June 30	<u>\$ 21</u>	<u>\$ -</u>	<u>\$ 21</u>	<u>\$ 122</u>	<u>\$ 101</u>
Recapitulation of excess (deficiency) of revenue over (under) expenditures					
Budgeted fund balance	<u>\$ (315)</u>	<u>\$ -</u>	<u>\$ (315)</u>	<u>\$ (214)</u>	<u>\$ 101</u>

See independent auditors' report.

STATISTICAL SECTION

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Statistical Section J Series

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

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

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Government activities										
Net investment in capital assets	\$ 44,233,849	\$ 47,650,201	\$ 49,760,351	\$ 55,489,118	\$ 58,354,852	\$ 59,372,081	\$ 61,257,471	\$ 61,914,874	\$ 57,392,366	\$ 60,579,275
Restricted	4,236,497	4,890,892	8,668,367	9,369,252	10,863,507	14,798,976	18,440,464	20,121,443	18,138,506	20,933,046
Unrestricted	3,845,309	3,886,660	5,216,937	4,814,513	5,228,337	(14,114,960)	(14,355,436)	(13,791,043)	(12,948,330)	(14,615,491)
Total governmental activities	<u>\$ 52,315,655</u>	<u>\$ 56,427,753</u>	<u>\$ 63,645,655</u>	<u>\$ 69,672,883</u>	<u>\$ 74,446,696</u>	<u>\$ 60,056,097</u>	<u>\$ 65,342,499</u>	<u>\$ 68,245,274</u>	<u>\$ 62,582,542</u>	<u>\$ 66,896,830</u>
Business-type activities										
Net investment in capital assets	\$ 126,974	\$ 109,311	\$ 120,338	\$ 161,519	\$ 155,022	\$ 164,542	\$ 178,273	\$ 179,289	\$ 196,418	\$ 178,786
Unrestricted	552,366	640,457	605,463	669,906	732,976	556,584	448,944	631,225	658,503	728,473
Total business-type activities	<u>\$ 679,340</u>	<u>\$ 749,768</u>	<u>\$ 725,801</u>	<u>\$ 831,425</u>	<u>\$ 887,998</u>	<u>\$ 721,126</u>	<u>\$ 627,217</u>	<u>\$ 810,514</u>	<u>\$ 854,921</u>	<u>\$ 907,259</u>
District-wide										
Net investment in capital assets	\$ 44,360,823	\$ 47,759,512	\$ 49,880,689	\$ 55,650,637	\$ 58,509,874	\$ 59,536,623	\$ 61,435,744	\$ 62,094,163	\$ 57,588,784	\$ 60,758,061
Restricted	4,236,497	4,890,892	8,668,367	9,369,252	10,863,507	14,798,976	18,440,464	20,121,443	18,138,506	20,933,046
Unrestricted	4,397,675	4,527,117	5,822,400	5,484,419	5,961,313	(13,558,376)	(13,906,492)	(13,159,818)	(12,289,827)	(13,887,018)
Total district-wide	<u>\$ 52,994,995</u>	<u>\$ 57,177,521</u>	<u>\$ 64,371,456</u>	<u>\$ 70,504,308</u>	<u>\$ 75,334,694</u>	<u>\$ 60,777,223</u>	<u>\$ 65,969,716</u>	<u>\$ 69,055,788</u>	<u>\$ 63,437,463</u>	<u>\$ 67,804,089</u>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Instruction										
Regular	\$ 22,266,798	\$ 22,248,073	\$ 21,896,193	\$ 22,339,587	\$ 23,335,032	\$ 23,215,452	\$ 27,473,363	\$ 29,334,074	\$ 34,192,908	\$ 36,986,943
Special education	4,260,156	4,448,511	4,736,187	4,747,920	4,983,711	5,257,315	5,928,151	6,387,430	7,715,730	8,217,604
Other special education	293,865	351,110	362,006	346,055	411,059	354,394	368,293	386,081	506,508	995,752
Other instruction	2,670,581	2,573,715	2,682,529	2,695,936	2,728,851	2,709,709	2,734,882	2,876,042	3,098,205	3,132,863
Support services										
Tuition	3,378,231	3,349,661	3,034,553	3,286,959	2,889,350	2,790,126	3,438,697	4,039,271	3,898,610	3,346,610
Student & instruction related services	9,420,375	9,657,555	9,501,036	9,742,068	10,108,132	9,753,842	11,356,019	12,483,286	13,852,467	14,534,466
General & business administrative services	2,429,937	2,475,729	2,238,676	2,314,521	2,247,391	2,308,834	2,448,540	2,738,783	2,926,256	2,819,513
School administration	1,758,790	1,748,998	1,822,003	1,839,132	1,898,687	1,903,051	1,891,316	2,067,027	2,501,683	2,864,671
Plant operations & maintenance	6,029,959	5,952,252	5,350,870	6,243,707	5,874,329	6,071,250	5,583,179	5,653,396	5,958,363	6,184,785
Pupil transportation	3,720,942	3,847,603	3,533,374	3,544,840	3,560,252	3,631,761	3,479,336	3,915,648	4,252,464	3,843,672
Interest on long-term debt	1,075,096	1,005,493	1,044,422	747,895	820,590	830,131	747,342	644,088	587,273	361,454
Total governmental activities expenses	<u>57,304,730</u>	<u>57,658,700</u>	<u>56,201,849</u>	<u>57,848,620</u>	<u>58,857,384</u>	<u>58,825,865</u>	<u>65,449,118</u>	<u>70,525,126</u>	<u>79,490,467</u>	<u>83,288,333</u>
Business-type activities										
Food services	1,653,090	1,474,356	1,443,696	1,454,786	1,417,656	1,415,928	1,388,675	1,333,793	1,354,262	1,329,143
Transportation	4,078,314	3,757,572	3,876,290	3,720,004	3,935,223	4,239,835	4,196,760	3,931,950	4,185,116	4,869,432
Other	-	56,185	162,521	163,170	103,928	94,047	-	-	-	-
Total business-type activities	<u>5,731,404</u>	<u>5,288,113</u>	<u>5,482,507</u>	<u>5,337,960</u>	<u>5,456,807</u>	<u>5,749,810</u>	<u>5,585,435</u>	<u>5,265,743</u>	<u>5,539,378</u>	<u>6,198,575</u>
Total district expenses	<u>\$ 63,036,134</u>	<u>\$ 62,946,813</u>	<u>\$ 61,684,356</u>	<u>\$ 63,186,580</u>	<u>\$ 64,314,191</u>	<u>\$ 64,575,675</u>	<u>\$ 71,034,553</u>	<u>\$ 75,790,869</u>	<u>\$ 85,029,845</u>	<u>\$ 89,486,908</u>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Program revenues										
Governmental activities										
Charges for services										
Regular instruction	\$ 139,120	\$ 119,445	\$ 108,660	\$ 88,216	\$ 63,372	\$ 94,756	\$ 95,161	\$ 187,816	\$ 179,729	\$ 170,475
Special education	-	-	-	-	-	-	-	-	-	6,376
Other special instruction	-	15,756	2,765	-	-	-	-	-	-	-
Other instruction	9,075	7,600	141,380	142,530	135,450	145,088	130,135	133,000	141,275	141,183
Student & instruction related services	56,880	83,665	40,160	4,300	52,929	38,426	38,900	37,587	35,750	54,358
General & business administrative services	10,256	4,743	31,954	38,810	39,505	42,137	39,500	30,230	26,960	26,145
Plant operations & maintenance	25,607	46,642	53,073	49,073	50,700	91,362	236,908	95,915	131,507	116,097
Pupil transportation	71,055	162,490	220,537	190,965	278,818	369,965	97,435	243,978	287,046	224,440
Operating grants & contributions	669,206	962,305	1,221,978	708,114	753,212	656,500	750,884	772,434	701,951	723,980
Capital grants & contributions	582,833	923,946	718,923	1,533,741	103,154	64,247	822,934	-	18,122	-
Total governmental activities program revenues	<u>1,564,032</u>	<u>2,326,592</u>	<u>2,539,430</u>	<u>2,755,749</u>	<u>1,477,140</u>	<u>1,502,481</u>	<u>2,211,857</u>	<u>1,500,960</u>	<u>1,522,340</u>	<u>1,463,054</u>
Business-type activities										
Charges for services										
Food service	1,543,404	1,330,522	1,292,093	1,327,540	1,271,339	1,242,792	1,197,862	1,157,225	1,196,224	1,120,389
Transportation	4,130,081	3,944,106	4,059,450	3,943,505	4,175,993	4,242,110	4,438,123	4,405,025	4,426,950	5,161,456
Information technology	-	104,000	104,000	104,000	104,000	104,000	-	-	-	-
Student information reporting	-	-	78,020	67,526	-	-	-	-	-	-
Operating grants & contributions	102,229	127,569	125,816	146,927	147,749	168,810	169,407	175,872	208,107	189,905
Total business-type activities program revenues	<u>5,775,714</u>	<u>5,506,197</u>	<u>5,659,379</u>	<u>5,589,498</u>	<u>5,699,081</u>	<u>5,757,712</u>	<u>5,805,392</u>	<u>5,738,122</u>	<u>5,831,281</u>	<u>6,471,750</u>
Total district - program revenues	<u>\$ 7,339,746</u>	<u>\$ 7,832,789</u>	<u>\$ 8,198,809</u>	<u>\$ 8,345,247</u>	<u>\$ 7,176,221</u>	<u>\$ 7,260,193</u>	<u>\$ 8,017,249</u>	<u>\$ 7,239,082</u>	<u>\$ 7,353,621</u>	<u>\$ 7,934,804</u>
Net (expense) revenues										
Governmental activities	\$ (55,740,698)	\$ (55,332,108)	\$ (53,662,419)	\$ (55,092,871)	\$ (57,380,244)	\$ (57,323,384)	\$ (63,237,261)	\$ (69,024,166)	\$ (77,968,127)	\$ (81,825,279)
Business-type activities	44,310	218,084	176,872	251,538	242,274	7,902	219,957	472,379	291,903	273,175
Total district-wide net expenses	<u>\$ (55,696,388)</u>	<u>\$ (55,114,024)</u>	<u>\$ (53,485,547)</u>	<u>\$ (54,841,333)</u>	<u>\$ (57,137,970)</u>	<u>\$ (57,315,482)</u>	<u>\$ (63,017,304)</u>	<u>\$ (68,551,787)</u>	<u>\$ (77,676,224)</u>	<u>\$ (81,552,104)</u>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 47,648,771	\$ 48,379,741	\$ 50,207,526	\$ 50,207,090	\$ 49,208,792	\$ 49,207,952	\$ 48,957,942	\$ 49,568,121	\$ 50,556,323	\$ 51,567,449
Taxes levied for debt service	2,365,493	2,399,399	2,419,447	2,399,606	2,302,489	2,281,202	2,216,318	2,277,501	2,230,921	2,214,386
Unrestricted grants & contributions	9,701,043	8,184,532	7,640,032	9,190,646	10,323,831	10,162,636	16,560,967	19,344,908	24,692,473	29,847,462
Investment earnings	388,837	297,338	150,157	116,791	112,930	91,955	101,851	122,808	145,938	287,977
Miscellaneous income	198,825	341,247	308,484	372,488	407,661	579,957	429,481	428,887	397,250	365,270
Transfers in (out)	-	(163,198)	160,054	(95,803)	103,875	120,773	113,719	181,716	174,935	171,773
Special item - FEMA unrestricted aid	-	-	-	-	-	-	85,768	-	-	-
Special item - payment to refunding bond agent	-	-	-	(1,083,130)	-	-	-	-	-	-
Special item - gain (loss) on sale, trade in, or disposal of capital assets	18,353	5,147	(5,379)	12,411	9,882	49,629	57,617	3,000	-	(79,881)
Special item - change in compensated absences liability	-	-	-	-	-	-	-	-	-	1,765,131
Total governmental activities	<u>60,321,322</u>	<u>59,444,206</u>	<u>60,880,321</u>	<u>61,120,099</u>	<u>62,469,460</u>	<u>62,494,104</u>	<u>68,523,663</u>	<u>71,926,941</u>	<u>78,197,840</u>	<u>86,139,567</u>
Business-type activities										
Miscellaneous income	118	-	2,203	10,790	-	10,095	32,397	3,678	12,734	22,642
Transfers in (out)	-	(86,802)	(160,054)	(104,197)	(103,875)	(120,773)	(113,719)	(181,716)	(174,935)	(171,773)
Special item - gain (loss) on capital asse	-	-	802	-	-	-	-	-	-	-
Special item - sale of miscellaneous item	-	-	20,841	-	-	-	-	-	-	-
Special item - refund of prior year reven	-	(60,854)	(64,631)	(63,551)	(81,826)	(64,096)	(232,544)	(111,044)	(85,295)	(71,706)
Special item - refund of prior year exper	-	-	-	11,044	-	-	-	-	-	-
Total business-type activities	<u>118</u>	<u>(147,656)</u>	<u>(200,839)</u>	<u>(145,914)</u>	<u>(185,701)</u>	<u>(174,774)</u>	<u>(313,866)</u>	<u>(289,082)</u>	<u>(247,496)</u>	<u>(220,837)</u>
Total district-wide	<u>\$ 60,321,440</u>	<u>\$ 59,296,550</u>	<u>\$ 60,679,482</u>	<u>\$ 60,974,185</u>	<u>\$ 62,283,759</u>	<u>\$ 62,319,330</u>	<u>\$ 68,209,797</u>	<u>\$ 71,637,859</u>	<u>\$ 77,950,344</u>	<u>\$ 85,918,730</u>
Change in net position										
Governmental activities	\$ 4,580,624	\$ 4,112,098	\$ 7,217,902	\$ 6,027,228	\$ 5,089,216	\$ 5,170,720	\$ 5,286,402	\$ 2,902,775	\$ 229,713	\$ 4,314,288
Business-type activities	44,428	70,428	(23,967)	105,624	56,573	(166,872)	(93,909)	183,297	44,407	52,338
Total district	<u>\$ 4,625,052</u>	<u>\$ 4,182,526</u>	<u>\$ 7,193,935</u>	<u>\$ 6,132,852</u>	<u>\$ 5,145,789</u>	<u>\$ 5,003,848</u>	<u>\$ 5,192,493</u>	<u>\$ 3,086,072</u>	<u>\$ 274,120</u>	<u>\$ 4,366,626</u>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Restricted	\$ 11,019,729	\$ 9,488,991	\$ 12,571,932	\$ 16,962,669	\$ 19,895,166	\$ 21,918,045	\$ 26,162,959	\$ 27,462,588	\$ 26,048,880	\$ 28,955,217
Committed	198,387	131,845	275,018	536,989	823,710	930,508	1,008,700	2,782,649	5,266,636	2,600,543
Assigned	-	-	-	-	-	-	6,262	-	-	-
Unassigned	640,897	636,481	1,178,647	1,118,583	1,012,103	1,008,936	1,029,868	1,034,253	1,098,043	1,067,511
Total general fund	<u>\$ 11,859,013</u>	<u>\$ 10,257,317</u>	<u>\$ 14,025,597</u>	<u>\$ 18,618,241</u>	<u>\$ 21,730,979</u>	<u>\$ 23,857,489</u>	<u>\$ 28,207,789</u>	<u>\$ 31,279,490</u>	<u>\$ 32,413,559</u>	<u>\$ 32,623,271</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund	\$ 1,284,141	\$ 3,449,146	\$ 4,086,485	\$ 1,000,284	\$ 199,384	\$ 1,834,539	\$ 610,138	\$ 610,138	\$ -	\$ -
Assigned, reported in										
Debt service fund	57	61	230	4,751	4,723	237	192	413	336	122
Total all other governmental funds	<u>\$ 1,284,198</u>	<u>\$ 3,449,207</u>	<u>\$ 4,086,715</u>	<u>\$ 1,005,035</u>	<u>\$ 204,107</u>	<u>\$ 1,834,776</u>	<u>\$ 610,330</u>	<u>\$ 610,551</u>	<u>\$ 336</u>	<u>\$ 122</u>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax levy	\$ 50,014,264	\$ 50,779,140	\$ 52,626,973	\$ 52,606,696	\$ 51,511,281	\$ 51,489,154	\$ 51,174,260	\$ 51,845,622	\$ 52,787,244	\$ 53,781,835
Tuition charges	132,521	132,715	105,811	78,337	50,572	92,142	92,426	176,781	169,318	128,470
Transportation	38,600	98,288	123,472	104,794	178,709	356,256	86,461	65,315	57,463	48,101
Interest earnings	388,837	297,338	150,157	116,791	112,930	91,955	101,851	122,808	145,938	287,977
Miscellaneous	328,477	463,865	550,386	471,320	512,187	672,880	723,893	602,134	540,950	643,390
State sources	9,701,043	7,590,161	7,782,134	8,957,379	10,317,000	10,149,443	10,551,499	11,515,629	12,208,237	12,895,203
State sources - capital projects	582,833	923,946	718,923	1,533,741	103,154	64,247	822,934	-	18,122	-
Federal sources	584,711	1,524,638	1,038,925	908,593	694,666	653,671	704,747	790,570	687,981	710,439
Total revenues	61,771,286	61,810,091	63,096,781	64,777,651	63,480,499	63,569,748	64,258,071	65,118,859	66,615,253	68,495,415
Expenditures										
Instruction										
Regular instruction	15,901,340	15,911,689	15,414,427	15,364,502	15,481,946	15,983,720	16,238,906	16,101,895	16,666,923	16,552,638
Special education instruction	2,994,640	3,001,159	3,001,221	3,194,242	3,284,302	3,512,685	3,512,941	3,474,898	3,747,726	3,654,293
Other special instruction	208,574	231,111	226,393	234,537	230,215	200,617	176,698	179,082	222,053	411,435
School sponsored/Other instructional	1,803,002	1,760,517	1,753,452	1,771,171	1,771,115	1,746,394	1,765,952	1,789,476	1,751,917	1,736,800
Support services										
Tuition	2,901,705	2,788,964	2,503,027	2,805,480	2,359,641	2,302,473	2,937,513	3,508,415	3,347,649	2,789,738
Student & instruction related services	6,688,809	6,802,350	6,396,058	6,593,628	6,677,248	6,494,257	6,683,139	6,774,725	6,728,802	6,665,225
General administration	786,116	771,136	732,806	738,410	673,381	729,976	740,784	825,200	859,770	704,596
School administration services	1,228,680	1,217,880	1,243,620	1,206,558	1,247,396	1,269,811	1,145,064	1,162,703	1,222,158	1,226,322
Central services	792,491	870,464	823,827	854,771	842,080	857,377	874,539	883,110	853,063	816,314
Administrative information technology	232,310	229,733	100,133	77,633	86,812	76,650	102,928	103,892	98,389	98,218
Plant operations & maintenance	5,061,073	5,016,650	4,437,359	5,299,000	4,895,913	5,091,235	4,600,643	4,550,529	4,384,900	4,449,891
Pupil transportation	3,100,479	3,131,417	2,840,653	2,837,748	2,762,885	2,911,389	2,773,960	2,981,497	3,086,740	2,888,876
Employee benefits	8,955,547	8,834,386	9,632,156	9,091,053	9,217,675	9,402,449	9,133,980	9,664,071	10,779,594	11,075,045
On-behalf TPAF pension & Social Security contribution	2,942,887	2,994,452	3,030,822	3,554,261	4,435,950	3,967,955	4,352,067	5,219,414	5,933,671	6,749,399
Capital outlay	1,987,018	475,334	494,602	2,255,004	3,934,512	2,024,350	1,121,996	1,783,617	3,470,913	5,521,203
Lease purchase agreements - principal	291,916	301,334	-	-	-	-	-	-	-	-
Special revenue funds	669,206	962,305	1,221,978	708,114	753,212	656,500	750,884	772,434	701,951	723,980
Capital projects fund	1,773,085	3,265,591	2,390,687	4,106,430	132,950	198,192	2,047,335	-	-	-
Debt service										
Principal	1,430,000	1,510,000	1,570,000	1,780,000	1,660,000	1,710,000	1,720,000	1,795,000	1,805,000	1,855,000
Interest & other charges	1,076,050	1,016,989	1,059,075	782,477	835,213	847,621	764,221	661,695	605,115	538,717
Total expenditures	60,824,928	61,093,461	58,872,296	63,255,019	61,282,446	59,983,651	61,443,550	62,231,653	66,266,334	68,457,690

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Excess (deficiency) of revenues over (under) expenditures	\$ 946,358	\$ 716,630	\$ 4,224,485	\$ 1,522,632	\$ 2,198,053	\$ 3,586,097	\$ 2,814,521	\$ 2,887,206	\$ 348,919	\$ 37,725
Other financing sources (uses)										
FEMA aid for Hurricane Irene - unrestricti	-	-	-	-	-	-	85,768	-	-	-
Proceeds from refunding bond issue	-	-	-	13,480,000	-	-	-	-	-	-
Premium on bond issue	-	-	-	1,499,222	-	-	-	-	-	-
Payment to refunding bond escrow agen	-	-	-	(14,911,130)	-	-	-	-	-	-
Proceeds from sale of capital assets	-	9,881	21,249	-	9,882	50,309	111,846	-	-	-
Proceeds from insurance claim/Trade-in of capital assets	18,353	-	-	16,043	-	-	-	3,000	-	-
Transfers in (out)	-	(163,198)	160,054	(95,803)	103,875	120,773	113,719	181,716	174,935	171,773
Total other financing sources (uses)	18,353	(153,317)	181,303	(11,668)	113,757	171,082	311,333	184,716	174,935	171,773
Net change in fund balances	<u>\$ 964,711</u>	<u>\$ 563,313</u>	<u>\$ 4,405,788</u>	<u>\$ 1,510,964</u>	<u>\$ 2,311,810</u>	<u>\$ 3,757,179</u>	<u>\$ 3,125,854</u>	<u>\$ 3,071,922</u>	<u>\$ 523,854</u>	<u>\$ 209,498</u>
Debt service as a percentage of non-capital expenditures	5.16%	5.19%	4.93%	4.72%	4.56%	4.63%	4.45%	4.24%	3.99%	3.95%

Source: District Records

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

See independent auditors' report.

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

Fiscal Year	Township of Delaware	Township of East Amwell	Borough of Flemington	Township of Raritan	Township of Readington	Totals
2009	\$ 5,348,722	\$ 3,444,178	\$ 2,705,521	\$ 20,444,801	\$ 18,071,042	\$ 50,014,264
2010	5,256,929	3,681,970	2,377,581	20,591,635	18,871,025	50,779,140
2011	4,906,820	3,570,940	2,636,553	22,012,758	19,499,902	52,626,973
2012	4,974,378	4,090,335	2,374,973	21,736,702	19,430,308	52,606,696
2013	5,132,133	3,934,415	2,051,348	22,134,425	18,258,960	51,511,281
2014	5,011,929	3,925,596	1,780,040	22,156,077	18,615,512	51,489,154
2015	5,275,273	4,016,234	1,985,298	21,757,758	18,139,697	51,174,260
2016	5,445,579	3,969,478	2,082,063	22,344,693	18,003,809	51,845,622
2017	4,803,518	4,157,135	2,001,966	23,588,274	18,236,351	52,787,244
2018	4,752,863	4,246,317	1,914,136	23,947,113	18,921,406	53,781,835

Source: District Records

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Tuition	\$ 132,521	\$ 132,715	\$ 105,811	\$ 78,337	\$ 50,572	\$ 92,142	\$ 92,426	\$ 176,781	\$ 169,318	\$ 128,470
Interest income	388,837	297,338	150,157	116,791	112,930	91,955	101,851	122,808	145,937	287,977
Energy rebates	-	14,285	52,423	16,721	14,045	15,524	34,721	96,581	27,141	52,668
Student information management for other LEA's	55,740	83,665	-	-	8,434	-	-	-	-	-
E-rate rebates	41,976	41,473	40,449	35,582	35,115	29,516	43,141	44,122	74,513	44,442
Prior year										
Outstanding checks canceled	5,410	2,886	4,850	25	1,253	2,323	4,652	4,899	-	2,859
Accounts payable canceled	275	23,643	53,498	76,172	36,642	227,641	78,261	39,480	55,758	-
Refunds	82,141	40,698	30,946	62,339	75,821	97,087	193,792	31,995	65,952	36,252
Transportation administrative fee	-	-	-	-	18,000	-	-	-	-	-
Reimbursement - other LEA	-	122,800	-	-	-	-	-	-	-	-
Service fees	-	-	-	21,800	-	-	-	-	-	-
Sale of surplus equipment	2,561	1,871	-	-	-	-	-	-	-	71,924
Proceeds from sale of supplies	-	-	5,614	4,499	4,975	1,198	3,075	11,035	4,388	-
Shared service agreement fees	-	-	53,260	29,700	29,700	38,316	38,900	35,925	35,000	36,000
Co-curricular participation fees	-	-	130,875	136,350	135,450	134,660	118,350	133,000	134,900	133,800
Corporate advertising revenue	-	-	20,800	16,400	20,700	18,138	21,500	26,500	25,150	23,600
Donations	30,230	-	-	-	-	5,995	-	10,849	-	141,018
Insurance rebates	-	36,271	73,473	-	15,723	-	40,174	23,719	-	-
Joint transportation revenue	38,600	98,288	123,472	104,794	178,709	374,256	104,461	65,315	57,463	48,101
Building use rental income	20,928	39,401	41,974	37,395	48,050	67,640	52,550	58,450	65,640	49,165
Miscellaneous										
Account balances canceled	-	-	-	-	-	-	80	15,264	-	11,436
Refunds	-	21,320	-	-	-	-	-	-	-	-
Miscellaneous	4,721	3,514	1,273	1,549	2,902	820	465	1,479	1,897	4,671
Annual totals	\$ 803,940	\$ 960,168	\$ 888,875	\$ 738,454	\$ 789,021	\$ 1,197,211	\$ 928,399	\$ 898,202	\$ 863,057	\$ 1,072,383

Source: District Records

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Vacant land	\$ 147,786,420	\$ 139,458,420	\$ 128,968,720	\$ 117,195,020	\$ 110,590,422	\$ 122,991,595	\$ 122,460,120	\$ 113,305,920	\$ 95,427,720	\$ 97,476,956
Residential	6,690,508,450	6,587,095,200	6,498,521,800	6,465,637,500	6,267,112,600	6,298,038,600	6,348,707,100	6,392,010,800	6,441,096,200	6,487,375,100
Farm regular	614,704,900	618,917,400	615,367,900	612,560,900	551,135,272	539,419,621	525,420,700	519,578,300	525,271,100	521,855,800
Farm qualified	19,778,557	19,191,944	18,710,762	18,421,692	18,821,097	18,643,007	18,593,684	19,055,140	19,026,783	19,276,674
Commercial	1,352,668,586	1,346,713,161	1,352,276,361	1,346,632,781	1,330,038,140	1,331,400,540	1,267,805,840	1,238,432,300	1,247,011,000	1,217,623,900
Industrial	175,798,800	163,509,596	163,735,396	165,442,196	171,214,796	167,602,596	161,132,496	162,469,796	162,910,000	164,171,800
Apartment	58,809,100	56,342,900	54,381,700	53,965,400	53,252,100	54,004,200	57,414,100	59,898,900	62,725,500	66,111,900
Total assessed value	9,060,054,813	8,931,228,621	8,831,962,639	8,779,855,489	8,502,164,427	8,532,100,159	8,501,534,040	8,504,751,156	8,553,468,303	8,573,892,130
Public utilities (a)	18,335,088	19,962,981	20,780,381	19,154,830	17,782,687	5,754,198	1,632,797	1,607,599	1,622,311	1,154,080
Net valuation taxable	\$ 9,078,389,901	\$ 8,951,191,602	\$ 8,852,743,020	\$ 8,799,010,319	\$ 8,519,947,114	\$8,537,854,357	\$ 8,503,166,837	\$8,506,358,755	\$ 8,555,090,614	\$ 8,575,046,210
Estimated actual county equalized value	<u>\$10,342,783,008</u>	<u>\$ 10,310,574,599</u>	<u>\$ 10,008,085,528</u>	<u>\$ 9,561,085,552</u>	<u>\$ 9,303,139,610</u>	<u>\$9,012,382,855</u>	<u>\$ 8,974,211,531</u>	<u>\$9,237,817,533</u>	<u>\$ 9,445,680,620</u>	<u>\$ 9,401,797,992</u>
Percentage of net valuation to estimated actual equalized value	<u>87.78%</u>	<u>86.82%</u>	<u>88.46%</u>	<u>92.03%</u>	<u>91.58%</u>	<u>94.73%</u>	<u>94.75%</u>	<u>92.08%</u>	<u>90.57%</u>	<u>91.21%</u>
Regional high school tax rate by constituent district (b):										
Delaware Township	<u>\$ 0.58</u>	<u>\$ 0.54</u>	<u>\$ 0.55</u>	<u>\$ 0.56</u>	<u>\$ 0.64</u>	<u>\$ 0.67</u>	<u>\$ 0.69</u>	<u>\$ 0.60</u>	<u>\$ 0.60</u>	<u>\$ 0.59</u>
East Amwell Township	<u>\$ 0.47</u>	<u>\$ 0.45</u>	<u>\$ 0.52</u>	<u>\$ 0.50</u>	<u>\$ 0.58</u>	<u>\$ 0.60</u>	<u>\$ 0.60</u>	<u>\$ 0.62</u>	<u>\$ 0.63</u>	<u>\$ 0.65</u>
Flemington Borough	<u>\$ 0.48</u>	<u>\$ 0.52</u>	<u>\$ 0.54</u>	<u>\$ 0.49</u>	<u>\$ 0.45</u>	<u>\$ 0.43</u>	<u>\$ 0.46</u>	<u>\$ 0.46</u>	<u>\$ 0.44</u>	<u>\$ 0.44</u>
Raritan Township	<u>\$ 0.51</u>	<u>\$ 0.54</u>	<u>\$ 0.55</u>	<u>\$ 0.55</u>	<u>\$ 0.55</u>	<u>\$ 0.55</u>	<u>\$ 0.55</u>	<u>\$ 0.58</u>	<u>\$ 0.59</u>	<u>\$ 0.60</u>
Readington Township	<u>\$ 0.65</u>	<u>\$ 0.68</u>	<u>\$ 0.71</u>	<u>\$ 0.69</u>	<u>\$ 0.70</u>	<u>\$ 0.69</u>	<u>\$ 0.69</u>	<u>\$ 0.70</u>	<u>\$ 0.72</u>	<u>\$ 0.73</u>

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

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

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Vacant land	\$ 12,155,120	\$ 10,571,520	\$ 12,373,520	\$ 11,155,520	\$ 8,649,620	\$ 8,135,620	\$ 6,913,420	\$ 7,096,320	\$ 6,357,320	\$ 5,442,620
Residential	592,543,500	595,297,600	594,251,900	598,887,800	515,755,700	525,352,300	536,516,600	537,945,200	537,507,700	541,959,000
Farm regular	262,976,800	265,891,900	268,009,200	265,109,100	229,195,800	225,358,900	217,293,700	217,854,300	219,692,500	217,696,100
Farm qualified	6,368,300	6,310,000	6,259,300	6,207,200	6,632,300	6,516,700	6,486,910	6,454,510	6,501,710	6,414,610
Commercial	19,279,100	18,830,500	18,597,500	19,047,700	17,203,300	17,196,100	17,273,600	17,745,400	17,968,600	17,834,900
Industrial	8,742,900	8,742,900	8,742,900	8,740,600	7,270,600	7,270,600	7,270,600	7,270,600	7,270,600	7,270,600
Apartment	1,065,700	1,065,700	1,065,700	1,065,700	939,500	939,500	939,500	939,500	939,500	939,500
Total assessed value	903,131,420	906,710,120	909,300,020	910,213,620	785,646,820	790,769,720	792,694,330	795,305,830	796,237,930	797,557,330
Public utilities (a)	1,400,921	1,512,092	1,394,200	1,449,513	1,421,870	430,436	458,540	436,573	434,134	-
Net valuation taxable	\$ 904,532,341	\$ 908,222,212	\$ 910,694,220	\$ 911,663,133	\$ 787,068,690	\$ 791,200,156	\$ 793,152,870	\$ 795,742,403	\$ 796,672,064	\$ 797,557,330
Estimated actual county equalized value	\$ 1,003,974,575	\$ 1,014,206,825	\$ 984,321,465	\$ 957,931,211	\$ 897,256,328	\$ 886,498,774	\$ 881,280,967	\$ 918,023,077	\$ 882,054,987	\$ 872,792,000
Percentage of net valuation to estimated actual equalized value	90.10%	89.55%	92.52%	95.17%	87.72%	89.25%	90.00%	86.68%	90.32%	91.38%
Total regional high school tax rate (\$ 0.58	\$ 0.54	\$ 0.55	\$ 0.56	\$ 0.64	\$ 0.67	\$ 0.69	\$ 0.60	\$ 0.60	\$ 0.59

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

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

* Revalued/Reassessed

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Vacant land	\$ 13,832,800	\$ 13,767,300	\$ 13,492,900	\$ 12,970,200	\$ 9,304,400	\$ 8,780,700	\$ 8,399,600	\$ 8,636,700	\$ 8,836,200	\$ 8,851,500
Residential	527,491,700	527,938,000	531,967,900	533,983,300	447,094,600	448,217,200	450,127,700	451,287,800	453,019,600	453,517,900
Farm regular	140,841,000	141,055,000	138,144,900	138,541,500	118,965,000	118,396,800	116,320,800	115,158,200	115,304,600	117,668,200
Farm qualified	5,528,620	5,544,700	5,264,900	4,983,300	4,982,900	4,985,500	4,972,000	4,986,275	4,967,585	4,970,585
Commercial	94,686,561	94,870,161	95,119,461	94,992,961	87,525,600	87,284,700	85,051,600	85,095,500	86,788,800	87,088,800
Apartment	2,188,600	2,142,700	2,142,700	2,142,700	2,262,200	2,262,200	2,262,200	2,262,200	2,262,200	2,262,200
Total assessed value	784,569,281	785,317,861	786,132,761	787,613,961	670,134,700	669,927,100	667,133,900	667,426,675	671,178,985	674,359,185
Public utilities (a)	1,261,509	2,216,404	1,831,762	1,837,274	1,757,313	876,506	916,552	913,321	930,472	896,375
Net valuation taxable	\$ 785,830,790	\$ 787,534,265	\$ 787,964,523	\$ 789,451,235	\$ 671,892,013	\$ 670,803,606	\$ 668,050,452	\$ 668,339,996	\$ 672,109,457	\$ 675,255,560
Estimated actual county equalized value	\$ 808,335,681	\$ 810,804,349	\$ 809,164,636	\$ 785,298,888	\$ 754,125,900	\$ 726,528,329	\$ 726,220,732	\$ 731,145,385	\$ 722,154,783	\$ 735,798,347
Percentage of net valuation to estimated actual equalized value	97.22%	97.13%	97.38%	100.53%	89.10%	92.33%	91.99%	91.41%	93.07%	91.77%
Total regional high school tax rate (\$ 0.47	\$ 0.45	\$ 0.52	\$ 0.50	\$ 0.58	\$ 0.60	\$ 0.60	\$ 0.62	\$ 0.63	\$ 0.65

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

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

* Revalued/Reassessed

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Vacant land	\$ 4,500,000	\$ 3,902,700	\$ 3,769,700	\$ 3,138,500	\$ 2,725,700	\$ 2,725,700	\$ 2,670,400	\$ 2,743,600	\$ 2,839,400	\$ 3,309,600
Residential	241,033,400	216,142,600	210,592,400	210,453,900	205,135,900	209,921,500	213,974,000	217,771,700	220,991,100	226,032,500
Commercial	233,114,100	210,993,100	202,435,700	194,354,480	180,830,700	188,275,300	186,465,500	181,895,900	179,626,200	173,638,400
Industrial	3,351,100	3,223,000	3,097,000	2,777,000	2,557,700	2,687,700	1,871,200	1,871,200	1,871,200	1,833,500
Apartment	42,234,000	39,940,200	37,979,000	36,932,400	35,969,100	36,721,200	40,131,100	42,615,900	45,443,500	49,100,600
Total assessed value	524,232,600	474,201,600	457,873,800	447,656,280	427,219,100	440,331,400	445,112,200	446,898,300	450,771,400	453,914,600
Public utilities (a)	6,245,384	4,488,355	3,508,064	2,709,007	2,094,055	-	-	-	-	-
Net valuation taxable	\$ 530,477,984	\$ 478,689,955	\$ 461,381,864	\$ 450,365,287	\$ 429,313,155	\$ 440,331,400	\$ 445,112,200	\$ 446,898,300	\$ 450,771,400	\$ 453,914,600
Estimated actual county equalized value	\$ 577,485,286	\$ 550,363,341	\$ 520,704,269	\$ 473,628,721	\$ 461,765,994	\$ 450,328,697	\$ 470,023,442	\$ 470,122,344	\$ 452,218,499	\$ 447,162,447
	**	**	**	**	**	**	**	**	**	**
Percentage of net valuation to estimated actual equalized value	91.86%	86.98%	88.61%	95.09%	92.97%	97.78%	94.70%	95.06%	99.68%	101.51%
Total regional high school tax rate (\$ 0.48	\$ 0.52	\$ 0.54	\$ 0.49	\$ 0.45	\$ 0.43	\$ 0.46	\$ 0.46	\$ 0.44	\$ 0.44
	**	**	**	**	**	**	**	**	**	**

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

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

* Revalued/Reassessed

** Revalued/reassessed-exemption(s) apply

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Vacant land	\$ 83,602,300	\$ 76,421,100	\$ 71,362,300	\$ 64,626,500	\$ 54,240,100	\$ 66,809,275	\$ 68,935,700	\$ 63,634,700	\$ 51,373,300	\$ 55,928,400
Residential	3,174,796,750	3,075,441,300	3,086,291,900	3,097,354,300	3,109,189,600	3,106,721,300	3,124,946,400	3,148,815,000	3,171,053,600	3,189,821,800
Farm regular	69,474,000	71,113,900	72,385,500	70,919,000	69,609,900	67,392,100	65,361,100	63,259,700	65,031,600	64,705,300
Farm qualified	3,245,300	3,059,900	3,054,000	3,033,200	3,034,600	2,905,100	2,921,200	2,887,700	2,883,240	2,868,722
Commercial	551,130,525	587,488,500	599,594,100	602,906,740	611,756,940	609,384,640	612,089,040	610,793,500	620,335,100	615,661,800
Industrial	112,267,100	102,443,496	99,712,296	102,401,596	109,899,696	106,157,496	100,503,896	99,941,196	99,855,400	101,154,900
Apartment	12,039,400	12,000,400	12,000,400	12,713,200	12,713,200	12,713,200	12,713,200	12,713,200	12,713,200	12,713,200
Total assessed value	4,006,555,375	3,927,968,596	3,944,400,496	3,953,954,536	3,970,444,036	3,972,083,111	3,987,470,536	4,002,044,996	4,023,245,440	4,042,854,122
Public utilities (a)	5,255,322	7,164,889	7,750,312	8,313,709	8,154,192	-	-	-	-	-
Net valuation taxable	\$ 4,011,810,697	\$ 3,935,133,485	\$ 3,952,150,808	\$ 3,962,268,245	\$ 3,978,598,228	\$3,972,083,111	\$ 3,987,470,536	\$4,002,044,996	\$ 4,023,245,440	\$ 4,042,854,122
Estimated actual county equalized value	\$ 4,293,921,328	\$ 4,300,495,959	\$ 4,213,829,628	\$ 4,136,411,155	\$ 4,017,974,377	\$3,843,703,417	\$ 3,916,580,430	\$4,040,021,195	\$ 4,155,815,969	\$ 4,138,452,372
Percentage of net valuation to estimated actual equalized value	93.43%	91.50%	93.79%	95.79%	99.02%	103.34%	101.81%	99.06%	96.81%	97.69%
Total regional high school tax rate (\$ 0.51	\$ 0.54	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.58	\$ 0.59	\$ 0.60

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

(a) Taxable value of machinery, implements and equipment of telephone and messenger system companies

(b) Tax rates are per \$100

* Revalued/Reassessed

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Vacant land	\$ 33,696,200	\$ 34,795,800	\$ 27,970,300	\$ 25,304,300	\$ 35,670,602	\$ 36,540,300	\$ 35,541,000	\$ 31,194,600	\$ 26,021,500	\$ 23,944,836
Residential	2,154,643,100	2,172,275,700	2,075,417,700	2,024,958,200	1,989,936,800	2,007,826,300	2,023,142,400	2,036,191,100	2,058,524,200	2,076,043,900
Farm regular	141,413,100	140,856,600	136,828,300	137,991,300	133,364,572	128,271,821	126,445,100	123,306,100	125,242,400	121,786,200
Farm qualified	4,636,337	4,277,344	4,132,562	4,197,992	4,171,297	4,235,707	4,213,574	4,726,655	4,674,248	5,022,757
Commercial	454,458,300	434,530,900	436,529,600	435,330,900	432,721,600	429,259,800	366,926,100	342,902,000	342,292,300	323,400,000
Industrial	51,437,700	49,100,200	52,183,200	51,523,000	51,486,800	51,486,800	51,486,800	53,386,800	53,912,800	53,912,800
Apartment	1,281,400	1,193,900	1,193,900	1,111,400	1,368,100	1,368,100	1,368,100	1,368,100	1,367,100	1,096,400
Total assessed value	2,841,566,137	2,837,030,444	2,734,255,562	2,680,417,092	2,648,719,771	2,658,988,828	2,609,123,074	2,593,075,355	2,612,034,548	2,605,206,893
Public utilities (a)	4,171,952	4,581,241	6,296,043	4,845,327	4,355,257	4,447,256	257,705	257,705	257,705	257,705
Net valuation taxable	\$ 2,845,738,089	\$ 2,841,611,685	\$ 2,740,551,605	\$ 2,685,262,419	\$ 2,653,075,028	\$2,663,436,084	\$ 2,609,380,779	\$2,593,333,060	\$ 2,612,292,253	\$ 2,605,464,598
Estimated actual county equalized value	\$ 3,659,066,138	\$ 3,634,704,125	\$ 3,480,065,530	\$ 3,207,815,577	\$ 3,172,017,011	\$3,105,323,638	\$2,980,105,960	\$3,078,505,532	\$ 3,233,436,382	\$ 3,207,592,826
Percentage of net valuation to estimated actual equalized value	77.77%	78.18%	78.75%	83.71%	83.64%	85.77%	87.56%	84.24%	80.79%	81.23%
Total regional high school tax rate (\$ 0.65	\$ 0.68	\$ 0.71	\$ 0.69	\$ 0.70	\$ 0.69	\$ 0.69	\$ 0.70	\$ 0.72	\$ 0.73

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

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

See independent auditors' report.

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

Assessment Year	School District Direct Rate			Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7) Total Regional High School Tax Rate	Direct School Tax Rate	Municipality	County	
2009	\$ 0.55	\$ 0.03	\$ 0.58	\$ 0.81	\$ 0.29	\$ 0.38	\$ 2.06
2010	0.52	0.02	0.54	0.84	0.30	0.39	2.07
2011	0.52	0.03	0.55	0.84	0.30	0.37	2.06
2012	0.53	0.03	0.56	0.85	0.32	0.37	2.10
2013	* 0.61	0.03	0.64	0.98	0.37	0.41	2.40
2014	0.64	0.03	0.67	0.97	0.41	0.41	2.46
2015	0.66	0.03	0.69	0.99	0.43	0.41	2.52
2016	0.57	0.03	0.60	1.02	0.44	0.43	2.49
2017	0.58	0.02	0.60	1.05	0.45	0.41	2.51
2018	0.57	0.02	0.59	1.07	0.48	0.41	2.55

Sources: Municipal Tax Collector

NOTE: N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

* Revalued/Reassessed

See independent auditors' report.

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

Assessment Year	School District Direct Rate			Overlapping Rates				Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7) Total Regional High School Tax Rate	Direct School Tax Rate	Municipality	County	Fire District	
2009	\$ 0.45	\$ 0.02	\$ 0.47	\$ 0.80	\$ 0.19	\$ 0.36	\$ 0.02	\$ 1.84
2010	0.43	0.02	0.45	0.82	0.19	0.35	0.03	1.84
2011	0.50	0.02	0.52	0.84	0.19	0.35	0.03	1.93
2012	0.48	0.02	0.50	0.84	0.19	0.35	0.03	1.91
2013	* 0.55	0.03	0.58	1.01	0.23	0.41	0.03	2.26
2014	0.57	0.03	0.60	1.03	0.22	0.40	0.03	2.28
2015	0.57	0.03	0.60	1.04	0.22	0.41	0.03	2.30
2016	0.59	0.03	0.62	1.06	0.23	0.41	0.04	2.36
2017	0.60	0.03	0.63	1.06	0.25	0.40	0.04	2.38
2018	0.62	0.03	0.65	1.06	0.24	0.41	0.04	2.40

Sources: Municipal Tax Collector

NOTE: NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

* Revalued/Reassessed

See independent auditors' report.

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

Assessment Year	School District Direct Rate			Overlapping Rates			Total Direct & Overlapping Tax Rate	
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7) Total Regional High School Tax Rate	Direct School Tax Rate	Municipality	County		
2009	*	\$ 0.46	\$ 0.02	\$ 0.48	\$ 0.93	\$ 0.51	\$ 0.35	\$ 2.27
2010	*	0.50	0.02	0.52	1.11	0.58	0.37	2.58
2011	*	0.52	0.02	0.54	1.20	0.64	0.35	2.73
2012	*	0.47	0.02	0.49	1.20	0.69	0.34	2.72
2013	*	0.43	0.02	0.45	1.29	0.78	0.36	2.88
2014	*	0.41	0.02	0.43	1.30	0.89	0.35	2.97
2015	*	0.44	0.02	0.46	1.33	0.90	0.36	3.05
2016	*	0.44	0.02	0.46	1.38	0.94	0.36	3.14
2017	*	0.42	0.02	0.44	1.35	0.96	0.34	3.09
2018	*	0.43	0.02	0.44	1.64	0.93	0.35	3.36

Sources: Municipal Tax Collector

NOTE: NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

* Revalued/Reassessed-exemption(s) apply

See independent auditors' report.

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

Assessment Year	School District Direct Rate			Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7) Total Regional High School Tax Rate	Direct School Tax Rate	Municipality	County	
2009	\$ 0.49	\$ 0.02	\$ 0.51	\$ 1.02	\$ 0.27	\$ 0.37	\$ 2.17
2010	* 0.52	0.02	0.54	1.05	0.29	0.38	2.26
2011	0.52	0.03	0.55	1.05	0.30	0.37	2.27
2012	0.53	0.02	0.55	1.07	0.30	0.37	2.29
2013	0.53	0.02	0.55	1.08	0.31	0.37	2.31
2014	0.53	0.02	0.55	1.09	0.31	0.36	2.31
2015	0.53	0.02	0.55	1.12	0.31	0.37	2.35
2016	0.56	0.02	0.58	1.14	0.32	0.37	2.41
2017	0.57	0.02	0.59	1.16	0.32	0.38	2.45
2018	0.58	0.02	0.60	1.19	0.31	0.39	2.49

Sources: Municipal Tax Collector

NOTE: NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

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

* Revalued/Reassessed

See independent auditors' report.

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

Assessment Year	School District Direct Rate			Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7) Total Regional High School Tax Rate	Direct School Tax Rate	Municipality	County	
2009	\$ 0.62	\$ 0.03	\$ 0.65	\$ 1.04	\$ 0.44	\$ 0.44	\$ 2.57
2010	0.65	0.03	0.68	1.04	0.45	0.43	2.60
2011	0.68	0.03	0.71	1.08	0.45	0.43	2.67
2012	0.66	0.03	0.69	1.09	0.47	0.42	2.67
2013	0.67	0.03	0.70	1.09	0.51	0.43	2.73
2014	0.66	0.03	0.69	1.08	0.52	0.43	2.72
2015	0.66	0.03	0.69	1.10	0.54	0.42	2.75
2016	0.67	0.03	0.70	1.11	0.55	0.44	2.80
2017	0.69	0.03	0.72	1.12	0.57	0.46	2.87
2018	0.70	0.03	0.73	1.16	0.58	0.47	2.94

Sources: Municipal Tax Collector

NOTE: NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

See independent auditors' report.

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

	2018			2009		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
	Texas Eastern Transmission Corp	\$ 3,426,400	1	0.43%	\$ 3,984,900	1
Trap Rock Industries Inc.	3,173,800	2	0.40%	3,750,800	2	0.42%
Holly Farm Partners	2,720,900	3	0.34%	-	-	-
Sentinel Self Storage LLC	2,467,700	4	0.31%	-	-	-
Cane Poultry Farm Inc.	2,442,700	5	0.31%	3,031,500	3	0.34%
Individual Property Owner #1	222,000	6	0.03%	2,537,100	4	0.28%
Individual Property Owner #2	2,092,900	7	0.26%	2,322,000	5	0.26%
Individual Property Owner #3	1,921,900	8	0.24%	2,257,600	6	0.25%
Individual Property Owner #4	1,902,400	9	0.24%	2,023,000	8	0.23%
Individual Property Owner #5	1,788,800	10	0.22%	1,946,500	9	0.22%
Individual Property Owner #6	-	-	-	1,877,300	7	0.21%
Brook Hollow Farms of Sergeantsville LLC	-	-	-	1,759,100	10	0.20%
	<u>\$ 22,159,500</u>		<u>2.78%</u>	<u>\$ 25,489,800</u>		<u>2.84%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

	2018			2009		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Texas Eastern Transmission Corp	\$ 37,706,600	1	5.58%	\$ 42,282,000	1	5.38%
The Ridge at Back Brook Road	10,500,000	2	1.55%	10,500,000	2	1.34%
Algonquin Gas Trans c/o Duke Energy	6,536,100	3	0.97%	8,288,100	3	1.05%
Bosum/Neely Partnership	3,527,000	4	0.52%	1,741,800	10	0.22%
Individual Property Owner #1	2,266,100	5	0.34%	1,947,700	6	0.25%
Hunterdon Storage Inc.	1,781,000	6	0.26%	2,781,000	5	0.35%
GAW Holdings	1,732,900	7	0.26%	-	-	-
Southwick Farm LLC	1,720,900	8	0.25%	-	-	-
Back Brook Farm LLC	1,708,300	9	0.25%	-	-	-
Jordan, Sidney & T/A Ifida Realty	1,511,700	10	0.22%	1,811,600	7	0.23%
Buckeye Pipeline Inc.	-	-	-	2,639,700	4	0.34%
Individual Property Owner #2	-	-	-	1,766,100	8	0.22%
Individual Property Owner #3	-	-	-	1,754,200	9	0.22%
	<u>\$ 68,990,600</u>		<u>10.22%</u>	<u>\$ 75,512,200</u>		<u>9.61%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

	2018			2009		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Flemington South	\$ 17,706,000	1	3.90%	\$ 26,769,700	2	5.05%
Flemington Apartments LLC	17,186,600	2	3.79%	15,056,000	3	2.84%
Biltmore Realty Company	13,230,000	3	2.91%	11,394,000	4	2.15%
Liberty Village	11,062,100	4	2.44%	32,393,100	1	6.11%
Flemington Fidelco	8,232,000	5	1.81%	7,089,600	7	1.34%
Hunterdon Shopping Center	7,800,000	6	1.72%	9,041,000	5	1.70%
Roho LLC	7,050,000	7	1.55%	8,400,000	6	1.58%
Hunterdon Mews LLC	4,320,000	8	0.95%	-	-	-
John M Saums & Sons	4,180,000	9	0.92%	5,165,000	8	0.97%
Acramal	4,170,000	10	0.92%	-	-	-
Flemington Circle Park Associates	-	-	-	4,262,300	9	0.80%
NJN Associates	-	-	-	4,235,000	10	0.80%
	<u>\$ 94,936,700</u>		<u>20.92%</u>	<u>\$ 123,805,700</u>		<u>23.34%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

	2018			2009		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Flemington Fair Association	\$ 50,942,800	1	1.26%	\$ 32,183,300	1	0.80%
Bedford Falls LLC	35,347,900	2	0.87%	22,888,800	4	0.57%
Hunterdon Medical Center	31,708,400	3	0.78%	21,198,100	5	0.53%
Flemington Mall Ltd	26,000,000	4	0.64%	30,675,300	2	0.76%
Johanna Foods, Inc.	19,891,600	5	0.49%	-	-	-
Clojo Circle LLC c/o Flem Retail	19,486,900	6	0.48%	19,486,900	6	0.49%
Raritan Village Shopping Center LLC	17,105,500	7	0.42%	-	-	-
1200 Route 523 LLC	16,850,000	8	0.42%	-	-	-
M R Development Corp	15,615,000	9	0.39%	15,579,400	9	0.39%
Foremost Realty LP	15,181,000	10	0.38%	-	-	-
Equity Industrial Flemington LLC	-	-	-	26,543,200	3	0.66%
Raritan Valley Developers Inc	-	-	-	17,249,700	7	0.43%
FBS Partners III, LP	-	-	-	17,040,900	8	0.42%
Macedo Industrial Park	-	-	-	14,407,000	10	0.36%
	<u>\$ 248,129,100</u>		<u>6.14%</u>	<u>\$ 217,252,600</u>		<u>5.42%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

	2018			2009		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Merck & Co	\$ 107,557,230	1	4.13%	\$ 228,709,404	1	8.04%
Federal Insurance Co	55,507,800	2	2.13%	63,285,000	2	2.22%
Lamington River Farms	12,303,270	3	0.47%	14,529,700	3	0.51%
Individual Property Owner #1	9,867,181	4	0.38%	-	-	-
Transcontinental Gas Pipeline	8,274,600	5	0.32%	8,334,400	4	0.29%
Toll NJ I LLC	6,720,000	6	0.26%	-	-	-
Whitehouse Mall	6,587,400	7	0.25%	6,587,400	6	0.23%
Somerville Associates	5,700,000	8	0.22%	5,700,000	7	0.20%
Salem Realty II LLC	5,540,000	9	0.21%	5,500,000	9	0.19%
Bishop & Bishop Land Partnership	5,539,700	10	0.21%	5,539,700	8	0.19%
Stanton Golf Properties	-	-	-	7,492,500	5	0.26%
Readington Farms Inc.	-	-	-	5,370,500	10	0.19%
	<u>\$ 223,597,181</u>		<u>8.58%</u>	<u>\$ 351,048,604</u>		<u>12.32%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

Fiscal Year Ending June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2009	\$ 50,014,264	\$ 50,014,264	100.00%
2010	50,779,140	50,779,140	100.00%
2011	52,626,973	52,626,973	100.00%
2012	52,606,696	52,606,696	100.00%
2013	51,511,281	51,511,281	100.00%
2014	51,489,154	51,489,154	100.00%
2015	51,174,260	51,174,260	100.00%
2016	51,845,622	51,845,622	100.00%
2017	52,787,244	52,787,244	100.00%
2018	53,781,835	53,781,835	100.00%

Source: District Records including the Certificate and Report of School Taxes (A4F Form)

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

See independent auditors' report.

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

Fiscal Year Ending June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2009	\$ 5,348,722	\$ 5,348,722	100.00%
2010	5,256,929	5,256,929	100.00%
2011	4,906,820	4,906,820	100.00%
2012	4,974,378	4,974,378	100.00%
2013	5,132,133	5,132,133	100.00%
2014	5,011,929	5,011,929	100.00%
2015	5,275,273	5,275,273	100.00%
2016	5,445,579	5,445,579	100.00%
2017	4,803,518	4,803,518	100.00%
2018	4,752,863	4,752,863	100.00%

Source: District Records including the Certificate and Report of School Taxes (A4F Form)

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

See independent auditors' report.

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

Fiscal Year Ending June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2009	\$ 3,444,178	\$ 3,444,178	100.00%
2010	3,681,970	3,681,970	100.00%
2011	3,570,940	3,570,940	100.00%
2012	4,090,335	4,090,335	100.00%
2013	3,934,415	3,934,415	100.00%
2014	3,925,596	3,925,596	100.00%
2015	4,016,234	4,016,234	100.00%
2016	3,969,478	3,969,478	100.00%
2017	4,157,135	4,157,135	100.00%
2018	4,246,317	4,246,317	100.00%

Source: District Records including the Certificate and Report of School Taxes (A4F Form)

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

See independent auditors' report.

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

Fiscal Year Ending June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2009	\$ 2,705,521	\$ 2,705,521	100.00%
2010	2,377,581	2,377,581	100.00%
2011	2,636,553	2,636,553	100.00%
2012	2,374,973	2,374,973	100.00%
2013	2,051,348	2,051,348	100.00%
2014	1,780,040	1,780,040	100.00%
2015	1,985,298	1,985,298	100.00%
2016	2,082,063	2,082,063	100.00%
2017	2,001,966	2,001,966	100.00%
2018	1,914,136	1,914,136	100.00%

Source: District Records including the Certificate and Report of School Taxes (A4F Form)

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

See independent auditors' report.

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

Fiscal Year Ending June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2009	\$ 20,444,801	\$ 20,444,801	100.00%
2010	20,591,635	20,591,635	100.00%
2011	22,012,758	22,012,758	100.00%
2012	21,736,702	21,736,702	100.00%
2013	22,134,425	22,134,425	100.00%
2014	22,156,077	22,156,077	100.00%
2015	21,757,758	21,757,758	100.00%
2016	22,344,693	22,344,693	100.00%
2017	23,588,274	23,588,274	100.00%
2018	23,947,113	23,947,113	100.00%

Source: District Records including the Certificate and Report of School Taxes (A4F Form)

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

See independent auditors' report.

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

Fiscal Year Ending June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2009	\$ 18,071,042	\$ 18,071,042	100.00%
2010	18,871,025	18,871,025	100.00%
2011	19,499,902	19,499,902	100.00%
2012	19,430,308	19,430,308	100.00%
2013	18,258,960	18,258,960	100.00%
2014	18,615,512	18,615,512	100.00%
2015	18,139,697	18,139,697	100.00%
2016	18,003,809	18,003,809	100.00%
2017	18,236,351	18,236,351	100.00%
2018	18,921,406	18,921,406	100.00%

Source: District Records including the Certificate and Report of School Taxes (A4F Form)

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

See independent auditors' report.

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

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2009	\$ 23,783,000	\$ -	\$ 301,334	\$ -	\$ -	\$ -	\$ 24,084,334	0.63%	\$ 462
2010	22,273,000	-	-	-	-	-	22,273,000	0.60%	426
2011	20,703,000	-	-	-	-	-	20,703,000	0.56%	402
2012	18,575,000	-	-	-	-	-	18,575,000	0.50%	361
2013	16,915,000	-	-	-	-	-	16,915,000	0.44%	330
2014	15,205,000	-	-	-	-	-	15,205,000	0.39%	297
2015	13,485,000	-	-	-	-	-	13,485,000	0.34%	263
2016	11,690,000	-	-	-	-	-	11,690,000	0.28%	229
2017	9,885,000	-	-	-	-	-	9,885,000	0.24%	194
2018	8,030,000	-	-	-	-	-	8,030,000	N/A	157

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

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

N/A Information is not available.

See independent auditors' report.

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

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds (c)	Deductions	Net General Bonded Debt Outstanding		
2009	\$ 23,783,000	\$ -	\$ 23,783,000	0.26%	\$ 456
2010	22,273,000	-	22,273,000	0.25%	426
2011	20,703,000	-	20,703,000	0.23%	402
2012	18,575,000	-	18,575,000	0.21%	361
2013	16,915,000	-	16,915,000	0.20%	330
2014	15,205,000	-	15,205,000	0.18%	297
2015	13,485,000	-	13,485,000	0.16%	263
2016	11,690,000	-	11,690,000	0.14%	229
2017	9,885,000	-	9,885,000	0.12%	194
2018	8,030,000	-	8,030,000	0.09%	157

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

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

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
Delaware Township
As of December 31, 2017

	<u>Debt</u> <u>Outstanding</u>	<u>Estimated %</u> <u>Applicable (a)</u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Governmental Unit			
Debt repaid with property taxes			
Local School District	\$ 2,005,000	100.00%	\$ 2,005,000
Regional High School	8,175,000	9.52%	778,089
County general obligation debt	85,249,037	4.17%	<u>3,557,058</u>
Subtotal, overlapping debt			6,340,148
Municipal direct debt			<u>9,446,692</u>
Total direct and overlapping debt			<u><u>\$ 15,786,840</u></u>

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

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

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

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
East Amwell Township
As of December 31, 2017

Governmental Unit	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Local School District	\$ 215,000	100.00%	\$ 215,000
Regional High School	8,175,000	7.78%	635,942
County general obligation debt	85,249,037	3.41%	<u>2,907,226</u>
Subtotal, overlapping debt			3,758,168
Municipal direct debt			<u>3,692,870</u>
Total direct and overlapping debt			<u><u>\$ 7,451,038</u></u>

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

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

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

See independent auditors' report.

**HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
Flemington Borough
As of December 31, 2017**

Governmental Unit	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Regional Grammar School	\$ 28,980,000	10.03%	\$ 2,905,953
Regional High School	8,175,000	4.88%	399,299
County general obligation debt	85,249,037	2.14%	<u>1,825,408</u>
Subtotal, overlapping debt			5,130,660
Municipal direct debt			<u>6,145,166</u>
Total direct and overlapping debt			<u>\$ 11,275,826</u>

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

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

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

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
Raritan Township
As of December 31, 2017

Governmental Unit	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Regional Grammar School	\$ 28,980,000	89.97%	\$ 26,074,047
Regional High School	8,175,000	43.83%	3,582,765
County general obligation debt	85,249,037	19.21%	<u>16,378,716</u>
Subtotal, overlapping debt			46,035,528
Municipal direct debt			<u>15,171,445</u>
Total direct and overlapping debt			<u><u>\$ 61,206,973</u></u>

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

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

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

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
Readington Township
As of December 31, 2017

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Local School District	\$ 15,850,000	100.00%	\$ 15,850,000
Regional High School	8,175,000	33.99%	2,778,906
County general obligation debt	85,249,037	14.90%	<u>12,703,850</u>
Subtotal, overlapping debt			31,332,756
Municipal direct debt			<u>59,904,611</u>
Total direct and overlapping debt			<u><u>\$ 91,237,367</u></u>

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

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

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

See independent auditors' report.

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

Legal Debt Margin Calculation for Fiscal Year 2018

	Equalized Valuation Basis	
	2017	\$ 9,384,012,078
	2016	9,393,740,923
	2015	9,236,765,199
		<u>\$ 28,014,518,200</u>
Average equalized valuation of taxable property		<u>\$ 9,338,172,733</u>
Debt limit (3.0% of average equalization value)		\$ 280,145,182
Total net debt applicable to limit		<u>8,030,000</u>
Legal debt margin		<u>\$ 272,115,182</u>

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt limit	\$ 278,800,482	\$ 273,067,184	\$ 272,384,814	\$ 276,480,870	\$ 280,145,182
Total net debt applicable	<u>15,205,000</u>	<u>13,485,000</u>	<u>11,690,000</u>	<u>9,885,000</u>	<u>8,030,000</u>
Legal debt margin	<u>\$ 263,595,482</u>	<u>\$ 259,582,184</u>	<u>\$ 260,694,814</u>	<u>\$ 266,595,870</u>	<u>\$ 272,115,182</u>
Total net debt applicable to the limit as a percentage of debt limit	5.45%	4.94%	4.29%	3.58%	2.87%

	Fiscal Year				
	2009	2010	2011	2012	2013
Debt limit	\$ 312,080,910	\$ 314,021,085	\$ 309,486,620	\$ 299,229,168	\$ 289,904,045
Total net debt applicable	<u>24,201,275</u>	<u>22,691,275</u>	<u>20,703,000</u>	<u>18,575,000</u>	<u>16,915,000</u>
Legal debt margin	<u>\$ 287,879,635</u>	<u>\$ 291,329,810</u>	<u>\$ 288,783,620</u>	<u>\$ 280,654,168</u>	<u>\$ 272,989,045</u>
Total net debt applicable to the limit as a percentage of debt limit	7.75%	7.23%	6.69%	6.21%	5.83%

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

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

See independent auditors' report.

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

Year	Population (a)	Personal Income (b)	County of Hunterdon Per Capita Personal Income (c)	Average Unemployment Rate (d)
2009	52,281	\$ 3,739,555,368	\$ 71,528	5.8%
2010	51,471	3,667,360,221	71,251	5.7%
2011	51,506	3,750,306,378	72,813	5.9%
2012	51,319	3,882,282,350	75,650	5.9%
2013	51,279	3,865,616,136	75,384	5.6%
2014	51,197	4,008,776,297	78,301	4.5%
2015	51,146	4,123,646,250	80,625	3.8%
2016	50,991	4,186,820,019	82,109	3.6%
2017	51,089	N/A	N/A	3.4%
2018	N/A	N/A	N/A	N/A

Sources:

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

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

Year	Population (a)	Personal Income (b)	County of Hunterdon Per Capita Personal Income (c)	Unemployment Rate (d)
2009	4,708	\$ 336,753,824	\$ 71,528	4.6%
2010	4,563	325,118,313	71,251	4.5%
2011	4,547	331,080,711	72,813	4.7%
2012	4,531	342,770,150	75,650	4.7%
2013	4,530	341,489,520	75,384	3.9%
2014	4,524	354,233,724	78,301	3.9%
2015	4,505	363,215,625	80,625	3.3%
2016	4,475	367,437,775	82,109	3.4%
2017	4,474	N/A	N/A	2.8%
2018	N/A	N/A	N/A	N/A

Sources:

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

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

Year	Population (a)	Personal Income (b)	County of Hunterdon Per Capita Personal Income (c)	Unemployment Rate (d)
2009	4,485	\$ 320,803,080	\$ 71,528	7.0%
2010	3,997	284,790,247	71,251	6.9%
2011	3,982	289,941,366	72,813	7.1%
2012	3,967	300,103,550	75,650	7.1%
2013	3,954	298,068,336	75,384	7.2%
2014	3,940	308,505,940	78,301	4.6%
2015	3,920	316,050,000	80,625	3.9%
2016	3,921	321,949,389	82,109	3.3%
2017	3,925	N/A	N/A	3.1%
2018	N/A	N/A	N/A	N/A

Sources:

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

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

Year	Population (a)	Personal Income (b)	County of Hunterdon Per Capita Personal Income (c)	Unemployment Rate (d)
2009	4,403	\$ 314,937,784	\$ 71,528	7.5%
2010	4,584	326,614,584	71,251	7.4%
2011	4,744	345,424,872	72,813	7.6%
2012	4,720	357,068,000	75,650	7.6%
2013	4,704	354,606,336	75,384	4.8%
2014	4,681	366,526,981	78,301	4.7%
2015	4,657	375,470,625	80,625	4.1%
2016	4,633	380,410,997	82,109	3.8%
2017	4,621	N/A	N/A	3.9%
2018	N/A	N/A	N/A	N/A

Sources:

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

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

Year	Population (a)	Personal Income (b)	County of Hunterdon Per Capita Personal Income (c)	Unemployment Rate (d)
2009	22,516	\$ 1,610,524,448	\$ 71,528	3.8%
2010	22,208	1,582,342,208	71,251	3.7%
2011	22,169	1,614,191,397	72,813	3.8%
2012	22,113	1,672,848,450	75,650	3.8%
2013	22,097	1,665,760,248	75,384	5.8%
2014	22,095	1,730,060,595	78,301	4.7%
2015	22,105	1,782,215,625	80,625	3.9%
2016	22,034	1,809,189,706	82,109	3.6%
2017	22,106	N/A	N/A	3.5%
2018	N/A	N/A	N/A	N/A

Sources:

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

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

Year	Population (a)	Personal Income (b)	County of Hunterdon Per Capita Personal Income (c)	Unemployment Rate (d)
2009	16,169	\$ 1,156,536,232	\$ 71,528	6.2%
2010	16,119	1,148,494,869	71,251	6.1%
2011	16,064	1,169,668,032	72,813	6.3%
2012	15,988	1,209,492,200	75,650	6.3%
2013	15,994	1,205,691,696	75,384	6.3%
2014	15,957	1,249,449,057	78,301	4.7%
2015	15,959	1,286,694,375	80,625	3.9%
2016	15,928	1,307,832,152	82,109	3.7%
2017	15,963	N/A	N/A	3.7%
2018	N/A	N/A	N/A	N/A

Sources:

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

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

2018

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

2009

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

See independent auditors' report.

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction										
Regular	221.9	215.5	210.0	208.7	210.0	208.7	209.0	207.5	206.5	202.9
Special education	85.0	75.5	78.0	78.0	82.6	82.6	80.7	85.5	86.5	93.5
Other special education	4.0	4.3	4.2	4.2	2.0	2.0	3.0	2.0	2.0	3.0
Other instruction	5.0	5.0	5.0	5.0	4.0	4.0	5.0	4.0	4.0	3.0
Support services										
Student and instruction related services	77.8	79.0	78.2	78.0	82.0	81.0	76.9	74.4	78.4	80.0
General administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administration services	14.0	14.0	14.0	14.0	14.0	14.0	14.0	13.0	13.0	13.0
Central services	11.0	12.8	11.8	11.8	11.8	11.8	11.8	12.0	11.8	11.0
Administrative information technology	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Plant operations and maintenance	48.0	48.0	44.0	44.0	44.0	44.0	44.0	43.0	43.0	40.0
Pupil transportation	66.0	66.0	64.0	64.0	64.0	64.0	64.0	64.0	62.0	55.0
Total	<u>537.7</u>	<u>525.1</u>	<u>513.2</u>	<u>511.7</u>	<u>518.4</u>	<u>516.1</u>	<u>512.4</u>	<u>509.4</u>	<u>511.2</u>	<u>505.4</u>

Source: District Personnel Records

See independent auditors' report.

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

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2009	3,092	\$ 54,266,859	\$ 17,551	-2.53%	287	1 to 12.00	2,981.4	2,889.0	-1.51%	96.90%
2010	3,121	54,524,213	17,470	-0.46%	282	1 to 12.30	2,986.1	2,941.9	0.16%	98.52%
2011	3,057	53,350,211	17,452	-0.10%	278	1 to 12.50	2,911.1	2,828.0	-2.51%	97.15%
2012	3,045	54,331,108	17,843	2.24%	275	1 to 12.50	2,897.6	2,857.8	-0.46%	98.63%
2013	3,012	54,719,771	18,167	1.82%	276	1 to 12.50	3,036.3	2,919.5	4.79%	96.15%
2014	2,932	55,203,488	18,828	3.64%	274	1 to 12.70	2,927.2	2,830.5	-3.59%	96.70%
2015	2,962	55,789,998	18,835	0.04%	273	1 to 12.60	2,923.6	2,826.2	-0.12%	96.67%
2016	3,029	57,991,341	19,145	1.65%	278	1 to 12.30	2,935.5	2,839.3	0.41%	96.72%
2017	2,961	60,385,306	20,394	6.52%	279	1 to 12.20	2,986.4	2,872.7	1.73%	96.19%
2018	2,903	60,542,770	20,855	2.26%	282	1 to 10.29	2,856.1	2,751.8	-4.36%	96.35%

Source: District Records

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

See independent auditors' report.

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

District Building	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
High School square footage										
100 level (1955/1962/2007)	144,828	144,828	144,828	144,828	144,828	144,828	144,828	144,828	144,828	144,828
200/300 level (1958/2007)	67,170	67,170	67,170	67,170	67,170	67,170	67,170	67,170	67,170	67,170
600 level (1971)	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700
700 level (1971/1998)	32,345	32,345	32,345	32,345	32,345	32,345	32,345	32,345	32,345	32,345
Media center (1971/2007)	21,799	21,799	21,799	21,799	21,799	21,799	21,799	21,799	21,799	21,799
Music building (1971/2007)	12,681	12,681	12,681	12,681	12,681	12,681	12,681	12,681	12,681	12,681
Field house (1971/1998)	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031
Fitness Center (2018)	-	-	-	-	-	-	-	-	-	6,732
Communications building (1992)	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750
Administrative wing (1996)	3,505	3,505	3,505	3,505	3,505	3,505	3,505	3,505	3,505	3,505
800/900 level (1998/2007)	119,020	119,020	119,020	119,020	119,020	119,020	119,020	119,020	119,020	119,020
Alternative education (2009)	3,476	3,476	3,476	3,476	3,476	3,476	3,476	3,476	3,476	3,476
Subtotal	478,305	478,305	478,305	478,305	478,305	478,305	478,305	478,305	478,305	485,037
Business office building	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Operations buildings	9,380	9,380	9,380	9,380	7,580	7,580	7,580	7,580	7,580	7,580
Operations storage building (2013)	-	-	-	-	-	2,640	2,640	2,640	2,640	2,640
Trailers	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600
Transportation building (1977)	3,435	3,435	3,435	3,435	3,435	3,435	3,435	3,435	3,435	3,435
Transportation maint. garage (2010)	-	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
Subtotal	17,415	22,815	22,815	22,815	21,015	23,655	23,655	23,655	23,655	23,655
Total building square footage	495,720	501,120	501,120	501,120	499,320	501,960	501,960	501,960	501,960	508,692
Capacity (students)	3,170	3,170	3,170	3,170	3,170	3,170	3,170	3,170	3,170	3,170
Average daily enrollment	2,981.4	2,986.1	2,911.1	2,897.6	3,036.3	2,927.2	2,923.6	2,935.5	2,986.4	2,856.1

Number of schools at June 30, 2018
 Senior high school - 1

Source: District Facilities Office

N/A = Not Available

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

See independent auditors' report.

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

Undistributed expenditures - Required maintenance for school facilities

<u>Fiscal Year Ending</u>	<u>District Wide Campus*</u>	<u>Total</u>
2009	\$ 1,094,536	\$ 1,094,536
2010	1,119,818	1,119,818
2011	917,152	917,152
2012	1,829,288	1,829,288
2013	1,517,389	1,517,389
2014	1,508,790	1,508,790
2015	1,029,045	1,029,045
2016	1,136,699	1,136,699
2017	1,039,715	1,039,715
2018	1,078,697	1,078,697
Total school facilities	<u><u>\$ 12,271,129</u></u>	<u><u>\$ 12,271,129</u></u>

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

Source: District Records

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Insurance Schedule
June 30, 2018
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Worker's Compensation - New Jersey Schools Insurance Group		
Injury per Accident	\$ 2,000,000	\$ -
Disease per employee	2,000,000	-
Disease Policy Limit	2,000,000	-
School Package Policy - Utica National Insurance Group		
Property - Blanket Building & Contents	112,686,282	1,000
Comprehensive General Liability	1,000,000	-
Blanket Dishonesty Bond	100,000	500
Excess Umbrella - Utica National Insurance Group		
Policy Limit	10,000,000	10,000
Storage Tank Liability - ACE American Insurance Company		
Policy Limit	1,000,000	25,000
School Board Legal Liability Insurance - Utica National Insurance Group		
Policy Limit (per occurrence)	1,000,000	10,000
Policy Limit (aggregate)	2,000,000	-
Student Accident Insurance - Berkley Life and Health Insurance Company through BMI		
Policy Limit	5,000,000	-
Broadcasters Liability - Federal Insurance Company		
Policy Limit	2,000,000	5,000
Transportation Jointure Package Policy - New Jersey Schools Insurance Group		
Comprehensive General Liability	31,000,000	-
Auto Liability	31,000,000	-
Public Employees' Faithful Performance - Selective Insurance Company		
Treasurer of School Monies Bond	360,000	-
Business Administrator's Bond	250,000	-
Commercial Automobile - Utica National Insurance Group		
Policy Limit	1,000,000	1,000

Source: District Records

See independent auditors' report.

SINGLE AUDIT SECTION



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Hunterdon Central Regional High School District, County of Hunterdon, the State of New Jersey, (the District), as of and for the year ended June 30, 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 February 26, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

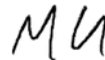
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BKC, CPAs, PC



Michael A. Holk, CPA, PSA

February 26, 2019
Flemington, New Jersey



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

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

Report on Compliance for Each Major Federal and State Program

We have audited the Hunterdon Central Regional High School District's, (the District), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2018. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08. Those standards, the Uniform Guidance and the OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

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

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 federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 and 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 and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



BKC, CPAs, PC



Michael A. Holk, CPA, PSA

February 26, 2019
Flemington, New Jersey

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards - Schedule A
For the Fiscal Year Ended June 30, 2018

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance 06/30/17	Carryover Amount	Cash Received	Budgetary Expenditure	Adjust- ment	Repayment of Prior Year Balance	Balance June 30, 2018					
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor			
U.S. Departments of Education and Health & Human services																		
General fund																		
Medical assistance program	93.778	1805NJ5MAP	N/A	24,804	07/01/17	06/30/18	\$ -	\$ -	\$ 24,804	\$ 24,804	\$ -	\$ -	\$ -	\$ -	\$ -			
Total general fund							-	-	24,804	24,804	-	-	-	-	-			
U.S. Department of Education passed through State Department of Education																		
Special revenue fund																		
ESSA Title I A	84.010A	S010A170030	ESSA-2300-18	\$ 73,063	07/01/17	06/30/18	-	-	54,747	73,063	-	-	(18,316)	-	-			
NCLB Title I A	84.010A	S010A160030	NCLB-2300-17	57,824	07/01/16	06/30/17	(53,612)	-	53,612	-	-	-	-	-	-			
ESSA Title II A	84.367A	S367A170029	ESSA-2300-18	36,584	07/01/17	06/30/18	-	-	31,011	36,584	-	-	(5,573)	-	-			
NCLB Title II A	84.367A	S367A160029	NCLB-2300-17	40,787	07/01/16	06/30/17	(16,505)	-	16,505	-	-	-	-	-	-			
ESSA Title III	84.365A	S365A170030	ESSA-2300-18	11,151	07/01/17	06/30/18	-	-	7,122	11,151	-	-	(4,029)	-	-			
NCLB Title III	84.365A	S365A160030	NCLB-2300-17	12,213	07/01/16	06/30/17	(2,349)	-	2,349	-	-	-	-	-	-			
ESSA Title III Immigrant	84.365A	S365A170030	ESSA-2300-18	3,622	07/01/17	06/30/18	-	-	1,267	3,622	-	-	(2,355)	-	-			
NCLB Title III Immigrant	84.365A	S365A160030	NCLB-2300-17	4,155	07/01/16	06/30/17	(1,273)	-	1,273	-	-	-	-	-	-			
ESSA Title IV	84.424	S424A170031	ESSA-2300-18	10,000	07/01/17	06/30/18	-	-	5,317	10,000	-	-	(4,683)	-	-			
IDEA Basic	84.027	H027A170100	IDEA-2300-18	556,872	07/01/17	06/30/18	-	-	556,872	556,872	-	-	-	-	-			
Emergency impact aid	84.938C	S938C18005	N/A	4,250	07/01/17	06/30/18	-	-	4,250	-	-	-	(4,250)	-	-			
Total special revenue fund							(73,739)	-	730,075	695,542	-	-	(39,206)	-	-			
U.S. Department of Agriculture passed through State Department of Agriculture																		
Enterprise fund																		
Child nutrition cluster																		
National school lunch program cash assistance	10.555	171NJ304N1099	N/A	130,282	10/01/16	09/30/17	(5,434)	-	5,434	-	-	-	-	-	-			
National school lunch program cash assistance	10.555	181NJ304N1099	N/A	126,264	10/01/17	09/30/18	-	-	117,895	126,264	-	-	(8,369)	-	-			
National school lunch program non-cash assistance (commodities)	10.555	171NJ304N1099	N/A	48,354	10/01/16	09/30/17	1,169	-	-	1,169	-	-	-	-	-			
National school lunch program non-cash assistance (commodities)	10.555	181NJ304N1099	N/A	38,181	10/01/17	09/30/18	-	-	38,181	32,857	-	-	-	5,324	-			
School breakfast program	10.553	171NJ304N1099	N/A	21,378	10/01/16	09/30/17	(1,258)	-	1,258	-	-	-	-	-	-			
School breakfast program	10.553	181NJ304N1099	N/A	23,691	10/01/17	09/30/18	-	-	21,504	23,691	-	-	(2,187)	-	-			
Total child nutrition cluster and enterprise fund							(5,523)	-	184,272	183,981	-	-	(10,556)	5,324	-			
Total federal financial assistance							\$ (79,262)	\$ -	\$ 939,151	\$ 904,327	\$ -	\$ -	\$ (49,762)	\$ 5,324	\$ -			

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B
For the Fiscal Year Ended June 30, 2018

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2017		Cash Received	Budgetary Expenditure	Repayment	Balance June 30, 2018			Memo	
					Unearned Rev. (Accts. Rec)	Due to Grantor			of Prior Year Balances	Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General fund														
Equalization aid	18-495-034-5120-078	\$ 3,185,863	07/01/17	06/30/18	\$ -	\$ -	\$ 2,881,557	\$ 3,185,863	\$ -	\$ -	\$ -	\$ -	\$ 304,306	\$ 3,185,863
Transportation aid	18-495-034-5120-014	308,410	07/01/17	06/30/18	-	-	278,951	308,410	-	-	-	-	29,459	308,410
Special education categorical aid	18-495-034-5120-089	1,840,406	07/01/17	06/30/18	-	-	1,664,615	1,840,406	-	-	-	-	175,791	1,840,406
Security aid	18-495-034-5120-084	48,383	07/01/17	06/30/18	-	-	43,762	48,383	-	-	-	-	4,621	48,383
School choice aid	18-495-034-5120-068	247,068	07/01/17	06/30/18	-	-	223,469	247,068	-	-	-	-	23,599	247,068
PARCC readiness aid	18-495-034-5120-098	29,880	07/01/17	06/30/18	-	-	27,026	29,880	-	-	-	-	2,854	29,880
Per pupil growth aid	18-495-034-5120-097	29,880	07/01/17	06/30/18	-	-	27,026	29,880	-	-	-	-	2,854	29,880
Professional learning community aid	18-495-034-5120-101	29,810	07/01/17	06/30/18	-	-	26,963	29,810	-	-	-	-	2,847	29,810
Extraordinary aid	18-495-034-5120-044	404,858	07/01/17	06/30/18	-	-	-	404,858	-	(404,858)	-	-	-	404,858
Extraordinary aid	17-495-034-5120-044	461,590	07/01/16	06/30/17	(461,590)	-	461,590	-	-	-	-	-	-	461,590
Non-public transportation aid	18-495-034-5120-014	33,590	07/01/17	06/30/18	-	-	-	33,590	-	(33,590)	-	-	-	33,590
Non-public transportation aid	17-495-034-5120-014	15,127	07/01/16	06/30/17	(15,127)	-	15,127	-	-	-	-	-	-	15,127
Lead testing	18-495-034-5120-104	4,529	07/01/17	06/30/18	-	-	4,529	4,529	-	-	-	-	-	4,529
Payment for institutionalized children unknown residence	17-495-034-5120-005	106,896	07/01/16	06/30/17	(8,256)	-	8,256	-	-	-	-	-	-	106,896
On behalf TPAF pension contribution - post retirement medical	18-495-034-5094-001	2,018,166	07/01/17	06/30/18	-	-	2,018,166	2,018,166	-	-	-	-	-	2,018,166
On behalf TPAF pension contribution - non-contributory insurance	18-495-034-5094-004	74,032	07/01/17	06/30/18	-	-	74,032	74,032	-	-	-	-	-	74,032
On behalf TPAF pension contribution - Long-term disability insurance	18-495-034-5094-004	4,433	07/01/17	06/30/18	-	-	4,433	4,433	-	-	-	-	-	4,433
On behalf TPAF pension contribution - teachers' pension & annuity fund	18-495-034-5094-002	3,050,651	07/01/17	06/30/18	-	-	3,050,651	3,050,651	-	-	-	-	-	3,050,651
Reimbursed TPAF social security contribution	18-495-034-5094-003	1,602,117	07/01/17	06/30/18	-	-	1,523,570	1,602,117	-	(78,547)	-	-	-	1,602,117
Reimbursed TPAF social security contribution	17-495-034-5094-003	1,573,454	07/01/16	06/30/17	(177,350)	-	177,350	-	-	-	-	-	-	1,573,454
Total general fund					(662,323)	-	12,511,073	12,912,076	-	(516,995)	-	-	546,331	15,069,143
Special revenue fund														
NJ Nonpublic aid														
Chapter 192	18-100-034-512a-067	1,418	07/01/17	06/30/18	-	-	1,418	1,418	-	-	-	-	-	1,418
Chapter 193	18-100-034-512b-066	1,273	07/01/17	06/30/18	-	-	1,273	1,273	-	-	-	-	-	1,273
Nonpublic textbook aid	18-100-034-5120-064	55	07/01/17	06/30/18	-	-	55	-	-	-	-	55	-	-
Nonpublic textbook aid	17-100-034-5120-064	58	07/01/16	06/30/17	58	-	-	-	58	-	-	-	-	-
Nonpublic technology initiative aid	18-100-034-5120-373	37	07/01/17	06/30/18	-	-	37	2	-	-	-	35	-	2
Nonpublic technology initiative aid	17-100-034-5120-373	26	07/01/16	06/30/17	26	-	-	-	26	-	-	-	-	-
Nonpublic nursing aid	18-100-034-5120-070	97	07/01/16	06/30/17	-	-	97	97	-	-	-	-	-	97
Total capital projects fund					84	-	2,880	2,790	84	-	-	90	-	2,790

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B (continued)
For the Fiscal Year Ended June 30, 2018

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2017		Cash Received	Budgetary Expenditure	Repayment of Prior Year Balances	Balance June 30, 2018			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Agriculture														
Enterprise fund														
State school lunch program	18-100-010-3350-023	\$ 5,924	07/01/17	06/30/18	\$ -	\$ -	\$ 5,546	\$ 5,924	\$ -	\$ (378)	\$ -	\$ -	\$ -	\$ 5,924
State school lunch program	17-100-010-3350-023	5,346	07/01/16	06/30/17	(220)	-	220	-	-	-	-	-	-	5,346
Total enterprise fund					(220)	-	5,766	5,924	-	(378)	-	-	-	11,270
Total State financial assistance					\$ (662,459)	\$ -	\$ 12,519,719	12,920,790	\$ 84	\$ (517,373)	\$ -	\$ 90	\$ 546,331	\$ 15,083,203
Less: On behalf TPAF pension system contributions								(5,147,282)						
Total for state financial assistance - major program determination								\$ 7,773,508						

See independent auditors' report.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2018

Note 1 - General

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

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the District's Basic Financial Statements.

Note 3 - Relationship of financial statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$19,663) for the general fund and (\$10,026) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2018

Note 3 - Relationship of financial statements (continued)

Financial assistance revenues are reported in the District's Basic Financial Statements on a GAAP basis as follows:

	Local	Federal	State	Total
General fund	\$ -	\$ 24,804	\$ 12,892,413	\$ 12,917,217
Special revenue fund	35,555	685,635	2,790	723,980
Food service fund	-	183,981	5,924	189,905
Total awards and financial assistance	<u>\$ 35,555</u>	<u>\$ 894,420</u>	<u>\$ 12,901,127</u>	<u>\$ 13,831,102</u>

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2018. TPAF Social Security Contribution represents the amount reimbursed by the state for the employer's share of Social Security Contributions for TPAF members for the year ended June 30, 2018.

Note 6 - Indirect costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section I
For the Fiscal Year Ended June 30, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

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

Noncompliance material to basic financial statements noted?

Yes No

Federal Awards

Internal Control Over Major Programs:

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

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

Unmodified

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

Yes No

Identification of Major Programs:

CFDA Number(s)	FEIN Number(s)	Name of Federal Program or Cluster
84.027	H027A160100	IDEA Basic

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

\$750,000

Did the auditee qualify as a low-risk auditee?

Yes No

**HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section I
For the Fiscal Year Ended June 30, 2018**

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

State Awards

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

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

Internal Control Over Major Programs:

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

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

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

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
	<i>State Aid Public Cluster:</i>
<u>18-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>18-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>18-495-034-5120-084</u>	<u>Security Aid</u>
<u>18-495-034-5120-068</u>	<u>School Choice Aid</u>
<u>18-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>18-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>18-495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u>18-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contribution</u>
<u>18-495-034-5120-014</u>	<u>Transportation Aid</u>
<u>18-495-034-5120-044</u>	<u>Extraordinary Aid</u>

**HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section II and III
For the Fiscal Year Ended June 30, 2018**

Section II - Financial Statement Findings

There were no findings or questioned costs for the year ended June 30, 2018.

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

There were no findings or questioned costs for the year ended June 30, 2018.

**HUNTERDON CENTRAL REGIONAL HIGH SCHOOL DISTRICT
Summary Schedule of Prior - Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2018**

Status of Prior Year Findings

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings.