

**HIGH POINT REGIONAL
HIGH SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

**Comprehensive Annual
Financial Report**

of the

**High Point Regional
High School District**

Sussex, New Jersey

For the Fiscal Year Ended June 30, 2019

Prepared by

**High Point Regional High School
For the Fiscal Year Ended June 30, 2019**

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INTRODUCTORY SECTION

HIGH POINT REGIONAL HIGH SCHOOL

299 PIDGEON HILL ROAD SUSSEX, NJ 07461-2733

www.hpregional.org

Scott D. Ripley
Superintendent
Phone 973-875-3170
sripley@hpregional.org

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

November 11, 2019

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

Dear Board Members:

The comprehensive annual financial report of the High Point Regional High School District (the "District") for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels 9 through 12 for the students residing in the Borough of Branchville, Township of Frankford, Township of Lafayette, Borough of Sussex, Township of Wantage, and Township of Montague. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2018-2019 fiscal year with an average daily enrollment of 877 students, which is a decrease of 22 students from the previous year's average daily enrollment.

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

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

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

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

During the 2019-20 school year, we will continue to build upon our stated academic vision and the aforementioned initiatives with the following: daily PLC planning time among educational professionals so as to utilize data to inform instruction; a literacy initiative in which pre and post test data is utilized to bring every student to grade level literacy; continued efforts to institutionalize Positive Behavioral Interventions and Supports (PBIS) and Restorative Practices (RP) to inspire a student culture of restoration of relationships and proactive supports to ensure student well-being and academic success; a more systematic approach to providing students pathways to career success, including the implementation of internships and an expanding school to work curriculum; a continued focus on fiscal responsibility so as to ensure property tax relief.

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

In our efforts to improve student culture we have implemented a progressive vision of student discipline focused on supports and restoration, rather than suspension and correction. This has resulted in a more than 40% reduction in student suspensions over the past four years, as well as significant reductions in student failures, student drop-outs, instances of HIB, and instances in which students have tested positive for substance use while at High Point. For 2019-20, a newly revised student center, which will incorporate the services of a school psychologist, will augment our efforts to ensure the wellbeing of all students

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2019.

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

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

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

The Honorable President and Members of
the Board of Education
High Point Regional High School District
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9) OTHER INFORMATION:

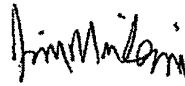
State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the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

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

Respectfully submitted,



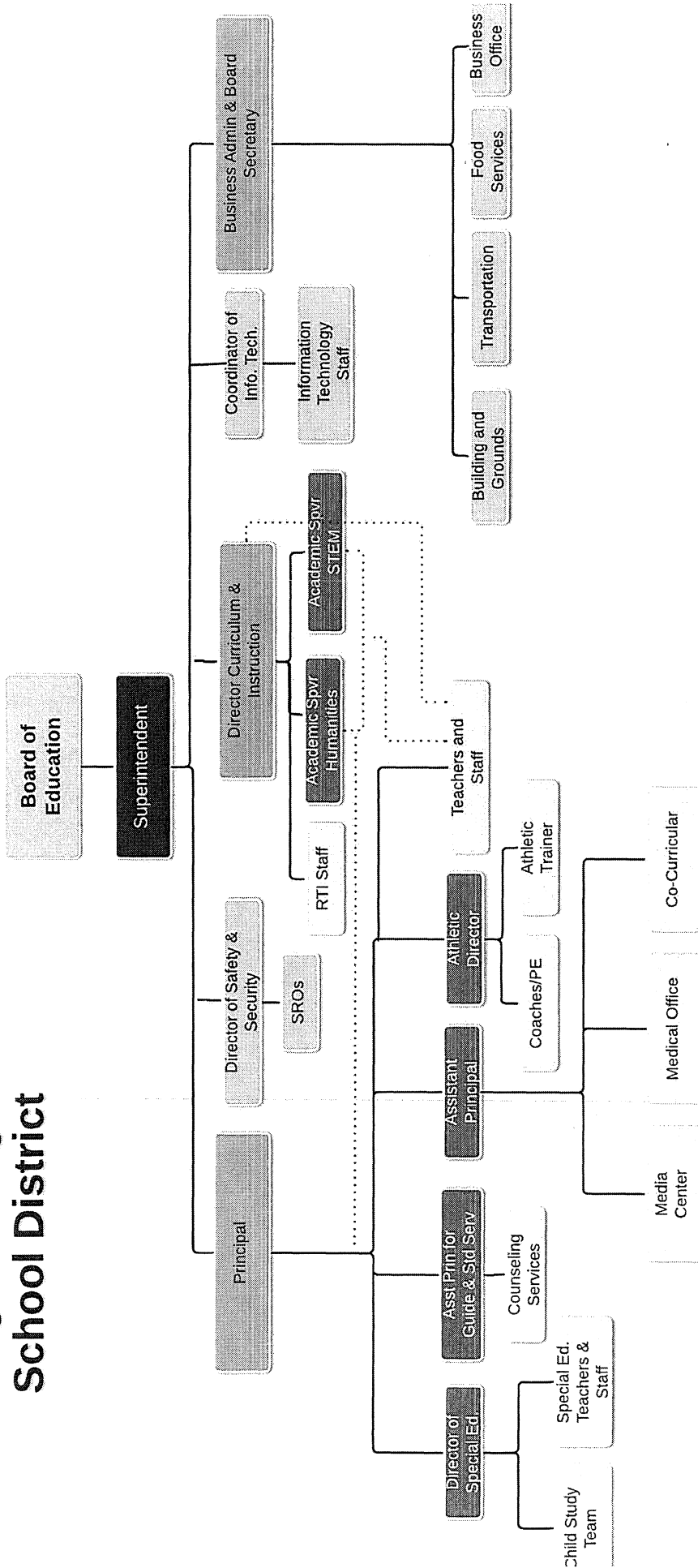
Scott D. Ripley
Superintendent and Chief School Administrator



Jim Minkewicz
Business Administrator/Board Secretary

High Point Regional High School District

Attachment A-1



**HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2019**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
William Kehoe, President	Wantage Township	2019
Gayle Tidona, Vice President	Frankford Township	2021
Deborah Anderson	Branchville Township	2021
Anthony Marangi	Wantage Township	2019
Lee Ann Smith	Wantage Township	2019
Tom Antcliff	Borough of Sussex	2020
Joseph Corazza	Frankford Township	2019
Patricia Nugent	Lafayette Township	2019
Wayne Dunn	Wantage Township	2020

Other Officers

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

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

Audit Firm

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

Attorney

Busch Law Group LLC
450 Main Street
Metuchen, NJ 08840

Official Depository

Sussex Bank
399 Route 23
Franklin, NJ 07416

Architect

EI Associates
8 Ridgedale Avenue
Cedar Knolls, NJ 07927

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the High Point Regional High School District (the "District") in the County of Sussex, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the High Point Regional High School District, in the County of Sussex, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

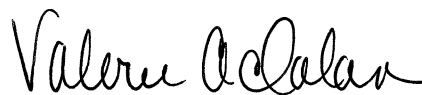
The Honorable President and Members
of the Board of Education
High Point Regional School District
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 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 solely to describe the scope of our testing of the effectiveness of the District's 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.

November 11, 2019
Mount Arlington, New Jersey

NISIVOCCIA LLP



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

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

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

This section of High Point Regional High School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2019. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Overview of the Financial Statements

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

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

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

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

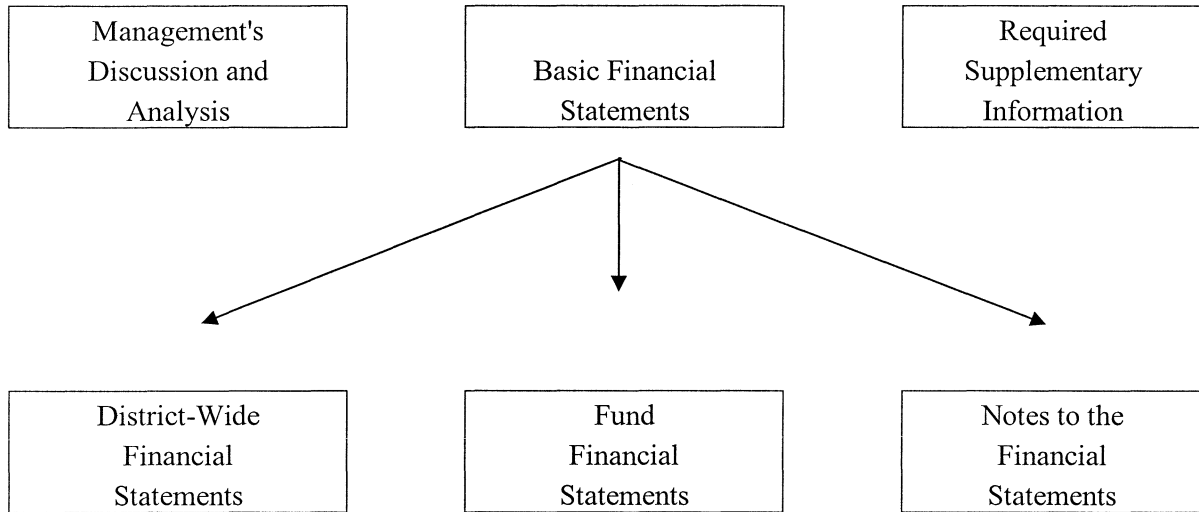


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

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

Financial Analysis of the District as a Whole

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

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

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	
Current and							
Other Assets	\$ 1,641,746	\$ 980,640	\$ 367,551	\$ 378,911	\$ 2,009,297	\$ 1,359,551	
Capital Assets, Net	4,703,580	4,515,183	3,412	7,846	4,706,992	4,523,029	
Total Assets	6,345,326	5,495,823	370,963	386,757	6,716,289	5,882,580	-12.41%
Deferred Outflows of Resources	2,506,252	1,728,837			2,506,252	1,728,837	-31.02%
Other Liabilities	433,236	972,125	11,076	46,847	444,312	1,018,972	
Long-term Liabilities	9,434,971	8,078,779			9,434,971	8,078,779	
Total Liabilities	9,868,207	9,050,904	11,076	46,847	9,879,283	9,097,751	-7.91%
Deferred Inflows of Resources	1,724,137	2,291,986			1,724,137	2,291,986	32.94%
Net Investment in Capital Assets	3,776,813	3,677,092	3,412	7,846	3,780,225	3,684,938	
Restricted	724,918	328,854			724,918	328,854	
Unrestricted/(Deficit)	(7,242,497)	(8,124,176)	356,475	332,064	(6,886,022)	(7,792,112)	
Total Net Position/ (Deficit)	\$ (2,740,766)	\$ (4,118,230)	\$ 359,887	\$ 339,910	\$ (2,380,879)	\$ (3,778,320)	-58.69%

Changes in Net Position. The District's *combined* net position was (\$3,378,320) on June 30, 2019, \$1,397,441 less than it was the year before. (See Figure A-3). The net position of the governmental activities and business-type activities decreased \$1,377,464 and decreased \$19,977, respectively (See Figure A-4).

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		% Change
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	
Revenue:							
Program Revenue:							
Charges for Services	\$ 1,275,757	\$ 1,430,012	\$ 1,302,743	\$ 1,450,745	\$ 2,578,500	\$ 2,880,757	
Operating Grants & Contributions	12,992,861	12,668,237	73,208	74,671	13,066,069	12,742,908	
General Revenue:							
Property Taxes	14,356,619	14,256,964			14,356,619	14,256,964	
Other	22,129	45,039	59	58	22,188	45,097	
Total Revenue	28,647,366	28,400,252	1,376,010	1,525,474	30,023,376	29,925,726	-0.33%
Expenses:							
Instruction	17,970,580	18,035,222			17,970,580	18,035,222	
Pupil and Instruction Services	4,940,490	5,067,137			4,940,490	5,067,137	
Administrative and Business	1,888,488	1,820,251			1,888,488	1,820,251	
Maintenance and Operations	2,247,712	2,669,861			2,247,712	2,669,861	
Transportation	1,908,858	1,973,655			1,908,858	1,973,655	
Other	235,738	211,590	1,321,046	1,545,451	1,556,784	1,757,041	
Total Expenses	29,191,866	29,777,716	1,321,046	1,545,451	30,512,912	31,323,167	2.66%
Increase/(Decrease) in Net Position	\$ (544,500)	\$ (1,377,464)	\$ 54,964	\$ (19,977)	\$ (489,536)	\$ (1,397,441)	-185.46%

Governmental Activities

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

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

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

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

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

Figure A-5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2017/18	2018/19	2017/18	2018/19
Instruction	\$ 17,970,580	\$18,035,222	\$ 4,727,325	\$ 4,964,873
Pupil and Instruction Services	4,940,490	5,067,137	4,940,490	5,067,137
Administrative and Business	1,888,488	1,820,251	1,614,267	1,557,174
Maintenance and Operations	2,247,712	2,669,861	2,247,712	2,669,861
Transportation	1,908,858	1,973,655	1,157,716	1,208,832
Other	235,738	211,590	235,738	211,590
	<u>\$ 29,191,866</u>	<u>\$29,777,716</u>	<u>\$ 14,923,248</u>	<u>\$ 15,679,467</u>

Business-Type Activities

Net position from the District’s business-type activities decreased by \$19,977. (Refer to Figure A-4). Factors contributing to these results included:

- Food services expenses exceeded revenue by \$3,713, accounting for part of the decrease in the net position of the business-type activities.
- Other enterprise funds expenses exceeded revenue by \$16,264 accounting for the majority of the decrease in the net position of the business-type activities.

Financial Analysis of the District’s Funds

To maintain a stable financial position, the District must continue to practice sound fiscal management, including but not limited to cost containment practices, seeking out all available efficiencies and a continual evaluation of all offered services and programs.

General Fund Budgetary Highlights

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

Capital Asset and Long-term Liabilities

Figure A-6

Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2018/19
Land	\$ 50,000	\$ 50,000			\$ 50,000	\$ 50,000	
Land, Buildings, and Site Improvements	4,119,300	3,885,174			4,119,300	3,885,174	
Furniture, Machinery, and Equipment	534,280	580,009	\$ 3,412	\$ 7,846	537,692	587,855	
Total Capital Assets - (Net of Depreciation)	\$ 4,703,580	\$ 4,515,183	\$ 3,412	\$ 7,846	\$ 4,706,992	\$ 4,523,029	-3.91%

During the year the District purchased equipment for maintenance and grounds, athletic equipment and security equipment amounting to \$171,264 and \$7,188 in Food Service. The depreciation factored into the governmental-type activities totaled \$359,661 and into the business-type activities totaled \$2,754. (More detailed information about the District's capital assets is presented in Note 7 to the financial statements.)

Long-term Liabilities

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

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percentage Change
	2017/18	2018/19	
Capital Leases Payable	\$ 926,767	\$ 838,091	
Net Pension Liability	7,462,461	6,280,438	
Other Long Term Liabilities	1,045,743	960,250	
	\$ 9,434,971	\$ 8,078,779	-14.37%

- The 14.37% decrease in the District's long-term liabilities is primarily due to a large decrease in the net pension liability along with the District continuing to pay down its energy savings capital lease.

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

- High Point Regional High School District's tax levy for 2019-20 was increased less than 2% to address the continued reduction from nearly 1,300 ten years ago. The tax levy has been reduced by more than \$1 million, or 6.9% over the last five years. This reduction was manifest to a large degree through staff reductions, with limited classroom instructional impact.
- The District routinely monitors the rules and regulations of the Elementary and Secondary Education Act federal legislation to assess and ensure financial compliance.
- It is important that the District continues to be able to maintain the physical plant of the School; this may require a financial commitment for the 2020-21 budget which may compromise our determination to further reduce costs.
- The District continues our send-receive relationship with Montague that has affected enrollment in the District and increased tuition revenue, thereby helping to reduce the tax impact on constituents and reduce overall pupil costs.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 13,275	\$ 41,561	\$ 54,836
Receivables from Federal Government	8,302	2,764	11,066
Receivables from State Government	240,260	102	240,362
Receivables from Other Governments	397,450	312,176	709,626
Internal Balances	(7,726)	7,726	
Other Receivables	225	265	490
Inventory		14,317	14,317
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	328,140		328,140
Maintenance Reserve Account - Cash and Cash Equivalents	714		714
Capital Assets:			
Land	50,000		50,000
Depreciable Buildings and Building Improvements, Site and Land Improvements, Furniture, Machinery and Equipment	4,465,183	7,846	4,473,029
Total Assets	<u>5,495,823</u>	<u>386,757</u>	<u>5,882,580</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows - Pension	1,728,837		1,728,837
Total Deferred Outflows of Resources	<u>1,728,837</u>		<u>1,728,837</u>
LIABILITIES			
Accounts Payable	966,821	43,715	1,010,536
Unearned Revenue - Prepaid Sales		2,158	2,158
Unearned Revenue	5,304	974	6,278
Noncurrent Liabilities:			
Due Within One Year	90,651		90,651
Due Beyond One Year	7,988,128		7,988,128
Total Liabilities	<u>9,050,904</u>	<u>46,847</u>	<u>9,097,751</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows - Pensions	2,291,986		2,291,986
Total Deferred Inflows of Resources	<u>2,291,986</u>		<u>2,291,986</u>
NET POSITION			
Net Investment in Capital Assets	3,677,092	7,846	3,684,938
Restricted for:			
Capital Projects	328,140		328,140
Maintenance Reserve	714		714
Unrestricted/(Deficit)	(8,124,176)	332,064	(7,792,112)
Total Net Position/(Deficit)	<u>\$ (4,118,230)</u>	<u>\$ 339,910</u>	<u>\$ (3,778,320)</u>

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 13,650,532	\$ 1,430,012	\$ 10,447,278	\$ (1,773,242)	\$	\$ (1,773,242)
Special Education	3,044,342		1,193,059	(1,851,283)		(1,851,283)
Other Special Instruction	1,099,707			(1,099,707)		(1,099,707)
Other Instruction	240,641			(240,641)		(240,641)
Support services:						
Tuition	1,617,791			(1,617,791)		(1,617,791)
Student & Instruction Related Services	3,449,346			(3,449,346)		(3,449,346)
General Administrative Services	502,442			(502,442)		(502,442)
School Administrative Services	864,739		263,077	(601,662)		(601,662)
Central Services	428,373			(428,373)		(428,373)
Administrative Technology Information	24,697			(24,697)		(24,697)
Plant Operations and Maintenance	2,669,861			(2,669,861)		(2,669,861)
Pupil Transportation	1,973,655		764,823	(1,208,832)		(1,208,832)
Capital Outlay	211,590			(211,590)		(211,590)
Total Governmental Activities	29,777,716	1,430,012	12,668,237	(15,679,467)	\$ -0-	(15,679,467)

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Positions		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business Type Activities:						
Food Service	\$ 339,498	\$ 261,074	\$ 74,671	\$	\$ (3,753)	\$ (3,753)
Adult School	3,766	2,927		(839)	(839)	(839)
School Store	8,361	7,676		(685)	(685)	(685)
Transportation Services	1,193,826	1,179,068		(14,758)	(14,758)	(14,758)
Total Business-Type Activities	1,545,451	1,450,745	74,671	(20,035)	(20,035)	(20,035)
Total Primary Government	\$ 31,323,167	\$ 2,880,757	\$ 12,742,908	\$ (15,679,467)	(20,035)	(15,699,502)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				14,256,964		14,256,964
Unrestricted Federal Aid				19,763		19,763
Interest Earnings				1,525	58	1,583
Miscellaneous Income				23,751		23,751
Total General Revenues				14,302,003	58	14,302,061
Change in Net Position				(1,377,464)	(19,977)	(1,397,441)
Net Position/(Deficit) - Beginning				(2,740,766)	359,887	(2,380,879)
Net Position/(Deficit) - Ending				\$ (4,118,230)	\$ 339,910	\$ (3,778,320)

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

FUND FINANCIAL STATEMENTS

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents		\$ 13,275	\$ 13,275
Receivables From Federal Government	\$ 8,302		8,302
Receivables From State Government	240,260		240,260
Receivables From Other Governments	397,450		397,450
Interfund Receivable			
Other Receivable	225		225
Restricted Cash and Cash Equivalents	328,854		328,854
Total Assets	\$ 975,091	\$ 13,275	\$ 988,366
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable - Vendors	\$ 600,951	\$ 7,971	\$ 608,922
Accounts Payable - Cash Deficit	68,880		68,880
Interfund Payable	7,726		7,726
Unearned Revenue		5,304	5,304
Total Liabilities	677,557	13,275	690,832
Fund Balances:			
Restricted for:			
Capital Reserve Account	328,140		328,140
Maintenance Reserve Account	714		714
Unassigned/(Deficit)	(31,320)		(31,320)
Total Fund Balances	297,534		297,534
Total Liabilities and Fund Balances	\$ 975,091	\$ 13,275	

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

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.	\$ 4,515,183
Other long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(1,798,341)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(6,280,438)
Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Deferred Outflows for Pensions	1,439,818
Deferred Inflows for Pensions	(2,291,986)
Net Position/(Deficit) of Governmental Activities	\$ (4,118,230)

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUE:			
Local Sources:			
Local Tax Levy	\$ 14,256,964		\$ 14,256,964
Tuition from Other LEAs within State	1,430,012		1,430,012
Unrestricted Miscellaneous	20,286	\$ 4,990	25,276
Total - Local Sources	15,707,262	4,990	15,712,252
State Sources	9,764,351		9,764,351
Federal Sources	19,763	344,610	364,373
Total Revenue	25,491,376	349,600	25,840,976
EXPENDITURES:			
Current:			
Regular Instruction	6,837,209	123,526	6,960,735
Special Education Instruction	1,447,122	226,074	1,673,196
Other Special Instruction	983,737		983,737
Support Services and Undistributed Costs:			
Tuition	1,617,791		1,617,791
Student & Instruction Related Services	2,700,561		2,700,561
General Administrative Services	440,177		440,177
School Administrative Services	462,437		462,437
Central Services	336,329		336,329
Administrative Information Technology	24,697		24,697
Plant Operations and Maintenance	2,567,095		2,567,095
Pupil Transportation	1,735,647		1,735,647
Unallocated Benefits	7,185,324		7,185,324
Capital Outlay	382,854		382,854
Total Expenditures	26,720,980	349,600	27,070,580
Net Change in Fund Balances	(1,229,604)		(1,229,604)
Fund Balance - July 1	1,527,138		1,527,138
Fund Balance - June 30	\$ 297,534	\$ -0-	\$ 297,534

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (1,229,604)

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

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

Depreciation expense	\$ (359,661)
Capital outlays	171,264
	(188,397)

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

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

Change in Net Pension Liability	1,182,023
Change in Deferred Outflows	(747,806)
Change in Deferred Inflows	(567,849)

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

Change in Net Position of Governmental Activities (Exhibit A-2) 88,676
\$ (1,377,464)

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	<u>Major Funds</u>		<u>Non-Major Funds</u>	<u>Totals</u>
	<u>Food Service Fund</u>	<u>Transportation Services</u>		
<u>ASSETS:</u>				
Current Assets:				
Cash and Cash Equivalents	\$ 5,972	\$ 17,300	\$ 18,289	\$ 41,561
Accounts Receivable:				
State	102			102
Federal	2,764			2,764
Intergovernmental - Other		312,176		312,176
Other	265			265
Interfund Receivable - General Fund	7,726			7,726
Inventories	5,777		8,540	14,317
Total Current Assets	<u>22,606</u>	<u>329,476</u>	<u>26,829</u>	<u>378,911</u>
Non-Current Assets:				
Capital Assets	289,789			289,789
Less: Accumulated Depreciation	<u>(281,943)</u>			<u>(281,943)</u>
Total Non-Current Assets	<u>7,846</u>			<u>7,846</u>
Total Assets	<u>30,452</u>	<u>329,476</u>	<u>26,829</u>	<u>386,757</u>
<u>LIABILITIES:</u>				
Current Liabilities:				
Accounts Payable - Vendors		43,715		43,715
Unearned Revenue - Prepaid Sales	2,158			2,158
Unearned Revenue - Donated Commodities	974			974
Total Current Liabilities	<u>3,132</u>	<u>43,715</u>		<u>46,847</u>
<u>NET POSITION:</u>				
Investment in Capital Assets	7,846			7,846
Unrestricted	<u>19,474</u>	<u>285,761</u>	<u>26,829</u>	<u>332,064</u>
Total Net Position	<u>\$ 27,320</u>	<u>\$ 285,761</u>	<u>\$ 26,829</u>	<u>\$ 339,910</u>

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Major Funds</u>			<u>Totals</u>
	<u>Food Service Fund</u>	<u>Transportation Services</u>	<u>Non-Major Funds</u>	
Operating Revenue:				
Local Sources:				
Daily Sales - Reimbursable Programs	\$ 140,980			\$ 140,980
Daily Sales - Non Reimbursable Programs	120,094			120,094
Program Fees		\$ 1,179,068	\$ 10,603	1,189,671
Total Operating Revenue	<u>261,074</u>	<u>1,179,068</u>	<u>10,603</u>	<u>1,450,745</u>
Operating Expenses:				
Cost of Sales - Reimbursable Programs	64,554			64,554
Cost of Sales - Non Reimbursable Programs	85,432			85,432
Salaries & Payroll Taxes	153,874			153,874
Other Purchased Services		1,193,826		1,193,826
Management Fee	16,469			16,469
Depreciation Expense	2,754			2,754
Other Miscellaneous Expenses	16,415		12,127	28,542
Total Operating Expenses	<u>339,498</u>	<u>1,193,826</u>	<u>12,127</u>	<u>1,545,451</u>
Operating Income/(Loss)	(78,424)	(14,758)	(1,524)	(94,706)
Non-Operating Revenue:				
State Sources:				
State School Lunch Program	2,398			2,398
Federal Sources:				
National School Lunch Program	60,259			60,259
Food Distribution Program	12,014			12,014
Local Sources:				
Interest Income	40		18	58
Total Non-Operating Revenue	<u>74,711</u>		<u>18</u>	<u>74,729</u>
Change in Net Position	(3,713)	(14,758)	(1,506)	(19,977)
Net Position - Beginning of Year	<u>31,033</u>	<u>300,519</u>	<u>28,335</u>	<u>359,887</u>
Net Position - End of Year	<u>\$ 27,320</u>	<u>\$ 285,761</u>	<u>\$ 26,829</u>	<u>\$ 339,910</u>

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Major Funds</u>			
	<u>Food Service Fund</u>	<u>Transportation Services</u>		<u>Non-Major Funds</u>
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 261,349	\$ 990,781	\$ 10,603	\$ 1,262,733
Payments to Employees	(153,874)			(153,874)
Payments to Food Service Vendor	(168,812)			(168,812)
Payments to Suppliers	(16,415)	(1,150,111)	(12,059)	(1,178,585)
Net Cash (Used) for Operating Activities	<u>(77,752)</u>	<u>(159,330)</u>	<u>(1,456)</u>	<u>(238,538)</u>
Cash Flows from Noncapital Financing Activities:				
Cash Received from Federal and State Sources	64,081			64,081
Net Cash Provided by Noncapital Financing Activities	<u>64,081</u>			<u>64,081</u>
Cash Flows from Capital Financing Activities:				
Purchase of Equipment	(7,188)			(7,188)
Net Cash (Used) for Capital Financing Activities	<u>(7,188)</u>			<u>(7,188)</u>
Cash Flows from Investing Activities:				
Investment Income	40		18	58
Net Cash Flows Provided by Investing Activities:	<u>40</u>		<u>18</u>	<u>58</u>
Net (Decrease) in Cash and Cash Equivalents	<u>(20,819)</u>	<u>(159,330)</u>	<u>(1,438)</u>	<u>(181,587)</u>
Cash and Cash Equivalents, July 1	26,791	176,630	19,727	223,148
Cash and Cash Equivalents, June 30	<u>\$ 5,972</u>	<u>\$ 17,300</u>	<u>\$ 18,289</u>	<u>\$ 41,561</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Major Funds			Non-Major Funds	Totals
	Food Service Fund	Transportation Services			
Reconciliation of Operating (Loss) to Net Cash (Used) for Operating Activities:					
Operating (Loss)	\$ (78,424)	\$ (14,758)		\$ (1,524)	\$ (94,706)
Adjustment to Reconcile Operating (Loss) to Cash (Used) for Operating Activities:					
Federal Food Distribution Program	12,014				12,014
Depreciation	2,754				2,754
Changes in Assets and Liabilities:					
(Increase)/Decrease in Accounts Receivable	275	(188,287)			(188,012)
Decrease in Inventory	1,299		68		1,367
(Increase) in Interfund Receivable	(7,726)				(7,726)
Increase/(Decrease) in Accounts Payable	(7,679)	43,715			36,036
(Decrease) in Unearned Revenue- Prepaid Sales	(94)				(94)
(Decrease) in Unearned Revenue- Donated Commodities	(171)				(171)
Net Cash (Used) for Operating Activities	\$ (77,752)	\$ (159,330)		\$ (1,456)	\$ (238,538)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. donated commodities through the Food Distribution Program valued at \$11,843 and utilized commodities valued at \$12,014.

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Agency	Private Purpose Scholarship Trust	Unemployment Compensation Trust
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 347,047	\$ 50,093	\$ 35,251
Total Assets	347,047	50,093	35,251
<u>LIABILITIES:</u>			
Net Salaries and Wages	6,971		
Payroll Deductions and Withholdings	237,953		
Due to Student Groups	102,123		
Total Liabilities	347,047		
<u>NET POSITION:</u>			
Held in Trust for Unemployment Claims			35,251
Restricted For Scholarships		50,093	
Total Net Position	\$ -0-	\$ 50,093	\$ 35,251

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Totals
ADDITIONS:			
Contributions:			
Donations		\$ 14,095	\$ 14,095
Total Contributions		14,095	14,095
Investment Earnings:			
Interest	\$ 70	51	121
Net Investment Earnings	70	51	121
Total Additions	70	14,146	14,216
DEDUCTIONS:			
Scholarships Awarded		12,800	12,800
Total Deductions		12,800	12,800
Change in Net Position	70	1,346	1,416
Net Position - Beginning of the Year	35,181	48,747	83,928
Net Position - End of the Year	\$ 35,251	\$ 50,093	\$ 85,344

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

The District reports the following governmental funds:

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

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

The District reports the following proprietary fund:

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

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting:

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2019 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Budget amendments/transfers are made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

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

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures	General	Special
	Fund	Revenue
Sources/Inflows of Resources	<u>Fund</u>	<u>Fund</u>
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 25,499,150	\$ 327,426
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures, and Revenue while the GAAP Basis does not.		22,174
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	615,985	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(623,759)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 25,491,376</u>	<u>\$ 349,600</u>
	General	Special
	<u>Fund</u>	<u>Revenue</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 26,720,980	\$ 327,426
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		<u>22,174</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 26,720,980</u>	<u>\$ 349,600</u>

E. Cash and Cash Equivalents and Investments:

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Amounts:

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

H. Encumbrances:

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

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

I. Short-Term Interfund Receivable/Payable:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2019.

K. Capital Assets:

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

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

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

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

L. Long Term Liabilities:

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2019.

N. Compensated Absences:

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

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

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$297,534 General Fund fund balance at June 30, 2019, \$328,140 is restricted in the capital reserve account, \$714 is restricted in the maintenance reserve, and (\$31,320) is unassigned fund balance. The assigned fund balances of year-end encumbrances of \$96,287, designated for subsequent year's expenditures of \$15,001, and \$481,151 of unassigned fund balance which are not reported on a GAAP basis due to the final two state aid payments not being recognized as of June 30, 2019.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had no excess surplus at June 30, 2019.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

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

Q. Deficit Fund Balance/Net Position:

The District's fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$623,759, as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last two state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments. As a result of this, the District has a deficit in unassigned Fund Balance of \$31,320.

There is a \$8,124,176 deficit in unrestricted net position for the governmental activities and an overall deficit in net position of \$7,792,112 at June 30, 2019. These deficits are primarily from the inclusion of the net pension liability and compensated absences payable.

These deficits do not indicate that the District is facing financial difficulties and is permitted practice under generally accepted accounting principles.

R. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows and outflows of resources at June 30, 2019 related to pensions.

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

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

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion, or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2019.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and fund balance designated for subsequent year's expenditures in the General Fund on the budgetary basis at June 30, 2019.

T. Revenue - Exchange and Non-exchange Transactions:

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

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

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

U. Operating Revenue and Expenses:

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

V. Management Estimates:

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

W. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

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

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

Deposits:

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

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

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

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

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

Investments:

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

Investments: (Cont'd)

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

As of June 30, 2019, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents Capital and Maintenance Reserve Accounts</u>	<u>Total</u>
Checking and Savings Accounts	\$ 487,227	\$ 328,854	\$ 816,081
	<u>\$ 487,227</u>	<u>\$ 328,854</u>	<u>\$ 816,081</u>

During the period ended June 30, 2019, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents at June 30, 2019, was \$816,081 and the bank balance was \$1,342,654.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$ 366,799
Increased by:	
Interest Earned	690
Increase per Board Resolution (June 17, 2019)	<u>260,651</u>
	628,140
Decreased by:	
Withdrawal by Resolution	<u>(300,000)</u>
Ending Balance, June 30, 2019	<u>\$ 328,140</u>

The June 30, 2019 LRFP balance of local support costs of uncompleted capital projects at June 30, 2019 is equal to or greater than \$328,140. Withdrawals from the capital reserve account were for use in DOE approved facilities projects, consistent with the District's LRFP.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT

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

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

The activity of the maintenance reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$ 358,119
Increased by:	
Interest Earned	357
	358,476
Decreased by:	
Withdrawal by Resolution	(57,762)
Budgeted Withdrawal	(300,000)
	714
Ending Balance, June 30, 2019	\$ 714

NOTE 6. TRANSFER TO CAPITAL OUTLAY

During the year ended June 30, 2019, the District made transfers to capital outlay accounts in the amount of \$37,939 for equipment which did not require county superintendent approval.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2019 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 50,000			\$ 50,000
Total Capital Assets Not Being Depreciated	<u>50,000</u>			<u>50,000</u>
Capital Assets Being Depreciated:				
Land Improvements	1,017,683			1,017,683
Buildings, Building Improvements and Site Improvements	12,194,470			12,194,470
Machinery and Equipment	4,034,696	\$ 171,264	\$ (13,242)	4,192,718
Total Capital Assets Being Depreciated	<u>17,246,849</u>	<u>171,264</u>	<u>(13,242)</u>	<u>17,404,871</u>
Governmental Activities Capital Assets	<u>17,296,849</u>	<u>171,264</u>	<u>(13,242)</u>	<u>17,454,871</u>
Less Accumulated Depreciation for:				
Land Improvements	(654,614)	(43,884)		(698,498)
Buildings, Building Improvements and Site Improvements	(8,438,239)	(190,242)		(8,628,481)
Machinery and Equipment	(3,500,416)	(125,535)	13,242	(3,612,709)
	<u>(12,593,269)</u>	<u>(359,661)</u>	<u>13,242</u>	<u>(12,939,688)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 4,703,580</u>	<u>\$ (188,397)</u>	<u>\$ -0-</u>	<u>\$ 4,515,183</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 321,407	\$ 7,188	\$ (38,806)	\$ 289,789
Less Accumulated Depreciation	<u>(317,995)</u>	<u>(2,754)</u>	<u>38,806</u>	<u>(281,943)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 3,412</u>	<u>\$ 4,434</u>	<u>\$ -0-</u>	<u>\$ 7,846</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 69,938
Other Special Instruction	115,970
General Administration	322
School Administration	658
Plant Operation and Maintenance	12,388
Pupil Transportation	<u>160,385</u>
Total Depreciation Expense	<u>\$ 359,661</u>

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2019, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2018	Accrued	Retired	Balance 6/30/2019	Due Within One Year
Capital Leases Payable	\$ 926,767		\$ 88,676	\$ 838,091	\$ 90,651
Net Pension Liability	7,462,461		1,182,023	6,280,438	
Compensated Absences Payable	1,045,743		85,493	960,250	
	<u>\$ 9,434,971</u>	<u>\$ -0-</u>	<u>\$ 1,356,192</u>	<u>\$ 8,078,779</u>	<u>\$ 90,651</u>

A. Serial Bonds Payable:

The District had no serial bonds payable at June 30, 2019.

B. Bonds and Notes Authorized but not Issued:

The District had no bonds and notes authorized but not issued at June 30, 2019.

C. Capital Leases Payable:

The District is leasing equipment under an energy savings improvement program totaling \$1,327,620 of which \$489,529 had been amortized as of June 30, 2019. The capital lease is for a term of fourteen years. The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 2019.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

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

C. Capital Leases Payable: (Cont'd)

Year	Amount
2020	\$ 108,715
2021	108,715
2022	108,715
2023	108,715
2024	108,715
2025-2028	380,503
	924,078
Less: Amount representing interest	(85,987)
Present value of net minimum lease payments	\$ 838,091

The General Fund will be used to liquidate the capital lease. The current portion of capital leases payable is \$90,651 and the long-term portion is \$747,440.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$-0- and is separated from the long-term liability balance of compensated absences of \$960,250. Compensated absences will be liquidated through the General Fund.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2019, no liability existed for compensated absences in the Enterprise Funds.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2019 is \$-0- and the long-term portion is \$6,280,438. See Note 9 for further information on the PERS.

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Public Employee's Retirement System (PERS) of New Jersey; or the Teachers' Pension and Annuity Fund (TPAF); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under the Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided

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

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual payments over a period of 15 years, which began with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$318,628 for fiscal year 2019.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2019, the District reported a liability of \$6,280,438 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2018, the District's proportion was 0.031%, which was a decrease of 0.001% from its proportion measured as of June 30, 2017.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

For the fiscal year ended June 30, 2019, the District recognized pension expense of \$450,906. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	\$ 49,710	
	2015	5.72	224,361	
	2016	5.57	760,841	
	2017	5.48		\$ 1,157,751
	2018	5.63		850,399
			<u>1,034,912</u>	<u>2,008,150</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2015	5.00		(37,950)
	2016	5.00		(212,163)
	2017	5.00		190,957
	2018	5.00		118,067
				<u>58,911</u>
Difference Between Expected and Actual Experience	2015	5.72	62,248	
	2016	5.57	23,089	
	2017	5.48	34,432	
	2018	5.63		32,384
			<u>119,769</u>	<u>32,384</u>
Changes in Proportion	2014	6.44	85,766	
	2015	5.72	189,353	
	2016	5.57		162,853
	2017	5.48	10,018	
	2018	5.63		29,688
			<u>285,137</u>	<u>192,541</u>
Contribution Subsequent to Measurement Date	2018	1.00	289,019	
			<u>\$ 1,728,837</u>	<u>\$ 2,291,986</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2019	\$ 43,589
2020	(60,350)
2021	(432,761)
2022	(375,123)
2023	(120,119)
	\$ (944,764)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

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

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2018 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2018 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
District's proportionate share of the Net Pension Liability	\$ 7,896,927	\$ 6,280,438	\$ 4,924,307

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

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, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2019, the State of New Jersey contributed \$1,863,338 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$3,621,049.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2019, the State's proportionate share of the net pension liability associated with the District was \$62,114,344. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2018, the District's proportion was 0.097%, which was a decrease of 0.001% from its proportion measured as of June 30, 2017.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		62,114,344
Total	\$	62,114,344

For the fiscal year ended June 30, 2019, the State recognized pension expense on behalf of the District in the amount of \$3,621,049 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2019 financial statements.

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 1,076,424,469	
	2015	8.30	3,063,649,492	
	2016	8.30	6,913,685,892	
	2017	8.30		\$ 10,084,192,916
	2018	8.29		5,994,557,085
			11,053,759,853	16,078,750,001
Difference Between Expected and Actual Experience	2014	8.50		10,252,211
	2015	8.30	189,214,650	
	2016	8.30		85,977,601
	2017	8.30	179,419,108	
	2018	8.29	1,051,605,259	
			1,420,239,017	96,229,812
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2015	5.00		(192,642,062)
	2016	5.00		(863,710,381)
	2017	5.00		678,024,787
	2018	5.00		384,121,486
			\$ 12,473,998,870	\$ 16,180,773,643

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2019	\$ 401,574,312
2020	208,932,249
2021	(222,922,941)
2022	(149,225,008)
2023	(735,040,983)
Thereafter	(3,210,092,402)
	\$ (3,706,774,773)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55 – 4.55%
Thereafter	2.00 – 5.45%
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. 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 3.87% as of June 30, 2018 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon contribution rate in the most recent fiscal year. The State contributed 50% of the actuarially determined contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on pension 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 District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2018 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

	June 30, 2018		
	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
Total Net Pension Liability	\$ 73,417,975	\$ 62,114,344	\$ 52,743,909

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$10,109 for the fiscal year ended June 30, 2019. Employee contributions to DCRP amounted to \$13,729 for the fiscal year ended June 30, 2019.

NOTE 10. RISK MANAGEMENT

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

Property and Liability

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

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

The June 30, 2019 audit report for the Fund is not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2018 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	\$ 45,062,979
Net Position	\$ 12,432,937
Total Revenue	\$ 42,084,945
Total Expenses	\$ 39,779,381
Change in Net Position	\$ 2,305,564
Member Dividends	\$ -0-

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

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

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Ending Balance</u>
2018-2019	\$ 70	\$ 35,251
2017-2018	70	35,181
2016-2017	70	35,111

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the fund financial statements at June 30, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		\$ 7,726
Enterprise Fund - Food Service	7,726	
	<u>\$ 7,726</u>	<u>\$ 7,726</u>

The \$7,726 interfund receivable in the Food Service Fund from the General Fund is for federal and state lunch reimbursements collected in the General Fund not yet turned over to the Food Service Fund.

NOTE 12. ACCOUNTS PAYABLE

Payables as of June 30, 2019, were:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>District Contribution Subsequent to Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Total Business Type-Activities</u>
Vendors	\$ 600,951	\$ 7,971		\$ 608,922	\$ 43,715
Cash Deficit	68,880			68,880	
State of New Jersey			\$ 289,019	289,019	
	<u>\$ 669,831</u>	<u>\$ 7,971</u>	<u>\$ 289,019</u>	<u>\$ 966,821</u>	<u>\$ 43,715</u>

NOTE 13. ECONOMIC DEPENDENCY

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

NOTE 14. DEFERRED COMPENSATION

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

VALIC	Lincoln National
Equitable Financial Companies	Siracusa Benefits
Metropolitan Life	

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 15. TAX CALENDAR

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

NOTE 16. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2019, there were encumbrances as detailed below in the governmental funds.

General Fund	Total Governmental Funds
\$ 96,287	\$ 96,287
<u>\$ 96,287</u>	<u>\$ 96,287</u>

On the District's Governmental Funds Balance Sheet as of June 30, 2019, \$-0- is assigned for year-end encumbrances in the General Fund, which is \$96,287 less than encumbrances on a Budgetary basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2020.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

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

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2017, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	145,050
Active Plan Members	<u>217,131</u>
Total	<u><u>362,181</u></u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 which was rolled forward to June 30, 2017.

Actuarial Assumptions and Other Inputs

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

	2.50%		
		TPAF/ABP	PERS
Salary Increases:			
Through 2026		1.55 - 4.55% based on years of service	2.15 - 4.15% based on age
Thereafter		2.00 - 5.45% based on years of service	3.15 - 5.15% based on age

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015 and July 1, 2011 - June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2006 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-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Discount Rate

The discount rate for June 30, 2018 and 2017 were 3.87% and 3.58%, respectively. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Changes in the State's Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2016	\$ 53,167,337
Changes for Year:	
Service Cost	1,633,221
Interest on the Total OPEB Liability	1,941,237
Differences Between Expected and Actual Experience	(5,388,543)
Changes of Assumptions	(5,166,750)
Gross Benefit Payments by the State	(1,203,931)
Contributions from Members	41,610
Net Changes in Total OPEB liability	<u>(8,143,156)</u>
Balance at June 30, 2017	<u>\$ 45,024,181</u>

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2018, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
Total OPEB Liability Attributable to the District	\$ 53,227,747	\$ 45,024,181	\$ 38,503,193

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2018, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 37,215,108	\$ 45,024,181	\$ 55,351,979

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

For the fiscal year ended June 30, 2019, the District recognized OPEB expense of \$1,664,465 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2018 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ (5,468,946)
Changes in Assumptions	2018	9.51		(4,623,454)
			\$ -0-	(10,092,400)
Differences Between Expected and Actual Experience	2018	9.51		(4,370,602)
Changes in Proportion	N/A	N/A		(922,377)
			\$ -0-	\$ (5,292,979)

N/A - Not Available

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2018	\$ (1,782,206)
2019	(1,782,205)
2020	(1,782,205)
2021	(1,782,205)
2022	(1,782,205)
Thereafter	(5,551,976)
	\$ (14,463,002)

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
District's proportion of the net pension liability	0.0304907081%	0.0337620405%	0.0337620405%	0.0320574460%	0.0318973924%
District's proportionate share of the net pension liability	\$ 5,708,697	\$ 7,578,902	\$ 9,473,067	\$ 7,462,461	\$ 6,280,438
District's covered employee payroll	\$ 2,183,844	\$ 2,228,210	\$ 2,154,231	\$ 2,047,976	\$ 2,092,415
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	261.41%	340.13%	439.74%	364.38%	300.15%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%

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

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

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 251,361	\$ 290,263	\$ 289,113	\$ 300,962	\$ 318,628
Contributions in relation to the contractually required contribution	<u>(251,361)</u>	<u>(290,263)</u>	<u>(289,113)</u>	<u>(300,962)</u>	<u>(318,628)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 2,085,631	\$ 2,183,844	\$ 2,228,210	\$ 2,154,231	\$ 2,047,976
Contributions as a percentage of covered employee payroll	12.05%	13.29%	12.98%	13.97%	15.56%

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

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

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
State's proportion of the net pension liability attributable to the District	0.0961169728%	0.0916826155%	0.0937156978%	0.0984414189%	0.0976366570%
State's proportionate share of the net pension liability attributable to the District	\$ 51,371,394	\$ 57,947,328	\$ 73,722,735	\$ 66,372,754	\$ 62,114,344
District's covered employee payroll	\$ 9,297,024	\$ 10,011,720	\$ 9,881,376	\$ 9,601,895	\$ 9,535,972
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	552.56%	578.79%	746.08%	691.25%	651.37%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%

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

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

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 2,764,263	\$ 3,538,208	\$ 5,539,238	\$ 4,597,968	\$ 3,621,049
Contributions in relation to the contractually required contribution	(495,670)	(750,324)	(1,068,556)	(1,437,843)	(1,863,338)
Contribution deficiency/(excess)	<u>\$ 2,268,593</u>	<u>\$ 2,787,884</u>	<u>\$ 4,470,682</u>	<u>\$ 3,160,125</u>	<u>\$ 1,757,711</u>
District's covered employee payroll	\$ 9,297,024	\$ 10,011,720	\$ 9,881,376	\$ 9,601,895	\$ 9,535,972
Contributions as a percentage of covered employee payroll	5.33%	7.49%	10.81%	14.97%	19.54%

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

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

	Fiscal Year Ending June 30,	
	2017	2018
Total OPEB Liability		
Service Cost	\$ 1,968,128	\$ 1,633,221
Interest Cost	1,678,317	1,941,237
Difference Between Expected and Actual Experience		(5,388,543)
Changes in Assumptions	(6,802,058)	(5,166,750)
Member Contributions	45,346	41,610
Gross Benefit Payments	(1,231,468)	(1,203,931)
Net Change in Total OPEB Liability	(4,341,735)	(8,143,156)
Total OPEB Liability - Beginning	57,509,072	53,167,337
Total OPEB Liability - Ending	\$ 53,167,337	\$ 45,024,181
District's Covered Employee Payroll *	\$ 12,239,930	\$ 12,035,607
Total OPEB Liability as a Percentage of Covered Employee Payroll	434.38%	374.09%

* - Covered payroll for each fiscal year is based on the payroll on the previous year's census data.

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018. The municipal bond rate changed from 3.58% to 3.87%.

The mortality rates utilized in the July 1, 2016 valuation were as follows: Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 4.25% as of June 30, 2017 to 4.86% as of June 30, 2018. The municipal bond rate changed from 3.58 to 3.87%.

The salary increases in the July 1, 2016 valuation were as follows: 2012-2021 and thereafter – varies based on experience. The salary increases in the July 1, 2017 valuation are as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

The mortality rates utilized in the July 1, 2016 valuation were as follows: Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEN PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

The mortality rates in the valuation as of June 30, 2017 were based on the following:

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

The mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement mortality rates were based on the RP-2006 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-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEN PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The health care trend rates in the valuation as of June 30, 2017 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after eight years. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven 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.

BUDGETARY COMPARISON SCHEDULES

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 14,256,964		\$ 14,256,964	\$ 14,256,964	
Tuition from Other LEAs within State	1,320,480		1,320,480	1,430,012	\$ 109,532
Interest on Investments	357		357	478	478
Interest Earned on Maintenance Reserve Funds	690		690	690	
Interest Earned on Capital Reserve Funds	64,190	\$ 3,030	67,220	18,761	(48,459)
Unrestricted Miscellaneous					
Total - Local Sources	15,642,681	3,030	15,645,711	15,707,262	61,551
State Sources:					
School Choice Aid	53,832		53,832	53,832	
Transportation Aid	748,822		748,822	748,822	
Special Education Aid	702,032		702,032	702,032	
Equalization Aid	4,284,622		4,284,622	4,284,622	
Security Aid	86,130		86,130	86,130	
Adjustment Aid	624,973	(362,989)	261,984	261,984	
Extraordinary Aid	212,959		212,959	155,199	(57,760)
Non-public Transportation Aid				16,001	16,001
TPAF Pension Contributions (Non-Budgeted)				1,863,338	1,863,338
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				862,900	862,900
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				39,005	39,005
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				914	914
TPAF Social Security Contributions (Reimbursed - Non-Budgeted)				697,346	697,346
Total State Sources	6,713,370	(362,989)	6,350,381	9,772,125	3,421,744

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Federal Sources:					
Medicaid Assistance Program	\$ 19,763		\$ 19,763	\$ 19,763	
Total Federal Sources	19,763		19,763	19,763	
TOTAL REVENUES	22,375,814	\$ (359,959)	22,015,855	25,499,150	\$ 3,483,295
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	6,067,280	103,420	6,170,700	6,164,527	6,173
Unused Sick Payment	14,875		14,875	14,875	
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000	21,840	36,840	36,840	
Purchased Professional/Educational Services	4,840	27,500	32,340	32,340	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	28,000	197	28,197	23,639	4,558
Purchased Professional/Educational Services	96,770	(51,739)	45,031	42,431	2,600
Other Purchased Services (400-500 series)	71,069	(13,052)	58,017	53,708	4,309
General Supplies	548,803	(96,432)	452,371	417,628	34,743
Textbooks	44,213	(2,426)	41,787	34,663	7,124
Other Objects	34,869	(14,937)	19,932	16,558	3,374
Total Regular Programs - Instruction	6,925,719	(25,629)	6,900,090	6,837,209	62,881

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Special Education - Instruction:					
Cognitive - Mild:					
Salaries of Teachers	\$ 79,587	\$ 1,592	\$ 81,179	\$ 79,823	\$ 1,356
Purchased Professional/Educational Services	763	(763)			
General Supplies	8,710	(4,626)	4,084	3,155	929
Total Cognitive- Mild	89,060	(3,797)	85,263	82,978	2,285
Learning and/or Language Disabilities:					
Salaries of Teachers	76,140	22,356	98,496	98,008	488
General Supplies	2,170	(1,487)	683	582	101
Other Objects	1,000	(1,000)			
Total Learning and/or Language Disabilities	79,310	19,869	99,179	98,590	589
Multiple Disabilities:					
Salaries of Teachers	55,728	2,319	58,047	58,045	2
Other Salaries for Instruction	62,834	12,171	75,005	73,499	1,506
Purchased Professional / Educational Services	2,900	(2,900)			
General Supplies	1,735		1,735	887	848
Total Multiple Disabilities	123,197	11,590	134,787	132,431	2,356
Resource Room/Resource Center:					
Salaries of Teachers	1,045,901	6,743	1,052,644	1,052,644	
Other Salaries for Instruction	52,687	19,198	71,885	71,884	1
General Supplies	14,000	(4,754)	9,246	8,595	651
Total Resource Room/Resource Center	1,112,588	21,187	1,133,775	1,133,123	652
Total Special Education Instruction	1,404,155	48,849	1,453,004	1,447,122	5,882

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 210,673	\$ 11,446	\$ 222,119	\$ 222,119	
Supplies and Materials	21,600	(6,996)	14,604	14,603	\$ 1
Other Objects	14,330	7,215	21,545	17,694	3,851
Total School-Sponsored Cocurricular Activities - Instruction	246,603	11,665	258,268	254,416	3,852
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	559,483	2,257	561,740	560,777	963
Other Purchased Services	11,610	2,004	13,614	13,523	91
Supplies and Materials	68,909	(8,348)	60,561	57,759	2,802
Other Objects	65,665	2,600	68,265	68,262	3
Transfer to Cover Deficit	19,000	10,000	29,000	29,000	
Total School-Sponsored Cocurricular Athletics - Instruction	724,667	8,513	733,180	729,321	3,859
Total Instruction	9,301,144	43,398	9,344,542	9,268,068	76,474

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Special	\$ 404,521	\$ (288,901)	\$ 115,620	\$ 115,201	\$ 419
Tuition - State Facilities		38,147	38,147	38,147	
Tuition to County Vocational School District - Regular	424,133	(91,088)	333,045	333,014	31
Tuition - Other		176,531	176,531	165,649	10,882
Tuition to Private Schools for the Disabled Within State	846,979	122,876	969,855	965,780	4,075
Total Undistributed Expenditures - Instruction	<u>1,675,633</u>	<u>(42,435)</u>	<u>1,633,198</u>	<u>1,617,791</u>	<u>15,407</u>
Health Services:					
Salaries	76,333	11,018	87,351	86,844	507
Purchased Professional/Technical Services	16,923	8,646	25,569	22,632	2,937
Supplies and Materials	3,300	(1,948)	1,352	966	386
Total Health Services	<u>96,556</u>	<u>17,716</u>	<u>114,272</u>	<u>110,442</u>	<u>3,830</u>
Speech, OT, PT and Related Services:					
Salaries	273,675	7,912	281,587	281,586	1
Purchased Professional/Educational Services	4,500	100	4,600	3,960	640
Supplies and Materials	917	(58)	859	759	100
Total Speech, OT, PT and Related Services	<u>279,092</u>	<u>7,954</u>	<u>287,046</u>	<u>286,305</u>	<u>741</u>
Other Support Services - Students - Extra Services:					
Salaries	208,846	(22,669)	186,177	184,218	1,959
Unused Sick Pay		2,790	2,790		2,790
Total Other Support Services - Students - Extra Services	<u>208,846</u>	<u>(19,879)</u>	<u>188,967</u>	<u>184,218</u>	<u>4,749</u>

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Guidance:					
Salaries of Other Professional Staff	\$ 495,085	\$ 22,352	\$ 517,437	\$ 517,436	\$ 1
Salaries of Secretaries and Clerical Assistants	101,170	3,752	104,922	104,351	571
Other Purchased Services (400-500 Services)	1,000	(710)	290	190	100
Supplies and Materials	5,000	(1,049)	3,951	3,585	366
Other Objects	3,800	(2,900)	900	651	249
Total Guidance	606,055	21,445	627,500	626,213	1,287
Child Study Teams:					
Salaries of Other Professional Staff	413,567	17,034	430,601	428,639	1,962
Salaries of Secretarial and Clerical Assistants	46,275	926	47,201	45,807	1,394
Purchased Professional/Educational Services	40,101	3,594	43,695	43,515	180
Supplies and Materials	3,724	(1,688)	2,036	1,509	527
Other Objects	745	(481)	264	263	1
Total Child Study Teams	504,412	19,385	523,797	519,733	4,064
Improvement of Instructional Services:					
Salary of Supervisor of Instruction	345,308	18,864	364,172	361,370	2,802
Salaries of Secretarial and Clerical Assistants	58,347	2,257	60,604	60,602	2
Unused Vacation Time		2,256	2,256	2,256	
Supplies and Materials	500	165	665	399	266
Other Objects	7,319	(2,174)	5,145	4,090	1,055
Total Improvement of Instructional Services	411,474	21,368	432,842	428,717	4,125

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Educational Media Services/School Library:					
Salaries	\$ 100,607	\$ 10,262	\$ 110,869	\$ 109,899	\$ 970
Salaries of Technology Coordinators	203,490	7,289	210,779	210,779	
Other Purchased Services (400-500 series)	192,489	28,997	221,486	215,856	5,630
Supplies and Materials	16,914	(7,997)	8,917	8,399	518
Total Educational Media Services/School Library	513,500	38,551	552,051	544,933	7,118
Instructional Staff Training Services:					
Other Purchased Services	18,100	(17,950)	150		150
Total Instructional Staff Training Services	18,100	(17,950)	150		150
Support Services - General Administration:					
Salaries	245,737	13,041	258,778	255,468	3,310
Legal Services	58,853	1,096	59,949	59,769	180
Audit Fees	26,458	1,442	27,900	27,900	
Architectural/Engineering Services	27,450	(8,000)	19,450	19,250	200
Other Purchased Professional Services	4,685	(2,190)	2,495	2,495	
Communications/Telephones	33,674	(33,674)			
Board of Education Other Purchased Services	7,765	(212)	7,553	7,471	82
Other Purchased Services (400-500 series)	41,033	(58)	40,975	40,766	209
General Supplies	4,305	(490)	3,815	3,676	139
BOE In-House Training/Meeting Supplies	2,030	(110)	1,920	1,919	1
Miscellaneous Expenditures	9,250	2,139	11,389	10,212	1,177
BOE Membership Dues and Fees	11,476		11,476	11,251	225
Total Support Services - General Administration	472,716	(27,016)	445,700	440,177	5,523

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 303,469	\$ (67,108)	\$ 236,361	\$ 233,360	\$ 3,001
Salaries of Other Professional Staff	63,329	(278)	63,051	63,051	
Salaries of Secretarial and Clerical Assistants	142,742	29,173	171,915	146,220	25,695
Other Purchased Services (400-500 Services)	2,000	(172)	1,828	1,827	1
Supplies and Materials	14,000	(2,926)	11,074	11,074	
Other Objects	9,460	(2,367)	7,093	6,905	188
Total Support Services - School Administration	535,000	(43,678)	491,322	462,437	28,885
Central Services:					
Salaries	296,230	18,288	314,518	311,025	3,493
Purchased Professional Services	22,473	(1,045)	21,428	19,295	2,133
Purchased Technical Services	605	5	610	610	
Other Purchased Services (400-500 Services)	2,217	419	2,636	2,422	214
Supplies and Materials	5,180	(1,799)	3,381	2,827	554
Miscellaneous Expenditures	1,645	(1,445)	200	150	50
Total Central Services	328,350	14,423	342,773	336,329	6,444
Administrative Information Technology:					
Purchased Technical Services	29,000	(4,302)	24,698	24,697	1
Total Administrative Information Technology	29,000	(4,302)	24,698	24,697	1
Required Maintenance of School Facilities:					
Salaries	225,893	(18,208)	207,685	200,117	7,568
Cleaning, Repair and Maintenance Services	428,197	82,881	511,078	504,891	6,187
General Supplies	43,092	(4,868)	38,224	34,570	3,654
Total Required Maintenance of School Facilities	697,182	59,805	756,987	739,578	17,409

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services:					
Salaries	\$ 365,814	\$ 60,439	\$ 426,253	\$ 420,193	\$ 6,060
Purchased Professional/Technical Services	14,834	(5,752)	9,082	8,932	150
Cleaning, Repair and Maintenance Services	88,201	(19,080)	69,121	68,721	400
Lease Purchase Payments - Energy Savings Improvement Program	108,715		108,715	108,715	
Other Purchased Property Services (400-500 series)	74,325	(2,023)	72,302	62,204	10,098
Insurance	188,917	5,987	194,904	194,904	
General Supplies	102,728	(16,628)	86,100	82,892	3,208
Energy (Electricity)	234,110	35,501	269,611	269,611	
Energy (Natural Gas)	2,500	(2,044)	456	256	200
Energy (Oil)	135,000	62,398	197,398	179,452	17,946
Total Custodial Services	1,315,144	118,798	1,433,942	1,395,880	38,062
Care & Upkeep of Grounds:					
Salaries	158,565	10,100	168,665	163,449	5,216
Purchased Professional and Technical Services	21,960	(11,330)	10,630	9,733	897
Other Purchaed Services	40,534	(6,252)	34,282	32,543	1,739
General Supplies	30,658	6,646	37,304	36,149	1,155
Total Care & Upkeep of Grounds	251,717	(836)	250,881	241,874	9,007
Security:					
Salaries	102,244	77,491	179,735	177,114	2,621
Purchased Professional and Technical Services	12,565	(4,174)	8,391	7,750	641
Cleaning, Repair and Maintenance Services	3,700	(826)	2,874	1,050	1,824
General Supplies	3,600	(1,187)	2,413	2,259	154
Other Objects	3,000	(1,379)	1,621	1,590	31
Total Security	125,109	69,925	195,034	189,763	5,271

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Student Transportation Services					
Salaries of Non-Instructional Aides	\$ 288,715	\$ 46,903	\$ 335,618	\$ 326,847	\$ 8,771
Cleaning, Repair & Maintenance Services	60,000	13,706	73,706	58,702	15,004
Rental Payments - School Buses	2,500	65	2,565	2,565	
Contracted Services (Between Home & School) - Vendors	584,441	(11,938)	572,503	572,503	
Contracted Services (Other than Between Home & School) - Vendors	185,596	(49,385)	136,211	111,994	24,217
Contracted Services (Between Home & School) - Joint Agreements	250,000	(57,270)	192,730	191,497	1,233
Contracted Services (Special Education Students) - Joint Agreements	422,086	66,112	488,198	390,296	97,902
Miscellaneous Purchased Services	24,600	2,857	27,457	25,092	2,365
General Supplies	64,000	(9,237)	54,763	54,763	
Transportation Supplies	1,000	(214)	786	586	200
Other Objects	1,500	(250)	1,250	802	448
Total Transportation Services	1,884,438	1,349	1,885,787	1,735,647	150,140
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	330,001	(38,254)	291,747	257,697	34,050
Other Retirement Contributions - PERS	311,538	7,090	318,628	318,628	
Unemployment Compensation	39,970	28,897	68,867	58,763	10,104
Workmen's Compensation	199,654	(9,645)	190,009	190,009	
Health Benefits	3,354,906	(493,002)	2,861,904	2,812,650	49,254
Tuition Reimbursement	80,694	17,470	98,164	75,838	22,326
Other Employee Benefits	9,539	(1,300)	8,239	8,236	3
Total Unallocated Benefits - Employee Benefits	4,326,302	(488,744)	3,837,558	3,721,821	115,737

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
On-Behalf Contributions:					
TPAF Pension Contributions (Non-Budgeted)				\$ 1,863,338	\$ (1,863,338)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				862,900	(862,900)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				39,005	(39,005)
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				914	(914)
TPAF Social Security Contributions (Reimbursed - Non-Budgeted)				697,346	(697,346)
Total On-Behalf Contributions				3,463,503	(3,463,503)
Total Personal Services - Employee Benefits	\$ 4,326,302	\$ (488,744)	\$ 3,837,558	7,185,324	(3,347,766)
Total Undistributed Expenses	14,278,626	(254,121)	14,024,505	17,070,058	(3,045,553)
TOTAL CURRENT EXPENSE	23,579,770	(210,723)	23,369,047	26,338,126	(2,969,079)
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures - Athletic	34,352	8,138	42,490	42,490	
Undistributed Expenditures - Instruction	12,918	4,502	17,420	17,420	
Undistributed Expenditures - Custodial Services		25,299	25,299	25,299	
Total Equipment	47,270	37,939	85,209	85,209	
Facilities Acquisition and Construction Services:					
Construction Services	300,000		300,000	293,149	6,851
Assessment for Debt Service on SDA Funding	4,496		4,496	4,496	
Total Facilities Acquisition and Construction Services	304,496		304,496	297,645	6,851
TOTAL CAPITAL OUTLAY	351,766	37,939	389,705	382,854	6,851
TOTAL EXPENDITURES	23,931,536	(172,784)	23,758,752	26,720,980	(2,962,228)

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (1,555,722)	\$ (187,175)	\$ (1,742,897)	\$ (1,221,830)	\$ 521,067
Fund Balance, July 1	2,143,123		2,143,123	2,143,123	
Fund Balance, June 30	\$ 587,401	\$ (187,175)	\$ 400,226	\$ 921,293	\$ 521,067
Recapitulation:					
Restricted:				\$ 328,140	
Capital Reserve				714	
Maintenance Reserve					
Assigned:					
Year-end Encumbrances				96,287	
Designated for Subsequent Year's Expenditures				15,001	
Unassigned				481,151	
				921,293	
Reconciliation to Governmental Funds Statements (GAAP):				(623,759)	
Last Two State Aid Payments not recognized on GAAP basis				\$ 297,534	
Fund Balance per Governmental Funds (GAAP)					

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 283,931	\$ 43,495	\$ 327,426	\$ 327,426	
Total Revenues	<u>283,931</u>	<u>43,495</u>	<u>327,426</u>	<u>327,426</u>	
EXPENDITURES:					
Instruction:					
Other Salaries for Instruction	10,000	7,525	17,525	17,525	
Purchased Professional/Educational Services	1,400		1,400	1,400	
Tuition	173,338	31,972	205,310	205,310	
General Supplies	22,653	20,711	43,364	43,364	
Miscellaneous Expenditures	6,500		6,500	6,500	
Total Instruction	<u>213,891</u>	<u>60,208</u>	<u>274,099</u>	<u>274,099</u>	
Support Services:					
Personal Service - Employee Benefits	3,100		3,100	3,100	
Purchased Professional/Technical Services	25,764	(6,730)	19,034	19,034	
Other Purchased Services	21,800	(5,197)	16,603	16,603	
Supplies and Materials	19,376	(4,786)	14,590	14,590	
Total Support Services	<u>70,040</u>	<u>(16,713)</u>	<u>53,327</u>	<u>53,327</u>	
Total Expenditures	<u>\$ 283,931</u>	<u>\$ 43,495</u>	<u>\$ 327,426</u>	<u>\$ 327,426</u>	<u>\$ -0-</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 25,499,150	\$ 327,426
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Revenue and Expenditures, whereas the GAAP Basis does not		22,174
Prior Year State Aid Payments Not Recognized for Budgetary Purposes, Recognized for GAAP Statements	615,985	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(623,759)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 25,491,376	\$ 349,600
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 26,720,980	\$ 327,426
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		22,174
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 26,720,980	\$ 349,600

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2019 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C.6:20-2A.2(m)l. Transfers of appropriations may be made by school board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Elementary and Secondary Education Act				IDEA Part B	Perkins	Total
	Title I	Title II A	Title IV	Basic -	Vocational	Education	
REVENUE:							
Federal Sources	\$ 74,161	\$ 17,534	\$ 10,000	\$ 205,310	\$ 20,421		\$ 327,426
Total Revenue	\$ 74,161	\$ 17,534	\$ 10,000	\$ 205,310	\$ 20,421		\$ 327,426
EXPENDITURES:							
Instruction:							
Other Salaries for Instruction	\$ 17,525				\$ 1,400		\$ 17,525
Purchased Professional/Technical Services							1,400
Tuition				\$ 205,310		18,431	205,310
General Supplies	22,933		\$ 2,000				43,364
Miscellaneous Expenditures			6,500				6,500
Total Instruction	40,458		8,500	205,310	19,831		274,099
Support Services:							
Personal Service - Employee Benefits	3,100						3,100
Purchased Professional/Technical Services		\$ 17,534	1,500				19,034
Other Purchased Services	16,603						16,603
Supplies and Materials	14,000					590	14,590
Total Support Services	33,703	17,534	1,500			590	53,327
Total Expenditures	\$ 74,161	\$ 17,534	\$ 10,000	\$ 205,310	\$ 20,421		\$ 327,426

CAPITAL PROJECTS FUND - NOT APPLICABLE

PROPRIETARY FUNDS

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	\$ 5,972	\$ 17,300	\$ 5,845	\$ 12,444	\$ 41,561
Accounts Receivable:					
State	102				102
Federal	2,764				2,764
Intergovernmental - Other		312,176			312,176
Other	265				265
Interfund Receivable - General Fund	7,726			8,540	7,726
Inventories	5,777				14,317
Total Current Assets	22,606	329,476	5,845	20,984	378,911
Non-Current Assets:					
Capital Assets	289,789				289,789
Less: Accumulated Depreciation	(281,943)				(281,943)
Total Non-Current Assets	7,846				7,846
Total Assets	30,452	329,476	5,845	20,984	386,757
LIABILITIES:					
Current Liabilities:					
Accounts Payable - Vendors		43,715			43,715
Interfund Payable - General Fund					-
Unearned Revenue - Prepaid Sales	2,158				2,158
Unearned Revenue - Donated Commodities	974				974
Total Current Liabilities	3,132	43,715			46,847
NET POSITION:					
Investment in Capital Assets	7,846				7,846
Unrestricted	19,474	285,761	5,845	20,984	332,064
Total Net Position	\$ 27,320	\$ 285,761	\$ 5,845	\$ 20,984	\$ 339,910

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
Operating Revenue:					
Local Sources:					
Daily Sales - Reimbursable Programs	\$ 140,980				\$ 140,980
Daily Sales - Non Reimbursable Programs	120,094				120,094
Program Fees		\$ 1,179,068	\$ 2,927	\$ 7,676	1,189,671
Total Operating Revenue	261,074	1,179,068	2,927	7,676	1,450,745
Operating Expenses:					
Cost of Sales - Reimbursable Programs	64,554				64,554
Cost of Sales - Non Reimbursable Programs	85,432				85,432
Salaries, Benefits & Payroll Taxes	153,874				153,874
Other Purchased Services		1,193,826			1,193,826
Management Fee	16,469				16,469
Depreciation Expense	2,754				2,754
Other Miscellaneous Expenses	16,415		3,766	8,361	28,542
Total Operating Expenses	339,498	1,193,826	3,766	8,361	1,545,451
Operating (Loss)	(78,424)	(14,758)	(839)	(685)	(94,706)

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
Non-Operating Revenue:					
State Sources:					
State School Lunch Program	\$ 2,398				\$ 2,398
Federal Sources:					
National School Lunch Program	60,259				60,259
Food Distribution Program	12,014				12,014
Local Sources:					
Interest Income	40		\$ 6	\$ 12	58
Total Non-Operating Revenue	74,711		6	12	74,729
Change in Net Position	(3,713)	\$ (14,758)	(833)	(673)	(19,977)
Net Position - Beginning of Year	31,033	300,519	6,678	21,657	359,887
Net Position - End of Year	\$ 27,320	\$ 285,761	\$ 5,845	\$ 20,984	\$ 339,910

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 261,349	\$ 990,781	\$ 2,927	\$ 7,676	\$ 1,262,733
Payments to Employees	(153,874)				(153,874)
Payments to Food Service Vendor	(168,812)				(168,812)
Payments to Suppliers	(16,415)	(1,150,111)	(3,766)	(8,293)	(1,178,585)
Net Cash (Used) for Operating Activities	(77,752)	(159,330)	(839)	(617)	(238,538)
Cash Flows from Noncapital Financing Activities:					
Cash Received from State Sources	2,464				2,464
Cash Received from Federal Sources	61,617				61,617
Net Cash Provided by Noncapital Financing Activities	64,081				64,081
Cash Flows from Capital Financing Activities:					
Purchase of Equipment	(7,188)				(7,188)
Net Cash (Used) for Capital Financing Activities	(7,188)				(7,188)
Cash Flows from Investing Activities:					
Investment Income	40		6	12	58
Net Cash Flows Provided by Investing Activities:	40		6	12	58
Net (Decrease) in Cash and Cash Equivalents	(20,819)	(159,330)	(833)	(605)	(181,587)
Cash and Cash Equivalents, July 1	26,791	176,630	6,678	13,049	223,148
Cash and Cash Equivalents, June 30	\$ 5,972	\$ 17,300	\$ 5,845	\$ 12,444	\$ 41,561

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
Reconciliation of Operating (Loss) to Net Cash (Used) for Operating Activities:					
Operating (Loss)	\$ (78,424)	\$ (14,758)	\$ (839)	\$ (685)	\$ (94,706)
Adjustment to Reconcile Operating Income/(Loss) to Cash (Used) for Operating Activities:					
Federal Food Distribution Program	12,014				12,014
Depreciation	2,754				2,754
Changes in Assets and Liabilities:					
(Increase)/Decrease in Accounts Receivable	275	(188,287)		68	(188,012)
Decrease in Inventory	1,299				1,367
(Increase) in Interfund Receivable	(7,726)				(7,726)
Increase/(Decrease) in Accounts Payable	(7,680)	43,715			36,035
(Decrease) in Unearned Revenue - Prepaid Sales	(93)				(93)
(Decrease) in Unearned Revenue - Donated Commodities	(171)				(171)
Net Cash (Used) for Operating Activities	\$ (77,752)	\$ (159,330)	\$ (839)	\$ (617)	\$ (238,538)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. donated commodities through the Food Distribution Program valued at \$1,843 and utilized commodities valued at \$12,014

FIDUCIARY FUNDS

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Payroll</u>	<u>Agency Student Activity</u>	<u>Total</u>	<u>Private Purpose Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 244,924	\$ 102,123	\$ 347,047	\$ 50,093	\$ 35,251
Total Assets	<u>244,924</u>	<u>102,123</u>	<u>347,047</u>	<u>50,093</u>	<u>35,251</u>
<u>LIABILITIES:</u>					
Net Salaries and Wages	6,971		6,971		
Payroll Deductions and Withholdings Due to Student Groups	237,953		237,953		
		102,123	102,123		
Total Liabilities	<u>244,924</u>	<u>102,123</u>	<u>347,047</u>		
<u>NET POSITION:</u>					
Held in Trust for Unemployment Claims				50,093	35,251
Restricted For Scholarships					
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 50,093</u>	<u>\$ 35,251</u>

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

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 95,034	\$ 415,668	\$ 408,579	\$ 102,123
Total Assets	<u>\$ 95,034</u>	<u>\$ 415,668</u>	<u>\$ 408,579</u>	<u>\$ 102,123</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 95,034	\$ 415,668	\$ 408,579	\$ 102,123
Total Liabilities	<u>\$ 95,034</u>	<u>\$ 415,668</u>	<u>\$ 408,579</u>	<u>\$ 102,123</u>

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

	<u>Balance</u> <u>June 30, 2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2019</u>
High School Activities Fund	\$ 93,397	\$ 355,123	\$ 348,096	\$ 100,424
High School Athletic Fund	<u>1,637</u>	<u>60,545</u>	<u>60,483</u>	<u>1,699</u>
Total	<u>\$ 95,034</u>	<u>\$ 415,668</u>	<u>\$ 408,579</u>	<u>\$ 102,123</u>

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

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 150,222	\$ 14,601,246	\$ 14,506,544	\$ 244,924
Interfund Receivable - General Fund	5,887		5,887	
Total Assets	<u>\$ 156,109</u>	<u>\$ 14,601,246</u>	<u>\$ 14,512,431</u>	<u>\$ 244,924</u>
 <u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 135,201	\$ 6,452,412	\$ 6,349,660	\$ 237,953
Net Salaries and Wages	6,970	8,148,834	8,148,833	6,971
Interfund Payable - General Fund	13,938		13,938	
Total Liabilities	<u>\$ 156,109</u>	<u>\$ 14,601,246</u>	<u>\$ 14,512,431</u>	<u>\$ 244,924</u>

LONG-TERM DEBT

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

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2018</u>	<u>Matured</u>	<u>Balance June 30, 2019</u>
Energy Savings Equipment Lease	1.075%	\$ 1,327,620	\$ 926,767	\$ 88,676	\$ 838,091
			<u>\$ 926,767</u>	<u>\$ 88,676</u>	<u>\$ 838,091</u>

STATISTICAL SECTION
(UNAUDITED)

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

Contents

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

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

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

	June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net Investment in Capital Assets	\$ 3,132,986	\$ 3,083,158	\$ 3,765,813	\$ 4,538,503	\$ 5,122,169	\$ 6,435,416	\$ 6,944,055	\$ 4,037,258	\$ 3,776,813	\$ 3,677,092
Restricted	1,506,827	2,927,342	3,676,073	3,349,049	3,251,378	2,704,749	1,955,513	1,173,366	724,918	328,854
Unrestricted/(Deficit)	(493,281)	(942,067)	(799,750)	18,546	(6,004,806)	(6,914,660)	(6,728,563)	(7,406,890)	(7,242,497)	(8,124,176)
Total Governmental Activities Net Position/(Deficit)	\$ 4,146,531	\$ 5,068,433	\$ 6,642,136	\$ 7,906,098	\$ 2,368,741	\$ 2,225,505	\$ 2,171,005	\$ (2,196,266)	\$ (2,740,766)	\$ (4,118,230)
Business-Type Activities										
Investment in Capital Assets	\$ 2,444	\$ 2,115	\$ 9,928	\$ 9,599	\$ 27,265	\$ 26,936	\$ 26,607	\$ 6,645	\$ 3,412	\$ 7,846
Unrestricted	203,492	393,104	570,374	609,457	632,853	596,048	408,925	298,278	356,475	332,064
Total Business-Type Activities Net Position	\$ 205,936	\$ 395,219	\$ 580,302	\$ 619,056	\$ 660,118	\$ 622,984	\$ 435,532	\$ 304,923	\$ 359,887	\$ 339,910
District-Wide										
Net Investment in Capital Assets	\$ 3,135,430	\$ 3,085,273	\$ 3,775,742	\$ 4,548,102	\$ 5,149,434	\$ 6,462,352	\$ 6,970,662	\$ 4,043,903	\$ 3,780,225	\$ 3,684,938
Restricted	1,506,827	2,927,342	3,676,073	3,349,049	3,251,378	2,704,749	1,955,513	1,173,366	724,918	328,854
Unrestricted/(Deficit)	(289,789)	(548,963)	(229,376)	628,003	(5,371,953)	(6,318,612)	(6,319,638)	(7,108,612)	(6,886,022)	(7,792,112)
Total District Net Position/(Deficit)	\$ 4,352,468	\$ 5,463,652	\$ 7,222,438	\$ 8,525,154	\$ 3,028,859	\$ 2,848,489	\$ 2,606,537	\$ (1,891,343)	\$ (2,380,879)	\$ (3,778,320)

Source: School District Financial Reports

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

UNAUDITED
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fiscal Year Ending June 30,										
Expenses										
Governmental activities										
Instruction										
Regular	\$ 10,228,209	\$ 9,962,143	\$ 9,757,739	\$ 10,509,989	\$ 10,363,494	\$ 11,520,175	\$ 12,906,396	\$ 15,029,523	\$ 13,581,093	\$ 13,650,532
Special Education	2,836,455	2,807,547	2,584,545	2,250,799	2,034,921	2,832,984	3,605,207	3,470,736	3,032,494	3,044,342
Other Special Education	1,211,036	1,022,488	1,302,373	1,221,996	1,339,062	1,452,353	118,478	1,108,329	1,090,651	1,099,707
Other Instruction				266,655	261,685		1,209,433	301,335	266,342	240,641
Support Services:										
Tuition	1,142,185	802,083	993,890	943,288	1,249,788	1,258,017	1,052,244	1,087,347	1,310,444	1,617,791
Student & Instruction Related Services	2,924,563	3,070,090	2,919,348	3,242,318	3,528,804	3,975,858	3,700,324	4,064,234	3,630,046	3,449,346
School Administrative Services	1,224,505	1,003,071	997,092	627,069	560,774	619,516	522,149	485,017	916,378	864,739
General Administrative Services	991,431	965,708	1,094,206	1,185,882	1,037,768	1,172,827	1,028,969	1,157,618	511,751	502,442
Central Services				433,361	444,486	454,485	415,685	438,096	438,325	428,373
Administrative Information Technology				34,705	59,367	45,554	39,043	30,687	22,034	24,697
Plant Operations And Maintenance	2,205,602	2,313,752	2,545,109	2,587,116	2,808,908	2,569,793	2,538,115	2,983,794	2,247,712	2,669,861
Pupil Transportation	1,811,235	1,758,682	1,900,940	1,742,693	1,972,685	1,936,193	1,799,896	1,911,202	1,908,858	1,973,655
Interest On Long-Term Debt	99,806	41,447	34,497	26,893	18,834	9,875	396			
Unallocated Depreciation									224,145	
Capital Outlay					4,496	36,399	29,968	35,661	11,593	
Total Governmental Activities Expenses	24,675,026	23,747,011	24,129,740	25,072,764	25,680,576	27,884,029	28,966,303	32,103,779	29,191,866	29,777,716
Business-type activities:										
Food Service	661,866	435,747	414,208	354,256	360,017	409,611	470,378	430,342	351,359	339,498
Transportation Services	1,284,756	848,346	710,089	692,528	760,481	23,000	27,594	1,077,985	955,971	1,193,826
Adult School	14,625	13,579	14,422	6,490	11,328	17,777	15,698	6,103	6,780	3,766
School Store	18,187	9,577	20,220	17,047	15,933	769,623	1,134,769	20,898	6,936	8,361
Total Business-Type Activities Expense	1,979,434	1,307,250	1,158,940	1,070,321	1,147,759	1,220,011	1,648,439	1,535,328	1,321,046	1,545,451
Total District Expenses	26,654,460	25,054,261	25,288,681	26,143,085	26,828,335	29,104,040	30,614,742	33,639,107	30,512,912	31,323,167
Program Revenues										
Governmental Activities:										
Charges For Services:										
Tuition	257,246	391,128	121,196	251,295	286,804	678,827	999,366	895,190	1,275,757	1,430,012
Operating Grants and Contributions	3,983,715	3,664,876	3,643,043	9,180,093	8,672,786	11,162,696	12,079,638	14,245,327	12,992,861	12,668,237
Capital Grants and Contributions								628,906		
Total Governmental Activities Program Revenues	4,240,961	4,056,004	3,764,239	9,431,388	8,959,590	11,841,523	13,079,004	15,769,423	14,268,618	14,098,249

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

UNAUDITED
(accrual basis of accounting)
(Continued)

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-Type Activities:										
Charges for services										
Food Service	\$ 453,503	\$ 398,427	\$ 380,396	\$ 303,406	\$ 316,329	\$ 306,413	\$ 359,346	\$ 309,357	\$ 284,133	\$ 261,074
Transportation Services	1,039,439	1,008,974	862,803	718,763	772,975	770,362	998,543	1,015,575	1,003,619	1,179,068
Adult School	12,908	13,839	14,358	9,466	13,269	10,383	6,590	7,090	4,407	2,927
School Store	20,454	13,868	21,319	16,732	20,064	14,422	15,187	16,650	10,584	7,676
Operating Grants and Contributions										
Food Service	64,103	60,873	64,749	60,536	65,996	81,112	81,189	74,522	73,208	74,671
Total Business-Type Activities Program Revenues	1,590,407	1,495,980	1,343,625	1,108,903	1,188,633	1,182,692	1,460,855	1,423,194	1,375,951	1,525,416
Total District Program Revenues	5,831,368	5,551,984	5,107,864	10,540,291	10,148,223	13,024,215	14,539,859	17,192,617	15,644,569	15,623,665
Net (Expense)/Revenue										
Governmental Activities	(20,434,065)	(19,691,007)	(20,365,501)	(15,641,376)	(16,720,986)	(16,042,506)	(15,887,299)	(16,334,356)	(14,923,248)	(15,679,467)
Business-Type Activities	(389,027)	188,731	184,684	38,582	40,874	(37,319)	(187,584)	(112,134)	54,905	(20,035)
Total District-Wide Net Expense	(20,823,092)	(19,502,276)	(20,180,816)	(15,602,794)	(16,680,112)	(16,079,825)	(16,074,883)	(16,446,490)	(14,868,343)	(15,699,502)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	14,891,072	15,566,621	15,849,073	16,055,482	15,878,434	15,612,914	15,612,914	15,401,826	14,356,619	14,256,964
Property Taxes Levied for Debt Service, Net	707,266	152,922	158,197	195,391	192,538	194,000	194,749			
Federal and State Aid not Restricted	6,282,192	4,789,978	5,544,997	336,971			11,214	11,617	9,351	19,763
Investment Earnings	5,054	14,583	11,309	1,487	1,480	738	2,721	2,618	2,003	1,525
Miscellaneous Income	66,796	88,804	375,628	258,499	559,503	91,618	11,201	65,214	10,775	23,751
Transfers	(146,139)									
Total Governmental Activities	21,806,242	20,612,908	21,939,204	16,847,830	16,631,955	15,899,270	15,832,799	15,481,275	14,378,748	14,302,003
Business-Type Activities:										
Investment Earnings	148	552	399	173	188	185	132	80	59	58
Transfers	145,179							5,388		
Total Business-Type Activities	145,327	552	399	173	188	185	132	5,468	59	58
Total District-Wide	21,951,569	20,613,460	21,939,603	16,848,003	16,632,143	15,899,455	15,832,931	15,486,743	14,378,807	14,302,061
Change in Net Position										
Governmental Activities	1,372,176	921,901	1,573,703	1,206,454	(89,031)	(143,236)	(54,500)	(853,081)	(544,500)	(1,377,464)
Business-Type Activities	(243,700)	189,282	185,084	38,755	41,062	(37,134)	(187,452)	(106,666)	54,964	(19,977)
Total District	\$ 1,128,476	\$ 1,111,184	\$ 1,758,787	\$ 1,245,209	\$ (47,969)	\$ (180,370)	\$ (241,952)	\$ (959,747)	\$ (489,536)	\$ (1,397,441)

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Restricted	\$ 1,528,622	\$ 2,962,466	\$ 3,562,871	\$ 3,349,047	\$ 3,251,375	\$ 2,704,746	\$ 1,955,511	\$ 1,173,364	\$ 724,918	\$ 328,854
Assigned/(Unassigned)	368,669	5,816	549,477	800,235	326,794	6,752	701,377	387,133	802,220	(31,230)
Total General Fund	\$ 1,897,291	\$ 2,968,283	\$ 4,112,348	\$ 4,149,282	\$ 3,578,169	\$ 2,711,498	\$ 2,656,888	\$ 1,560,497	\$ 1,527,138	\$ 297,624
All Other Governmental Funds										
Restricted/(Deficit)	\$ (35,126)	\$ (277,152)								
Restricted for:										
Debt Service Fund	\$ 1	2	2	2	3	3	2	2	2	2
Unassigned/(Deficit)						(326,178)	(448,221)			
Total All Other Governmental Funds/(Deficit)	\$ 1	\$ (35,124)	\$ (277,150)	\$ 2	\$ 3	\$ 3	\$ (448,219)	\$ 2	\$ -0-	\$ -0-
Total Fund Balances	\$ 1,897,292	\$ 2,933,158	\$ 3,835,198	\$ 4,149,284	\$ 3,578,172	\$ 2,711,501	\$ 2,208,669	\$ 1,560,499	\$ 1,527,138	\$ 297,624

Source: School District Financial Reports

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax Levy	\$ 15,698,144	\$ 15,760,990	\$ 16,041,767	\$ 16,250,873	\$ 16,070,972	\$ 15,806,914	\$ 15,807,663	\$ 15,401,826	\$ 14,356,619	\$ 14,256,964
Tuition Charges	257,246	391,128	121,196	244,795	286,804	678,827	999,366	895,190	1,275,757	1,430,012
Interest Earnings	5,054	14,583	11,309	1,487	1,480	738	2,721	2,618		
Miscellaneous	66,796	88,804	375,628	258,506	563,483	91,738	11,201	65,214	12,778	25,276
State Sources	8,811,725	7,742,169	8,630,774	9,138,769	8,345,837	8,563,950	8,942,705	10,054,614	9,514,688	9,764,351
Federal Sources	1,354,376	671,239	522,770	384,789	322,969	330,033	360,265	360,554	327,399	364,373
Total Revenue	26,193,341	24,668,912	25,703,443	26,279,219	25,591,545	25,472,200	26,123,921	26,780,016	25,487,241	25,840,976
Expenditures										
Instruction										
Regular Instruction	7,491,466	7,112,746	6,817,954	7,311,105	7,292,041	7,333,948	7,141,892	7,239,685	6,852,811	6,960,735
Special Education Instruction	2,163,466	2,101,949	1,908,798	1,597,565	1,402,857	1,840,101	2,120,461	1,826,498	1,612,789	1,673,196
Other Special Instruction	935,778	768,774	1,075,835	818,387	942,888	942,668	983,365	1,007,388	978,951	983,737
Other Instruction				187,956	183,917					
Support Services:										
Tuition	1,142,185	802,083	993,890	943,288	1,249,788	1,258,017	1,052,244	1,087,347	1,310,444	1,617,791
Student & Instruction Related Services	2,168,259	2,219,622	2,130,560	2,371,675	2,628,171	2,642,584	2,858,031	2,993,720	2,768,836	2,700,561
School Administrative Services	1,004,472	768,124	698,819	505,865	450,452	412,650	459,224	409,997	530,458	462,437
General Administrative Services	807,010	734,328	869,775	813,807	729,378	731,483	633,283	646,730	446,470	440,177
Central Services				311,186	326,503	297,317	325,871	321,226	325,960	336,329
Administrative Information Technology				34,705	45,760	45,554	39,043	30,687	22,034	24,697
Plant Operations And Maintenance	1,847,831	1,930,891	2,148,725	2,003,759	2,458,425	2,033,876	2,275,447	2,626,618	2,107,812	2,567,095
Pupil Transportation	1,681,199	1,639,920	1,703,444	1,661,839	1,772,029	1,698,644	1,645,555	1,746,071	1,798,127	1,735,647
Employee Benefits	4,811,209	5,025,687	5,198,872	6,066,534	5,600,421	5,611,377	5,771,626	6,399,939	6,643,902	7,185,324
Capital Outlay	282,603	334,553	1,062,037	2,469,691	887,490	1,622,830	799,983	463,374	122,008	382,854
Debt Service:										
Principal	1,115,000	150,000	155,000	165,000	170,000	180,000	190,000			
Interest And Other Charges	109,144	44,369	37,694	30,391	22,537	14,000	4,750			
Total Expenditures	25,559,621	23,633,046	24,801,404	27,292,753	26,162,657	26,665,049	26,300,575	26,799,280	25,520,602	27,070,580
Excess (Deficiency) Of Revenues Over (Under) Expenditures	633,720	1,035,866	902,039	(1,013,534)	(571,112)	(1,192,849)	(176,654)	(19,264)	(33,361)	(1,229,604)

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018
Other Financing Sources (Uses)										
Capital Leases (non-budgeted)				\$ 1,327,620		\$ 1,050,090			\$	2
Transfers In				59,819		(1,050,090)				(2)
Transfers Out	\$ (146,139)			(59,819)						
Total Other Financing Sources (Uses)	\$ (146,139)	\$ -0-	\$ -0-	1,327,620	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Net Change In Fund Balances	\$ 487,582	\$ 1,035,866	\$ 902,039	\$ 314,086	\$ (571,112)	\$ (1,192,849)	\$ (176,654)	\$ (19,264)	\$ (33,361)	\$ (1,229,604)
Debt Service As A Percentage Of Noncapital Expenditures	4.84%	0.83%	0.81%	0.79%	0.76%	0.77%	0.76%	0.00%	0.00%	0.00%

Source: School District Financial Reports

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Tuition	Interest	Refunds	Transportation		Building Use	Student Operated Cafeteria	Miscellaneous	Total
				Fees					
2010	\$ 257,246	\$ 5,054		\$	4,547			\$ 63,250	\$ 330,096
2011	391,128	14,583		2,331				86,473	494,514
2012	121,196	11,309	\$	1,126	\$	10,910	\$ 6,675	4,224	508,133
2013	244,795	6,043	352,693	5,618		34,119	8,159	71,117	504,781
2014	286,804	5,274	134,930	32,897			10,412	7,196	847,787
2015	678,827	3,741	505,204	52,153			13,134	22,086	771,183
2016	999,366	2,721	1,242					9,201	1,011,288
2017	895,190	2,618	10,091				413	54,710	963,022
2018	1,275,757	2,003						10,775	1,288,535
2019	1,430,012	1,525						18,761	1,450,298

Source: High Point Regional High School District District Records

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

Year Ended December 31,	Branchville Borough										Frankford Township										Lafayette Township													
	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	
2009	\$ 2,771,550	\$ 81,422,200	\$ 468,800	\$ 68,178,100	\$ 1,567,000	\$ 1,567,000	\$ 154,407,650	\$ 165,069	\$ 154,575,719	\$ 0.588	\$ 160,616,325	2009	\$ 39,020,900	\$ 731,711,400	\$ 101,823,000	\$ 71,526,000	\$ 6,335,800	\$ 1,075,900	\$ 951,493,000	\$ 2,746,065	\$ 954,239,065	\$ 0.485	\$ 969,749,412	2009	\$ 11,041,800	\$ 303,856,900	\$ 67,184,400	\$ 46,931,400	\$ 44,494,400	\$ 473,508,900	\$ 909,083	\$ 474,417,983	\$ 0.453	\$ 491,230,796
2010	2,832,750	82,015,300	468,800	60,247,800	1,567,000	1,567,000	147,131,650	206,011	147,337,661	0.629	147,618,315	2010	36,262,400	733,731,900	100,591,000	70,748,400	6,458,400	1,075,900	948,868,000	2,440,197	951,598,197	0.483	925,655,838	2010	10,195,400	302,586,600	66,281,100	49,056,600	44,494,400	472,614,100	548,807	473,162,907	0.457	448,864,212
2011	2,689,450	82,141,100	468,800	58,240,000	1,567,000	1,567,000	145,106,350	225,527	145,331,877	0.607	142,014,026	2011	34,553,400	734,220,600	102,117,600	69,990,600	6,548,400	1,075,900	948,306,500	2,337,821	950,644,321	0.501	882,845,249	2011	9,160,300	294,938,000	65,672,600	46,242,100	26,731,100	442,744,100	560,912	443,305,012	0.540	427,493,775
2012	2,254,350	71,399,200	423,800	57,496,700	1,388,000	1,388,000	132,962,050	237,409	133,199,459	0.636	142,761,211	2012	32,015,200	734,356,000	101,398,600	63,242,500	6,414,300	1,075,900	938,507,500	2,230,757	940,738,257	0.532	862,469,699	2012	8,661,800	292,547,500	67,325,300	45,727,600	23,929,500	438,832,307	596,007	438,832,307	0.560	414,089,316
2013	2,254,350	71,576,400	418,300	57,609,100	1,388,000	1,388,000	133,251,650	206,820	133,458,470	0.606	148,310,732	2013	18,976,800	559,837,200	72,998,200	60,275,700	5,529,600	880,200	721,747,200	2,033,198	723,780,398	0.706	792,810,574	2013	6,574,300	219,343,300	47,116,300	41,217,100	15,337,800	333,540,900	539,095	334,079,995	0.701	355,384,286
2014	2,333,050	71,358,600	423,800	57,285,300	1,388,000	1,388,000	132,788,750	213,947	133,002,697	0.582	139,687,493	2014	17,333,200	565,528,300	73,949,400	59,828,300	5,529,600	880,200	723,049,000	1,811,215	724,860,215	0.701	845,128,593	2014	6,746,400	219,287,600	49,051,500	41,203,100	15,337,800	331,626,400	494,830	332,121,230	0.693	373,817,248
2015	2,254,350	71,333,600	423,800	57,167,000	1,388,000	1,388,000	132,566,750	247,390	132,814,140	0.583	127,085,808	2015	17,180,700	570,042,100	74,134,500	59,064,500	5,529,600	841,700	726,793,100	2,183,338	728,976,438	0.601	825,685,795	2015	6,404,000	218,935,700	48,747,500	35,992,900	15,339,900	325,420,000	597,858	326,017,858	0.524	352,383,165
2016	1,905,150	71,432,300	440,500	52,639,200	1,388,000	1,388,000	127,805,150	220,899	128,026,049	0.429	125,626,181	2016	1,905,150	71,432,300	440,500	52,639,200	1,388,000	1,388,000	127,805,150	220,899	128,026,049	0.429	125,626,181	2016	6,715,300	220,130,800	47,955,900	39,293,100	14,459,900	328,555,000	588,015	329,143,015	0.542	348,586,224
2017	1,905,150	71,055,300	434,000	53,816,100	1,388,000	1,388,000	128,598,550	220,899	128,598,550	0.423	142,122,836	2017	1,905,150	71,055,300	434,000	53,816,100	1,388,000	1,388,000	128,598,550	220,899	128,598,550	0.423	142,122,836	2017	6,046,700	221,637,200	47,523,400	39,142,800	14,459,900	328,810,000	618,355	329,428,355	0.526	337,460,456
2018	2,138,600	71,256,600	419,200	54,317,900	1,388,000	1,388,000	129,520,300	639,396	126,520,300	0.467	128,225,339	2018	2,138,600	71,256,600	419,200	54,317,900	1,388,000	1,388,000	129,520,300	639,396	126,520,300	0.467	128,225,339	2018	5,724,800	223,146,500	46,427,700	38,980,400	14,459,900	328,739,300	639,396	329,378,696	0.529	343,097,932

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

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2009	\$ 1,069,900	\$ 52,983,900	\$ 394,300	\$ 16,578,200	\$ 474,100	\$ 6,896,000	\$ 78,396,400	\$ 1,341,249	\$ 79,737,649	\$ 0.855	\$ 149,022,809
2010	994,800	53,417,900	394,300	16,600,200	494,100	6,896,000	78,797,300	857,595	79,634,895	0.830	159,714,824
2011	960,900	53,446,500	394,300	16,533,600	474,100	6,896,000	78,705,400	717,621	79,423,021	0.869	140,439,616
2012	963,700	53,339,500	394,300	16,533,600	474,100	6,896,000	78,601,200	505,353	79,106,553	0.918	144,178,764
2013	* 1,732,400	81,631,500	640,100	25,708,300	721,600	16,707,400	127,162,800	662,927	127,825,727	0.592	132,158,837
2014	1,804,600	80,772,200	661,600	25,254,600	787,300	16,324,700	125,605,000	835,798	126,440,798	0.627	121,535,784
2015	1,838,400	80,688,700	661,600	24,735,400	787,300	16,190,200	124,901,600	1,107,571	126,009,171	0.653	124,451,895
2016	1,791,200	80,820,200	661,600	24,657,400	787,300	14,503,400	123,221,100		123,221,100	0.567	124,413,054
2017	1,791,200	80,740,000	661,600	26,734,600	787,300	14,484,100	125,198,800		125,198,800	0.449	130,280,646
2018	2,570,700	80,386,800	660,800	25,456,500	787,300	14,484,100	124,346,200		124,346,200	0.549	136,431,619
<u>Wantage Township</u>											
2009	\$ 59,181,060	\$ 1,119,347,900	\$ 157,618,456	\$ 113,353,662	\$ 761,300	\$ 5,822,300	\$ 1,456,084,678	\$ 2,298,850	\$ 1,458,383,528	\$ 0.485	\$ 1,549,245,517
2010	55,259,940	1,122,400,900	156,474,776	115,230,735	761,300	5,822,300	1,455,949,951	3,118,073	1,459,063,024	0.505	1,455,072,239
2011	51,572,340	1,119,230,400	159,407,276	114,954,935	961,300	5,822,300	1,451,948,551	3,405,033	1,455,353,584	0.492	1,390,716,975
2012	45,769,389	1,065,045,000	159,642,587	114,754,935	961,300	5,822,300	1,391,995,511	3,587,726	1,395,583,237	0.512	1,276,603,496
2013	42,071,360	1,057,651,000	150,677,900	114,525,205	961,300	5,822,300	1,379,386,858	3,447,661	1,382,834,519	0.514	1,212,594,551
2014	* 30,572,600	899,760,106	141,239,200	116,927,091	1,541,400	11,621,250	1,201,661,647	3,383,457	1,205,045,104	0.580	1,199,517,862
2015	30,651,700	899,500,006	141,212,300	116,927,091	1,541,400	11,621,250	1,201,453,747	3,805,642	1,205,259,389	0.637	1,200,996,055
2016	29,938,700	898,143,806	142,153,800	116,639,030	1,541,400	11,621,200	1,200,037,936		1,200,037,936	0.657	1,185,651,429
2017	29,631,300	899,354,006	141,686,252	114,342,284	1,541,400	11,621,200	1,198,176,442		1,198,176,442	0.605	1,169,093,206
2018	31,423,050	898,028,906	141,668,972	112,741,984	1,541,400	13,521,200	1,198,925,512		1,198,925,512	0.604	1,192,522,224

* Revaluation or Reassessment Year

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation.

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

b Tax rates are per \$100

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

Branchville Borough							
Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County	
2009	\$ 0.557	\$ 0.031	\$ 0.588		\$ 0.766	\$ 0.396	\$ 1.750
2010	0.608	0.021	0.629		0.790	0.397	1.816
2011	0.601	0.006	0.607		0.806	0.429	1.842
2012	* 0.628	0.008	0.636		0.894	0.499	2.029
2013	0.599	0.007	0.606		0.942	0.550	2.098
2014	0.575	0.007	0.582		0.953	0.548	2.083
2015	0.576	0.007	0.583		0.865	0.491	1.939
2016	0.429		0.429	\$ 0.169	1.006	0.493	2.097
2017	0.423		0.423	0.135	1.022	0.630	2.210
2018	0.467		0.467	0.134	0.962	0.575	2.138

Frankford Township							
Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County	
2009	\$ 0.460	\$ 0.025	\$ 0.485	\$ 0.195	\$ 0.693	\$ 0.388	\$ 1.761
2010	0.467	0.016	0.483	0.214	0.712	0.395	1.804
2011	0.496	0.005	0.501	0.214	0.739	0.405	1.859
2012	0.525	0.007	0.532	0.224	0.740	0.424	1.920
2013	* 0.697	0.009	0.706	0.306	0.977	0.538	2.527
2014	0.693	0.009	0.701	0.311	0.999	0.611	2.622
2015	0.593	0.007	0.601	0.311	1.057	0.583	2.552
2016	0.612		0.612	0.331	1.010	0.623	2.576
2017	0.584		0.584	0.341	0.988	0.631	2.544
2018	0.546		0.546	0.369	1.005	0.633	2.553

* Revaluation or Reassessment Year

Source: Municipal Tax Collector and School Business Administrator

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

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

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

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

Lafayette Township								
Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Local				
				Municipality	School District	County		
2009	\$ 0.431	\$ 0.022	\$ 0.453	\$ 0.145	\$ 0.829	\$ 0.395	\$ 1.822	
2010	0.442	0.015	0.457	0.175	0.838	0.387	1.857	
2011	0.534	0.006	0.540	0.191	0.902	0.428	2.061	
2012	0.553	0.007	0.560	0.196	0.912	0.439	2.107	
2013	* 0.693	0.008	0.701	0.263	1.190	0.523	2.677	
2014	0.684	0.008	0.693	0.270	1.210	0.587	2.760	
2015	0.684	0.006	0.524	0.270	1.420	0.557	2.771	
2016	0.542		0.542	0.286	1.335	0.580	2.743	
2017	0.526		0.526	0.285	1.270	0.585	2.666	
2018	0.529		0.529	0.286	1.267	0.606	2.688	

Sussex Borough								
Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Local				
				Municipality	School District	County		
2009	\$ 0.833	\$ 0.022	\$ 0.855	\$ 0.770	\$ 1.674	\$ 0.711	\$ 4.010	
2010	0.804	0.026	0.830	0.910	1.790	0.820	4.350	
2011	0.859	0.010	0.869	0.981	1.837	0.777	4.464	
2012	0.907	0.011	0.918	1.005	1.814	0.849	4.586	
2013	* 0.585	0.007	0.592	0.668	1.161	0.509	2.930	
2014	0.618	0.008	0.627	0.673	1.116	0.501	2.917	
2015	0.618	0.008	0.653	0.673	1.102	0.509	2.937	
2016	0.567		0.567	0.752	1.298	0.558	3.175	
2017	0.449		0.449	0.758	1.387	0.596	3.190	
2018	0.549		0.549	0.782	1.308	0.626	3.265	

Source: Municipal Tax Collector and School Business Administrator

* Revaluation or Reassessment Year

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

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

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

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

Wantage Township								
Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County		
2009	\$ 0.460	\$ 0.025	\$ 0.485	\$ 0.209	\$ 0.874	\$ 0.405	\$ 1.973	
2010	0.488	0.017	0.505	0.237	0.889	0.405	2.036	
2011	0.487	0.005	0.492	0.245	0.906	0.409	2.052	
2012	0.506	0.007	0.513	0.240	0.962	0.428	2.143	
2013	0.508	0.006	0.514	0.245	0.978	0.431	2.168	
2014	* 0.573	0.007	0.580	0.280	1.141	0.519	2.520	
2015	0.630	0.008	0.637	0.280	1.137	0.513	2.567	
2016	0.657		0.657	0.300	1.170	0.546	2.673	
2017	0.605		0.605	0.294	1.159	0.557	2.615	
2018	0.604		0.604	0.30	1.126	0.575	2.604	

Source: Municipal Tax Collector and School Business Administrator

* Revaluation or Reassessment Year

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

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

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

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

Branchville Borough

Frankford Township

Taxpayer	2018		Taxpayer	2018	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Wantage Avenue Holding Company Inc	\$ 31,006,100	24.51%	129 Morris Turnpike Realty, Inc.	\$ 6,500,000	0.89%
Franklin Mutual Insurance Company	5,425,900	4.29%	Sussex County Farm & Horse Show	2,793,000	0.38%
Haubrich Enterprises, LLC	1,150,700	0.91%	Visions Federal Credit Union	2,419,600	0.33%
Mill Manor, LLC	1,021,100	0.81%	Branchville Manor c/o Kaplan Dev	2,362,900	0.32%
Individual Taxpayer #1	1,007,200	0.80%	Corn Patch Realty, LLC	2,100,000	0.29%
LAC Realty Corp.	925,500	0.73%	Individual Taxpayer #1	1,987,500	0.27%
RBMK	915,600	0.72%	Skylands Stadium LLC	1,600,000	0.22%
Individual Taxpayer #2	896,500	0.71%	Individual Taxpayer #2	1,579,300	0.22%
National Bank of Sussex County	770,300	0.61%	One to One, LLC	1,352,400	0.18%
Individual Taxpayer #3	747,000	0.59%	Kymers Campground	1,346,900	0.18%
Total	\$ 43,865,900	34.67%	Total	\$ 24,041,600	3.29%

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

N/A - Not Available

Source: Municipal Tax Assessor

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO

UNAUDITED
(Continued)

Lafayette Township

Sussex Borough

Taxpayer	2018		Taxpayer	2018	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
205 Route 94 LLC	\$ 3,966,900	1.20%	Alpine Village Apt LLC	\$ 7,506,000	6.04%
BHR Ringwood Real Estate LLC	3,342,900	1.01%	Jimkev Realty, LLC/JTS, Inc.	3,700,000	2.98%
Durling Realty, LLC	2,200,000	0.67%	MPT of Morris, LLC	2,100,000	1.69%
Lafayette Village Associates, LLC	2,200,000	0.67%	Franklin Sussex Realty, LLC	1,929,500	1.55%
Carlwood Land Development, LLC	2,070,000	0.63%	Individual Taxpayer #1	1,702,800	1.37%
United Telephone Co of NJ	1,800,000	0.55%	Sussex Plaza Realty LLC	1,170,600	0.94%
34-38 Route 15 LAF C/O Lehigh Gas	1,785,600	0.54%	Great Gorge Holdings, LLC	1,046,800	0.84%
94 Associates, c/o Carson/Roberts	1,682,900	0.51%	RBND, LLC	985,600	0.79%
11 Millpond Drive, LLC	1,533,100	0.47%	Munson Street Dev., LLC	894,200	0.72%
10 Millpond Drive, LLC	1,490,700	0.45%	Individual Taxpayer #2	883,700	0.71%
Total	\$ 22,072,100	6.70%	Total	\$ 21,919,200	17.63%

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

N/A - Not Available

Source: Municipal Tax Assessor

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO

UNAUDITED
(Continued)

Wantage Township

	2018		2009	
	Taxpayer	Taxable Assessed Value	Taxpayer	Taxable Assessed Value
		% of Total District Net Assessed Value		% of Total District Net Assessed Value
Mainland Sussex Co	\$ 11,449,000	0.95%	N/A	N/A
Tenneco, Inc.	11,213,700	0.79%		
Wantage 2002 LLC	9,500,000	0.79%		
Regency Apartments, LLC	6,101,500	0.51%		
Town Center at Wantage, LLC	4,772,400	0.40%		
Mountain View Manor	4,397,500	0.37%		
Space Farms, Inc.	4,376,900	0.37%		
375 Route 23 Realty, LLC	2,844,100	0.24%		
Move In of New Jersey, LLC	2,838,300	0.24%		
Ames Rubber Corp.	2,801,800	0.23%		
Total	\$ 60,295,200	4.89%		

N/A - Not Available

Source: Municipal Tax Assessor

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

Branchville Borough

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2017	\$ 549,816	\$ 549,816	100.00%	
2018	543,358	543,358	100.00%	
2019	591,336	591,336	100.00%	

Frankford Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2017	\$ 4,482,603	\$ 4,482,603	100.00%	
2018	4,269,344	4,269,344	100.00%	
2019	3,995,325	3,995,325	100.00%	

Lafayette Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2017	\$ 1,786,153	\$ 1,786,153	100.00%	
2018	1,733,428	1,733,428	100.00%	
2019	1,743,384	1,743,384	100.00%	

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

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

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

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

Sussex Borough				
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2017	\$ 683,589	\$ 683,589	100.00%	
2018	562,434	562,434	100.00%	
2019	682,750	682,750	100.00%	
Wantage Township				
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2017	\$ 7,899,665	\$ 7,883,326	99.79%	
2018	7,248,054	7,248,054	100.00%	
2019	7,244,169	7,244,169	100.00%	

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

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Bond		Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Anticipation Notes (BANs)	Capital Leases	Capital Leases					
2010	\$ 1,675,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,675,000	0.16%	\$ 74.82	
2011	860,000	-0-	-0-	-0-	-0-	-0-	-0-	860,000	0.08%	38.58	
2012	705,000	-0-	-0-	-0-	-0-	-0-	-0-	705,000	0.06%	31.87	
2013	540,000	-0-	1,327,620	-0-	-0-	-0-	-0-	1,867,620	0.17%	85.02	
2014	370,000	-0-	1,262,567	-0-	-0-	-0-	-0-	1,632,567	0.14%	74.54	
2015	190,000	-0-	1,181,370	-0-	-0-	-0-	-0-	1,371,370	0.11%	63.25	
2016		-0-	1,098,365	-0-	-0-	-0-	-0-	1,098,365	0.09%	50.99	
2017		-0-	1,013,511	-0-	-0-	-0-	-0-	1,013,511	0.08%	47.24	
2018		-0-	926,767	-0-	-0-	-0-	-0-	926,767	0.07%	43.44	
2019		-0-	838,091	-0-	-0-	-0-	-0-	838,091	0.07%	39.28	

Source: School District Financial Reports

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2010	\$ 1,675,000	\$ -0-	\$ 1,675,000	0.05%	\$ 74.82
2011	860,000	-0-	860,000	0.03%	38.58
2012	705,000	-0-	705,000	0.02%	31.87
2013	540,000	-0-	540,000	0.02%	24.58
2014	370,000	-0-	370,000	0.01%	16.89
2015	190,000	-0-	190,000	0.01%	8.76
2016	-0-	-0-	-0-	0.00%	-0-
2017	-0-	-0-	-0-	0.00%	-0-
2018	-0-	-0-	-0-	0.00%	-0-
2019	-0-	-0-	-0-	0.00%	-0-

Source: School District Financial Reports

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

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

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

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

AS OF DECEMBER 31, 2018

UNAUDITED

	Borough of Branchville	Township of Frankford	Township of Lafayette	Borough of Sussex	Township of Wantage	High Point Regional High School District
Net Overlapping Debt of School District						
Municipal (100%)	\$ 171,923	\$ 474,576	\$ -0-	\$ 788,500	\$ 7,544,900	\$ 8,979,899
Local School (100%)	205,105	1,258,111	1,030,000	-0-	-0-	2,493,216
County of Sussex Share (1)	775,687	4,815,824	2,075,539	825,330	7,214,051	15,706,430
Total Direct and Overlapping Bonded Debt as of December 31, 2018						\$ 27,179,545

- (1) Borough of Branchville - 0.76%
- Township of Frankford - 4.69%
- Township of Lafayette - 2.02%
- Borough of Sussex - 0.80%
- Township of Wantage - 7.03%

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2019

	Borough of Branchville	Township of Frankford	Township of Lafayette	Borough of Sussex	Township of Wantage	Equalized Valuation Basis
2016	\$ 139,738,848	\$ 803,587,043	\$ 334,918,451	\$ 127,045,159	\$ 1,167,238,533	\$ 2,572,528,034
2017	125,713,734	792,864,273	340,877,047	136,130,042	1,188,077,781	2,583,662,877
2018	135,339,916	812,093,615	337,514,682	126,728,700	1,273,420,618	2,685,097,531
	<u>\$ 400,792,498</u>	<u>\$ 2,408,544,931</u>	<u>\$ 1,013,310,180</u>	<u>\$ 389,903,901</u>	<u>\$ 3,628,736,932</u>	<u>\$ 7,841,288,442</u>
Average Equalized Valuation of Taxable Property						\$ 2,613,762,814
Debt Limit (3% of average equalization value)						78,412,884
Total Net Debt Applicable to Limit						-0-
Legal Debt Margin						<u>\$ 78,412,884</u>

	Fiscal Year				
	2010	2011	2012	2013	2014
Debt Limit	\$ 95,169,182	\$ 95,202,494	\$ 94,410,069	\$ 90,262,671	\$ 82,589,097
Total Net Debt Applicable to Limit	15,708,909	860,000	705,000	540,000	370,000
Legal Debt Margin	<u>\$ 68,950,496</u>	<u>\$ 79,460,273</u>	<u>\$ 94,342,494</u>	<u>\$ 93,705,069</u>	<u>\$ 89,722,671</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	16.51%	0.90%	0.75%	0.60%	0.45%

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Limit	\$ 79,760,713	\$ 78,592,634	\$ 77,840,473	\$ 77,547,126	\$ 78,412,884
Total Net Debt Applicable to Limit	190,000	-0-	-0-	-0-	-0-
Legal Debt Margin	<u>\$ 82,219,097</u>	<u>\$ 79,570,713</u>	<u>\$ 79,570,713</u>	<u>\$ 77,547,126</u>	<u>\$ 78,412,884</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.24%	0.00%	0.00%	0.00%	0.00%

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

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

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

Year	Population ^a	Personal Income	Sussex County Per Capita Personal Income ^b	Unemployment Rate ^c
<u>Branchville Borough</u>				
2010	829	\$ 39,313,667	\$ 47,423	12.1%
2011	824	40,435,328	49,072	9.6%
2012	816	41,460,144	50,809	12.6%
2013	808	41,524,736	51,392	12.5%
2014	799	42,913,491	53,709	7.6%
2015	787	43,700,536	55,528	6.2%
2016	783	44,404,713	56,711	5.0%
2017	779	46,111,347	59,193	4.1%
2018	776	45,933,768	59,193 *	4.1%
2019	776 **	45,933,768 *	59,193 *	N/A
<u>Frankford Township</u>				
2010	5,539	\$ 262,675,997	\$ 47,423	7.8%
2011	5,516	270,681,152	49,072	9.6%
2012	5,484	278,636,556	50,809	8.1%
2013	5,455	280,343,360	51,392	8.0%
2014	5,435	291,908,415	53,709	7.0%
2015	5,383	298,907,224	55,528	5.9%
2016	5,351	303,460,561	56,711	5.0%
2017	5,335	315,794,655	59,193	4.8%
2018	5,311	314,374,023	59,193 *	4.6%
2019	5,311 **	314,374,023 *	59,193 *	N/A

Source:

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

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

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

* - Latest Sussex County per capita personal income available (2017) was used for calculation purposes.

** - Latest population data available (2018) was used for calculation purposes.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

(Continued)

Year	Population ^a	Personal Income	Sussex County Per Capita Personal Income ^b	Unemployment Rate ^c
<u>Lafayette Township</u>				
2010	\$ 2,515	\$ 119,268,845	\$ 47,423	10.6%
2011	2,495	122,434,640	49,072	9.60%
2012	2,469	125,447,421	50,809	10.90%
2013	2,440	125,396,480	51,392	10.90%
2014	2,446	131,372,214	53,709	6.2%
2015	2,421	134,433,288	55,528	4.8%
2016	2,402	136,219,822	56,711	4.6%
2017	2,394	141,708,042	59,193	3.8%
2018	2,377	140,701,761	59,193 *	3.9%
2019	2,377 **	140,701,761 *	59,193 *	N/A
<u>Sussex Borough</u>				
2010	2,137	\$ 101,342,951	\$ 47,423	9.8%
2011	2,124	104,228,928	49,072	9.60%
2012	2,105	106,952,945	50,809	10.20%
2013	2,084	107,100,928	51,392	10.10%
2014	2,063	110,801,667	53,709	7.9%
2015	2,039	113,221,592	55,528	6.9%
2016	2,026	114,896,486	56,711	5.7%
2017	2,013	119,155,509	59,193	5.8%
2018	2,003	118,563,579	59,193 *	5.3%
2019	2,003 **	118,563,579 *	59,193 *	N/A

Source:

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

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

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

* - Latest Sussex County per capita personal income available (2017) was used for calculation purposes.

** - Latest population data available (2018) was used for calculation purposes.

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

Year	Population ^a	Personal Income	Sussex County Per Capita Personal Income ^b	Unemployment Rate ^c
<u>Wantage Township</u>				
2010	11,366	\$ 539,009,818	\$ 47,423	11.5%
2011	11,332	556,083,904	49,072	9.60%
2012	11,245	571,347,205	50,809	11.50%
2013	11,181	574,613,952	51,392	11.80%
2014	11,170	599,929,530	53,709	6.7%
2015	11,051	613,639,928	55,528	5.1%
2016	10,978	622,573,358	56,711	4.7%
2017	10,934	647,216,262	59,193	4.3%
2018	10,867	643,250,331	59,193 *	3.9%
2019	10,867 **	643,250,331 *	59,193 *	N/A

Source:

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

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

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

* - Latest Sussex County per capita personal income available (2017) was used for calculation purposes.

** - Latest population data available (2018) was used for calculation purposes.

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

Employer	2018		2009		Employer	Percentage of Total Employment	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment
Selective Insurance Group Inc.	1,000-4,999	1.43%-7.17%	Crystal Springs Golf & Spa Resort	2,000	5.05%		
Crystal Springs Resort	1,000-4,999	1.43%-7.17%	Newton Memorial Hospital	1,490	3.76%		
Newton Medical Center	500-999	0.72%-1.43%	Selective Insurance	900	2.27%		
Sussex County Offices	500-999	0.72%-1.43%	County of Sussex	830	2.10%		
Thorlabs	500-999	0.72%-1.43%	Mountain Creek Resort	800	2.02%		
Mountain Creek Resort	500-999	0.72%-1.43%	Shop Rite (Ronetco)	697	1.76%		
Shop Rite	250-499	0.36%-0.72%	Ames Rubber Corp	445	1.12%		
Sussex County Community College	250-499	0.36%-0.72%	Walmart	412	1.04%		
United Methodist Community Bristol Glen	250-499	0.36%-0.72%	Andover Sub Acute and Rehab Center	300	0.76%		
Andover Subacute & Rehab Center	100-249	0.14%-0.36%	Sussex County Community College	300	0.76%		
Total	2,850-8,990	6.96%-12.42%		8,174	20.64%		

Source: County of Sussex

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction	93.0	82.0	91.5	79.0	79.0	79.0	79.0	72.5	62.3	64.4
Regular	29.5	16.0	13.0	19.5	17.5	17.5	17.0	19.7	18.6	16.4
Special Education										
Support Services:										
Tuition	25.0	25.0	21.0	29.0	28.0	28.0	30.0	32.4	30.0	29.5
Student and Instruction Related Services	2.0	3.0	3.0	3.0	3.0	3.0	3.0	2.1	3.0	3.0
General Administrative Services	9.5	9.5	9.0	9.5	9.5	9.5	8.0	6.5	5.5	4.5
School Administrative Services	5.5	5.5	3.5	4.0	4.0	4.0	4.0	3.6	3.6	3.6
Business and Other Support Services	15.5	15.5	15.5	16.0	13.0	13.0	13.0	15.4	13.0	13.3
Plant Operations and Maintenance	5.0	5.0	5.5	6.0	6.0	6.0	5.0	5.8	5.6	6.3
Pupil Transportation	11.0									
Food Service										
Total	196	162	162	166	160	160	159	158	142	141

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School	School				
2010	1,205	\$ 24,052,875	\$ 19,961	7.00%	103	1:12	1:12	1,198	1,155	-5.50%	95.86%
2011	1,148	23,104,124	20,126	0.82%	100	1:11	1:11	1,136	1,087	-5.22%	94.72%
2012	1,101	23,546,673	21,387	6.27%	100	1:11	1:11	1,099	1,054	-3.22%	95.77%
2013	1,014	24,627,671	24,288	13.56%	104	1:10	1:10	1,011	973	-7.75%	95.93%
2014	1,007	25,082,630	24,908	2.56%	96	1:10	1:10	1,007	971	-0.17%	96.43%
2015	1,009	24,848,219	24,627	-1.13%	96	1:10	1:10	1,001	938	-3.40%	92.96%
2016	996	25,305,842	25,407	3.17%	95	1:10	1:10	983	929	-0.96%	93.27%
2017	980	26,335,906	26,873	5.77%	94	1:10	1:10	910	851	-8.40%	86.84%
2018	912	25,398,594	27,849	3.63%	81	1:11	1:11	899	842	-1.06%	92.32%
2019	889	26,687,726	30,020	7.79%	80	1:11	1:11	877	831	-1.31%	93.48%

Note: Enrollment based on annual October district count.

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>District Building</u>										
High Point Regional High School										
Square Feet	219,283	219,283	219,283	219,283	219,283	219,283	219,283	219,283	219,283	219,283
Capacity (students)	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227
Enrollment	1,204	1,148	1,101	1,014	1,007	1,009	996	980	912	889

Source: High Point Regional High School District records

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

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

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

Fiscal Year Ended June 30,	High School	*	Total
2010	\$ 207,962	\$	207,962
2011	215,713		215,713
2012	382,393		382,393
2013	429,663		429,663
2014	484,001		484,001
2015	301,694		301,694
2016	676,723		676,723
2017	820,804		820,804
2018	366,794		366,794
2019	739,578		739,578

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

Source: High Point Regional High School District records

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2019
UNAUDITED

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

Source: District records

SINGLE AUDIT SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-298-8500 | 973-298-8501 Fax

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

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the High Point Regional High School District, in the County of Sussex (the "District") as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 11, 2019.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

November 11, 2019
Mount Arlington, New Jersey

NISIVOCCIA LLP



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



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-298-8500 | 973-298-8501 Fax
 Lawrence Business Park
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited the Board of Education of High Point Regional High School (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2019. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2019.

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

Report on Internal Control Over Compliance

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


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

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

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

November 11, 2019
Mount Arlington, New Jersey

NISIVOCCIA LLP



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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance (Accounts Receivable) 6/30/2018	Cash Received	Budgetary Expenditures	Balance 6/30/2019		Amounts Paid to Subrecipients
								Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Education Passed-through State Department of Education:										
General Fund:										
Medicaid Assistance Program	93.778	N/A	7/1/18 - 6/30/19	\$ 19,763	\$ (680)	\$ 11,461	\$ (19,763)	\$ (8,302)		
Medicaid Assistance Program	93.778	N/A	7/1/17 - 6/30/18	9,351		680				
Total General Fund					(680)	12,141	(19,763)	(8,302)		
U.S. Department of Agriculture										
Passed-through State Department of Agriculture:										
Child Nutrition Cluster:										
Federal Food Distribution Program	10.555	N/A	7/1/18 - 6/30/19	11,843		11,843	(10,869)		\$ 974	
Federal Food Distribution Program	10.555	N/A	7/1/17 - 6/30/18	9,757	\$ 1,145		(1,145)			
National School Lunch Program	10.555	N/A	7/1/18 - 6/30/19	60,259		57,495	(60,259)	(2,764)		
National School Lunch Program	10.555	N/A	7/1/17 - 6/30/18	60,275	(4,122)	4,122				
Total U.S. Department of Agriculture/Child Nutrition Cluster					(2,977)	73,460	(72,273)	(2,764)	974	
U.S. Department of Education										
Passed-through State Department of Education:										
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027	FT-2165-19	7/1/18 - 6/30/19	205,310		205,310	(205,310)			
Subtotal Special Education Cluster						205,310	(205,310)			
Elementary and Secondary Education Act:										
Title I	84-010A	ESEA-2165-19	7/1/18 - 6/30/19	74,161		74,161	(74,161)			
Title II A	84.278A	ESEA-2165-19	7/1/18 - 6/30/19	17,534		17,534	(17,534)			
Title IV	84.186	ESEA-5435-19	7/1/18 - 6/30/19	10,000		10,000	(10,000)			
Perkins Vocational Education - Basic Grants	84.048A	PERK 2165-19	7/1/18 - 6/30/19	20,421		20,421	(20,421)			
Total U.S. Department of Education						327,426	(327,426)			
Total Federal Financial Awards					\$ (3,657)	\$ 413,027	\$ (419,462)	\$ (11,066)	\$ 974	\$ -0-

N/A - Not Available

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance		Balance 6/30/2019		MEMO	
				(Accounts Receivable) 6/30/2018	Cash Received	GAAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
NJ Department of Education:									
Equalization Aid	19-495-034-5120-078	7/1/18 - 6/30/19	\$ 4,284,622	\$ (420,168)	\$ 3,849,167	\$ (4,284,622)	\$ (435,455)	\$ 4,284,622	4,284,622
Transportation Aid	19-495-034-5120-014	7/1/18 - 6/30/19	748,822	(73,432)	672,718	(748,822)	(76,104)	748,822	748,822
Special Education Aid	19-495-034-5120-089	7/1/18 - 6/30/19	702,032	(59,474)	630,683	(702,032)	(71,349)	702,032	702,032
Security Aid	19-495-034-5120-084	7/1/18 - 6/30/19	86,130	(8,446)	77,376	(86,130)	(8,754)	86,130	86,130
Adjustment Aid	19-495-034-5120-085	7/1/18 - 6/30/19	261,984	(48,617)	235,358	(261,984)	(26,626)	261,984	261,984
School Choice Aid	19-495-034-5120-068	7/1/18 - 6/30/19	53,832	(933)	48,361	(53,832)	(5,471)	53,832	53,832
Extraordinary Aid	19-495-034-5120-044	7/1/18 - 6/30/19	155,199	(933)		(155,199)	(155,199)	155,199	155,199
Non-Public Transportation	19-495-034-5120-014	7/1/18 - 6/30/19	16,001	(901)		(16,001)	(16,001)	16,001	16,001
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18 - 6/30/19	697,346	(3,081)	628,286	(697,346)	(69,060)	697,346	697,346
Total General Fund State Aid									
				(780,933)	9,693,929	(9,772,125)	(864,019)	16,847,659	16,847,659
Total NJ Department of Education									
				(780,933)	9,693,929	(9,772,125)	(864,019)	16,847,659	16,847,659

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance		Cash Received	Budgetary Expenditures	Adjustment	Balance 6/30/2019		MEMO	
				(Accounts Receivable) 6/30/2018					GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
Enterprise Fund:												
State School Lunch Program	19-100-034-5120-122	7/1/18 - 6/30/19	\$ 2,398	\$	\$ 2,296	\$	\$ (2,398)		\$ (102)	\$	\$ (102)	\$ 2,719
State School Lunch Program	18-100-034-5120-122	7/1/17 - 6/30/18	2,609	(168)	168							2,609
Total Enterprise Fund				(168)	2,464		(2,398)		(102)		(102)	5,328
Total State Awards				\$ (781,101)	\$ 9,696,393		\$ (9,774,523)	\$ (4,890)	\$ (240,362)	\$ -0-	\$ (864,121)	\$ 16,852,987
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Pension System Contributions	19-495-034-5094-001	7/1/18 - 6/30/19	\$ 1,863,338				\$ 1,863,338					
On-Behalf TPAF Pension System Contributions	19-495-034-5094-002	7/1/18 - 6/30/19	862,900				862,900					
On-Behalf TPAF Non-Contributory Insurance	19-495-034-5094-004	7/1/18 - 6/30/19	39,005				39,005					
On-Behalf TPAF Long-Term Disability Insurance	19-495-034-5094-004	7/1/18 - 6/30/19	914				914					
Subtotal - On-Behalf TPAF Pension System Contributions							<u>2,766,157</u>					
Total State Awards Subject to Single Audit Determination							<u>\$ (7,008,366)</u>					

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include federal and state grant activity of the Board of Education, High Point Regional High School District under programs of the federal and state governments for the fiscal year ended June 30, 2019. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$7,774) for the general fund and \$22,174 for special revenue fund (of which \$4,990 is for local grants). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 19,763	\$ 9,764,351	\$ 9,784,114
Special Revenue Fund	344,610		344,610
Food Service Fund	<u>72,273</u>	<u>2,398</u>	<u>74,671</u>
	<u>\$ 436,646</u>	<u>\$ 9,766,749</u>	<u>\$ 10,203,395</u>

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

NOTE 5. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2019. Revenues and expenditures reported under the Food Distribution program represent current year value received and current year distributions, respectively.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2019 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following:

<u>State:</u>	<u>State</u>		<u>Award</u>	<u>Budgetary</u>
	<u>Grant Number</u>	<u>Grant Period</u>	<u>Amount</u>	<u>Expenditures</u>
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	\$ 4,284,622	\$ 4,284,622
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	702,032	702,032
Security Aid	19-495-034-5094-084	7/1/18-6/30/19	86,130	86,130
Adjustment Aid	19-495-034-5120-085	7/1/18-6/30/19	261,984	261,984
School Choice Aid	19-495-034-5120-068	7/1/18-6/30/19	53,832	53,832

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

Status of Prior Year Findings:

There were no findings in the prior year.