

**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, 2020**

**Comprehensive Annual
Financial Report**

of the

**High Point Regional
High School District**

Sussex, New Jersey

For the Fiscal Year Ended June 30, 2020

Prepared by

**High Point Regional High School
For the Fiscal Year Ended June 30, 2020**

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INTRODUCTORY SECTION
(UNAUDITED)

HIGH POINT REGIONAL HIGH SCHOOL

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

Tina Palecek
Business Administrator/Board Secretary
Phone 973-875-7205
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December 16, 2020

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, 2020, 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 2019-2020 fiscal year with an average daily enrollment of 859 students, which is a decrease of 18 students from the previous year's average daily enrollment.

2) ECONOMIC CONDITION AND OUTLOOK: The communities comprising the High Point Regional High School District continue to reflect the economic condition experienced by the county 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+ Advanced Placement (AP) classes, as well as the AP Capstone program. High Point was one of the first NJ schools to offer this program. High Point's faculty continues to ensure 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 its Bring-Your-Own-Device (BYOD) campus vision through our commitment to maintaining a state-of-the-art infrastructure and an open-access WiFi System for all students. For the 2020-21 school year all students were issued Chromebook devices and the district is now a fully 1:1 district. This measure was taken to ensure equity and access in terms of supporting all students during expanded use of remote learning associated with the COVID-19 pandemic. Going 1:1 has further 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 2020-21 school year, High Point will continue to build upon our stated academic vision and the aforementioned initiatives with the following: PLC planning time among educational professionals so as to utilize data to inform instruction; the use of benchmark assessments in mathematics and English/Language Arts to identify the need for modifications, support and enrichment; 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 are encouraged to 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 support and restoration, rather than suspension and correction. This has resulted in a more than 40% reduction in student suspensions over the past five 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 2020-21, the continued use of a student center, which incorporates the services of a school psychologist, will augment our efforts to ensure the wellbeing of all students

High Point is now in our fifth 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, 2020.

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.

December 16, 2020

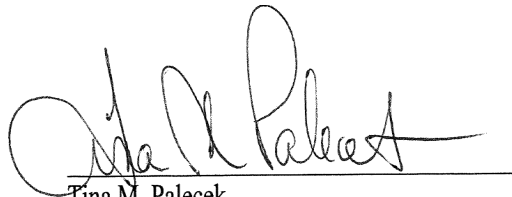
9) OTHER INFORMATION: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was 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.

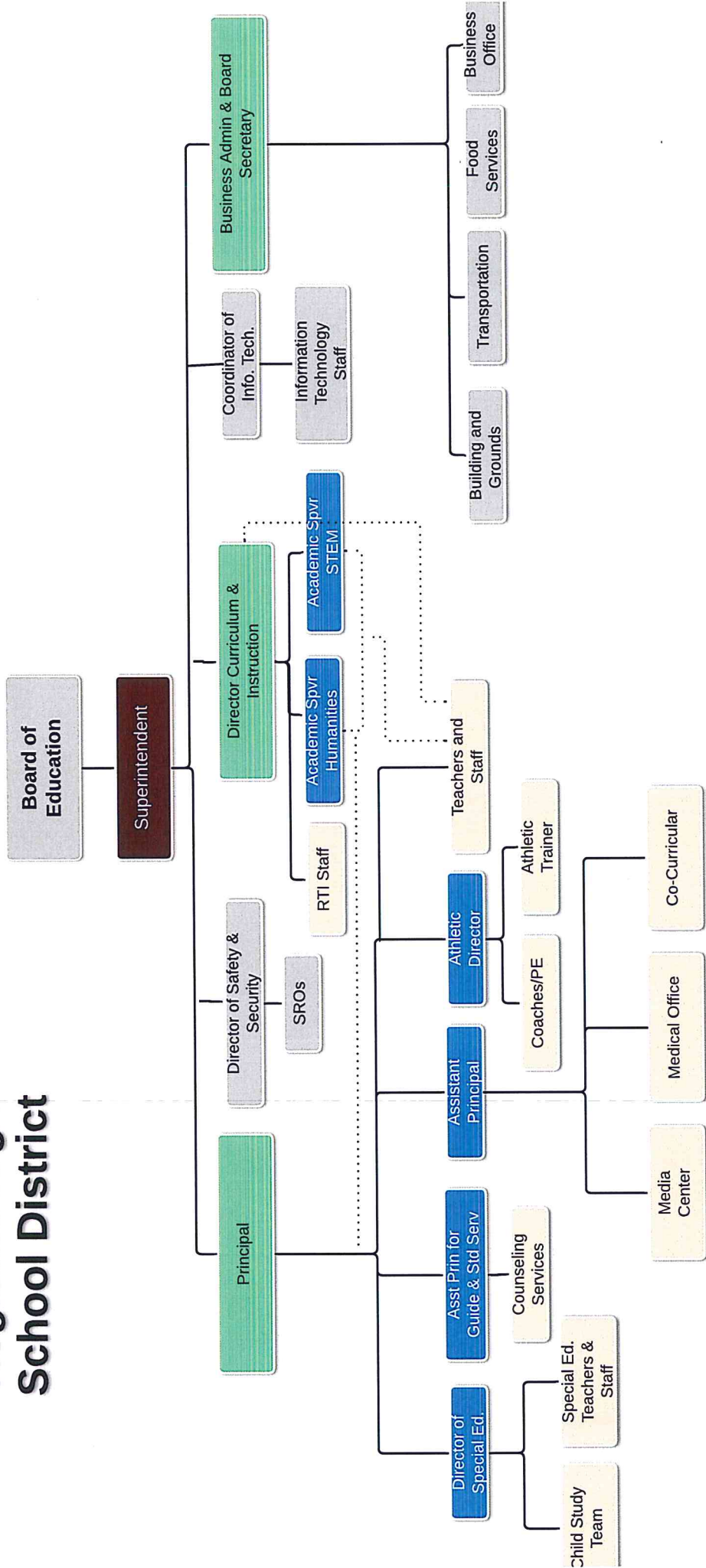
Respectfully submitted,



Scott D. Ripley
Superintendent and Chief School



Tina M. Palecek
Board Secretary/Business Administrator



**HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2020**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
William Kehoe, President	Wantage Township	2022
Gayle Tidona, Vice President	Frankford Township	2021
Deborah Anderson	Branchville Township	2021
Spencer Arnold	Wantage Township	2022
Lee Ann Smith	Wantage Township	2022
Thomas Antcliff	Borough of Sussex	2020
Joseph Corazza	Frankford Township	2020
Patricia Nugent	Lafayette Township	2021
William Dunn	Wantage Township	2020

Other Officers

Scott D. Ripley	Superintendent / Chief School Administrator
William J. Sabo	Interim Business Administrator/Board Secretary
Michelle LaStarza	Treasurer

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

Audit Firm

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

Attorney

Busch Law Group LLC
450 Main Street
Metuchen, NJ 08840

Official Depository

Sussex Bank
399 Route 23
Franklin, NJ 07416

Architect

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, 2020, 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, 2020, 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
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020 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 internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.

December 16, 2020
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Valerie A. Dolan

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

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

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, 2020. 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

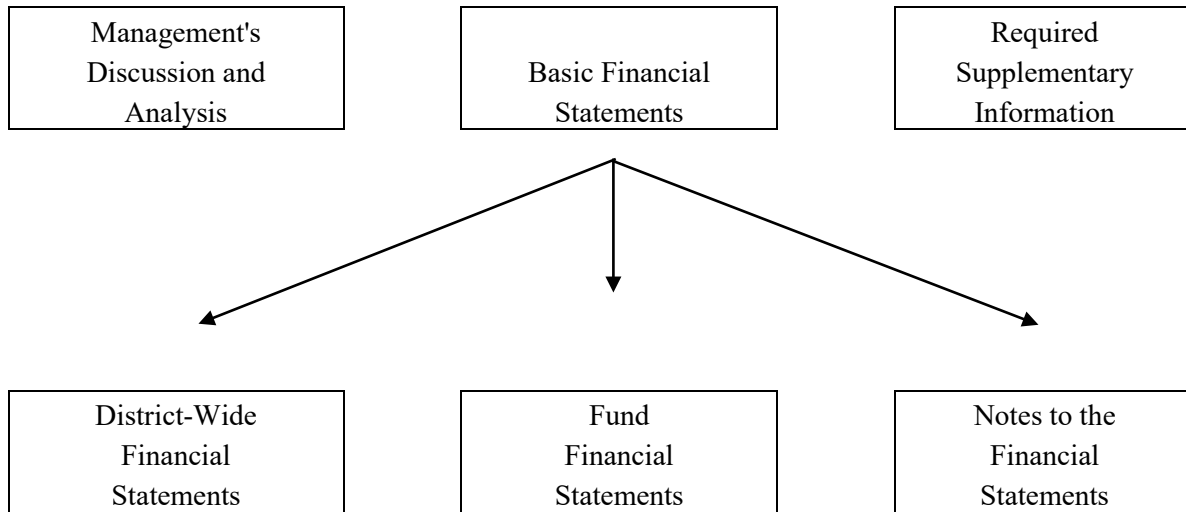


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents 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
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	
Current and							
Other Assets	\$ 980,640	\$ 1,310,293	\$ 378,911	\$ 420,466	\$ 1,359,551	\$ 1,730,759	
Capital Assets, Net	4,515,183	4,216,277	7,846	86,469	4,523,029	4,302,746	
Total Assets	5,495,823	5,526,570	386,757	506,935	5,882,580	6,033,505	2.57%
Deferred Outflows of Resources	1,728,837	1,058,569			1,728,837	1,058,569	-38.77%
Other Liabilities	972,125	745,424	46,847	67,341	1,018,972	812,765	
Long-term Liabilities	8,078,779	7,002,958		59,946	8,078,779	7,062,904	
Total Liabilities	9,050,904	7,748,382	46,847	127,287	9,097,751	7,875,669	-13.43%
Deferred Inflows of Resources	2,291,986	2,505,576			2,291,986	2,505,576	9.32%
Net Investment in Capital Assets	3,677,092	3,468,837	7,846	26,523	3,684,938	3,495,360	
Restricted	328,854	732,518			328,854	732,518	
Unrestricted/(Deficit)	(8,124,176)	(7,870,174)	332,064	353,125	(7,792,112)	(7,517,049)	
Total Net Position/(Deficit)	\$ (4,118,230)	\$ (3,668,819)	\$ 339,910	\$ 379,648	\$ (3,778,320)	\$ (3,289,171)	12.95%

Changes in Net Position. The District's *combined* net position was (\$3,289,171) on June 30, 2020, \$489,149 more than it was the year before. (See Figure A-3). The net position of the governmental activities and business-type activities increased \$449,411 and increased \$39,738, respectively (See Figure A-4).

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		% Change
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	
Revenue:							
Program Revenue:							
Charges for Services	\$ 1,430,012	\$ 1,349,257	\$ 1,450,745	\$ 1,292,191	\$ 2,880,757	\$ 2,641,448	
Operating Grants & Contributions	12,668,237	10,780,925	74,671	64,293	12,742,908	10,845,218	
General Revenue:							
Property Taxes	14,256,964	14,537,446			14,256,964	14,537,446	
Other	45,039	24,183	58	32	45,097	24,215	
Total Revenue	28,400,252	26,691,811	1,525,474	1,356,516	29,925,726	28,048,327	-6.27%
Expenses:							
Instruction	18,035,222	15,705,086			18,035,222	15,705,086	
Pupil and Instruction Services	5,067,137	4,770,577			5,067,137	4,770,577	
Administrative and Business	1,820,251	1,682,413			1,820,251	1,682,413	
Maintenance and Operations	2,669,861	2,029,654			2,669,861	2,029,654	
Transportation	1,973,655	1,998,400			1,973,655	1,998,400	
Other	211,590	4,496	1,545,451	1,347,832	1,757,041	1,352,328	
Total Expenses	29,777,716	26,190,626	1,545,451	1,347,832	31,323,167	27,538,458	-12.08%
Transfers		(31,054)		31,054			
Other Items		(20,720)				(20,720)	
		(51,774)		31,054		(20,720)	-100.00%
Increase/(Decrease) in Net Position	\$ (1,377,464)	\$ 449,411	\$ (19,977)	\$ 39,738	\$ (1,397,441)	\$ 489,149	135.00%

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	
	2018/19	2019/20	2018/19	2019/20
Instruction	\$ 18,035,222	\$ 15,705,086	\$ 4,964,873	\$ 3,292,581
Pupil and Instruction Services	5,067,137	4,770,577	5,067,137	4,770,577
Administrative and Business	1,820,251	1,682,413	1,557,174	1,423,397
Maintenance and Operations	2,669,861	2,029,654	2,669,861	2,029,654
Transportation	1,973,655	1,998,400	1,208,832	1,234,554
Other	211,590	4,496	211,590	4,496
	<u>\$ 29,777,716</u>	<u>\$ 26,190,626</u>	<u>\$ 15,679,467</u>	<u>\$ 12,755,259</u>

Business-Type Activities

Net position from the District’s business-type activities increased by \$39,738. (Refer to Figure A-4). Factors contributing to these results included:

- Food services expenses exceeded revenue by \$1,829, which includes a Board contribution of \$31,054.
- Other enterprise funds revenue exceeded expenses by \$41,567 accounting for the majority of the increase in the net position of the business-type activities due to reduced costs as a result of COVID-19 shutdown.

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
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2019/20
Land	\$ 50,000	\$ 50,000			\$ 50,000	\$ 50,000	
Construction in Progress		8,100				8,100	
Land, Buildings, and Site Improvements	3,885,174	3,653,734			3,885,174	3,653,734	
Furniture, Machinery, and Equipment	580,009	504,443	\$ 7,846	\$ 86,469	587,855	590,912	
Total Capital Assets - (Net of Depreciation)	\$ 4,515,183	\$ 4,216,277	\$ 7,846	\$ 86,469	\$ 4,523,029	\$ 4,302,746	-4.87%

During the year the District purchased equipment for maintenance and grounds, instruction equipment and security equipment amounting to \$30,223 and \$100,000 in Transportation Services. The depreciation factored into the governmental-type activities totaled \$337,229 and into the business-type activities totaled \$21,377. (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
	2018/19	2019/20	
Capital Leases Payable	\$ 838,091	\$ 807,385	
Net Pension Liability	6,280,438	5,328,343	
Other Long Term Liabilities	960,250	927,175	
	\$ 8,078,779	\$ 7,062,903	-12.57%

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

- The tax levy for High Point Regional High School's 2020-21 school year was increased by 14%. This increase utilized the standard 2% plus the use of Banked Cap. The distribution of the \$2,035,437 tax levy for each sending district is: Branchville, 5.7839%; Frankford, 26.6610%; Lafayette, 15.0215%; Sussex, 4.6796; and Wantage, 47.85.39. This increase was necessary to provide a thorough and efficient education to each student while managing the ongoing reductions in State Aid.
- High Point Regional actively reviews programmatic and staffing needs of the District to ensure fiscal accountability.
- The District recognizes the need to maintain the physical plant of the School including the need to fund the Capital and Maintenance Reserve accounts. Over the last six years High Point has endured significant reductions in State Aid which has negatively impacted the District's ability to build these funds. The tax levy for the 2020-2021 school year will support facility improvement goals.
- 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, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 109,816	\$ 203,823	\$ 313,639
Receivables from Federal Government		7,613	7,613
Receivables from State Government	322,235	79	322,314
Receivables from Other Governments	136,341	188,331	324,672
Other Receivables	9,383		9,383
Inventory		20,620	20,620
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	731,790		731,790
Maintenance Reserve Account - Cash and Cash Equivalents	728		728
Capital Assets:			
Land and Construction in Progress	58,100		58,100
Depreciable Buildings and Building Improvements, Site and Land Improvements, Furniture, Machinery and Equipment	4,158,177	86,469	4,244,646
Total Assets	<u>5,526,570</u>	<u>506,935</u>	<u>6,033,505</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows - Pension	1,058,569		1,058,569
Total Deferred Outflows of Resources	<u>1,058,569</u>		<u>1,058,569</u>
LIABILITIES			
Accounts Payable	737,192	61,616	798,808
Unearned Revenue	8,232	5,725	13,957
Noncurrent Liabilities:			
Due Within One Year	185,387	19,247	204,634
Due Beyond One Year	6,817,571	40,699	6,858,270
Total Liabilities	<u>7,748,382</u>	<u>127,287</u>	<u>7,875,669</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows - Pensions	2,505,576		2,505,576
Total Deferred Inflows of Resources	<u>2,505,576</u>		<u>2,505,576</u>
NET POSITION			
Net Investment in Capital Assets	3,468,837	26,523	3,495,360
Restricted for:			
Capital Projects	731,790		731,790
Maintenance Reserve	728		728
Unrestricted/(Deficit)	(7,870,174)	353,125	(7,517,049)
Total Net Position/(Deficit)	<u>\$ (3,668,819)</u>	<u>\$ 379,648</u>	<u>\$ (3,289,171)</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, 2020

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	\$ 11,624,322	\$ 1,349,257	\$ 7,906,823	\$ (2,368,242)	\$	\$ (2,368,242)
Special Education	2,897,766		1,909,486	(988,280)		(988,280)
Other Special Instruction	1,002,255			(1,002,255)		(1,002,255)
Other Instruction	180,743			(180,743)		(180,743)
Support services:						
Tuition	1,709,634			(1,709,634)		(1,709,634)
Student & Instruction Related Services	3,060,943			(3,060,943)		(3,060,943)
General Administrative Services	493,465			(493,465)		(493,465)
School Administrative Services	796,659		200,770	(595,889)		(595,889)
Central Services	367,533			(367,533)		(367,533)
Administrative Technology Information	24,756			(24,756)		(24,756)
Plant Operations and Maintenance	2,029,654			(2,029,654)		(2,029,654)
Pupil Transportation	1,998,400		763,846	(1,234,554)		(1,234,554)
Capital Outlay	4,496			(4,496)		(4,496)
Total Governmental Activities	26,190,626	1,349,257	10,780,925	(14,060,444)	\$ -0-	(14,060,444)

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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	\$ 254,195	\$ 156,999	\$ 64,293	\$	\$ (32,903)	\$ (32,903)
Adult School	2,374	2,125		(249)	(249)	(249)
School Store	4,340	4,561		221	221	221
Transportation Services	1,086,923	1,128,506		41,583	41,583	41,583
Total Business-Type Activities	1,347,832	1,292,191	64,293	8,652	8,652	8,652
Total Primary Government	\$ 27,538,458	\$ 2,641,448	\$ 10,845,218	\$ (14,060,444)	8,652	(14,051,792)
General Revenues, Transfers and Other Items:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				14,537,446		14,537,446
Unrestricted Federal Aid				9,935		9,935
Interest Earnings				923	32	955
Miscellaneous Income				13,325		13,325
Transfers				(31,054)	31,054	
Other Item - Cancellation of Prior Year Receivable				(20,720)		(20,720)
Total General Revenues, Transfers and Other Items				14,509,855	31,086	14,540,941
Change in Net Position				449,411	39,738	489,149
Net Position/(Deficit) - Beginning				(4,118,230)	339,910	(3,778,320)
Net Position/(Deficit) - Ending				\$ (3,668,819)	\$ 379,648	\$ (3,289,171)

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, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 101,584	\$ 8,232	\$ 109,816
Receivables From State Government	322,235		322,235
Receivables From Other Governments	136,341		136,341
Other Receivable	9,383		9,383
Restricted Cash and Cash Equivalents	732,518		732,518
Total Assets	<u>\$ 1,302,061</u>	<u>\$ 8,232</u>	<u>\$ 1,310,293</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable - Vendors	\$ 418,924		\$ 418,924
Unearned Revenue		\$ 8,232	8,232
Total Liabilities	<u>418,924</u>	<u>8,232</u>	<u>427,156</u>
Fund Balances:			
Restricted for:			
Capital Reserve Account	731,790		731,790
Maintenance Reserve Account	728		728
Assigned to:			
Year-End Encumbrances	150,619		150,619
Total Fund Balances	<u>883,137</u>		<u>883,137</u>
Total Liabilities and Fund Balances	<u>\$ 1,302,061</u>	<u>\$ 8,232</u>	

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.	\$ 4,216,277
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.	(1,674,615)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(5,328,343)
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	740,301
Deferred Inflows for Pensions	<u>(2,505,576)</u>
Net Position/(Deficit) of Governmental Activities	<u>\$ (3,668,819)</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, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUE:			
Local Sources:			
Local Tax Levy	\$ 14,537,446		\$ 14,537,446
Tuition from Other LEAs within State	1,349,257		1,349,257
Interest Earned on Investment	923		923
Unrestricted Miscellaneous	13,325	\$ 2,132	15,457
Total - Local Sources	15,900,951	2,132	15,903,083
State Sources	9,350,570		9,350,570
Federal Sources	9,935	307,195	317,130
Total Revenue	25,261,456	309,327	25,570,783
EXPENDITURES:			
Current:			
Regular Instruction	6,346,538	93,558	6,440,096
Special Education Instruction	1,576,405	204,978	1,781,383
Other Special Instruction	893,518		893,518
Support Services and Undistributed Costs:			
Tuition	1,709,634		1,709,634
Student & Instruction Related Services	2,519,073		2,519,073
General Administrative Services	429,287		429,287
School Administrative Services	475,778		475,778
Central Services	297,580		297,580
Administrative Information Technology	24,756		24,756
Plant Operations and Maintenance	1,896,913		1,896,913
Pupil Transportation	1,772,187		1,772,187
Unallocated Benefits	6,647,500		6,647,500
Capital Outlay	34,910	10,791	45,701
Total Expenditures	24,624,079	309,327	24,933,406
Excess/(Deficiency) of Revenue over/(under) Expenditures	637,377		637,377
OTHER FINANCING SOURCES/(USES):			
Transfers Out	(31,054)		(31,054)
Cancellation of Prior Year Receivable	(20,720)		(20,720)
Total Other Financing Sources/(Uses)	(51,774)		(51,774)
Net Change in Fund Balances	585,603		585,603
Fund Balance - July 1	297,534		297,534
Fund Balance - June 30	\$ 883,137	\$ -0-	\$ 883,137

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, 2020

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 585,603

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	\$	(337,229)
Capital outlays		38,323
		(298,906)

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		952,095
Change in Deferred Outflows		(699,517)
Change in Deferred Inflows		(213,590)

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.

		90,651
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Change in Net Position of Governmental Activities (Exhibit A-2)

	\$	449,411
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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, 2020

	<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	\$ 19,356	\$ 169,120	\$ 15,347	\$ 203,823
Accounts Receivable:				
State	79			79
Federal	7,613			7,613
Intergovernmental - Other		188,331		188,331
Inventories	9,154		11,466	20,620
Total Current Assets	<u>36,202</u>	<u>357,451</u>	<u>26,813</u>	<u>420,466</u>
Non-Current Assets:				
Capital Assets	289,789	100,000		389,789
Less: Accumulated Depreciation	<u>(283,320)</u>	<u>(20,000)</u>		<u>(303,320)</u>
Total Non-Current Assets	<u>6,469</u>	<u>80,000</u>		<u>86,469</u>
Total Assets	<u>42,671</u>	<u>437,451</u>	<u>26,813</u>	<u>506,935</u>
<u>LIABILITIES:</u>				
Current Liabilities:				
Accounts Payable - Vendors	11,455	50,161		61,616
Unearned Revenue - Prepaid Sales	4,555			4,555
Unearned Revenue - Donated Commodities	<u>1,170</u>			<u>1,170</u>
Total Current Liabilities	<u>17,180</u>	<u>50,161</u>		<u>67,341</u>
Non-Current Liabilities:				
Capital Lease Payable:				
Due Within One Year		19,247		19,247
Due Beyond One Year		<u>40,699</u>		<u>40,699</u>
Total Non-Current Liabilities		<u>59,946</u>		<u>59,946</u>
Total Liabilities	<u>17,180</u>	<u>110,107</u>		<u>127,287</u>
<u>NET POSITION:</u>				
Net Investment in Capital Assets	6,469	20,054		26,523
Unrestricted	<u>19,022</u>	<u>307,290</u>	<u>26,813</u>	<u>353,125</u>
Total Net Position	<u>\$ 25,491</u>	<u>\$ 327,344</u>	<u>\$ 26,813</u>	<u>\$ 379,648</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, 2020

	Major Funds		Non-Major Funds	Totals
	Food Service Fund	Transportation Services		
Operating Revenue:				
Local Sources:				
Daily Sales - Reimbursable Programs	\$ 64,370			\$ 64,370
Daily Sales - Non Reimbursable Programs	92,629			92,629
Program Fees		\$ 1,128,506	\$ 6,686	1,135,192
Total Operating Revenue	156,999	1,128,506	6,686	1,292,191
Operating Expenses:				
Cost of Sales - Reimbursable Programs	46,619			46,619
Cost of Sales - Non Reimbursable Programs	68,238			68,238
Salaries & Payroll Taxes	98,701	51,151		149,852
Other Purchased Services		1,012,813		1,012,813
Lease Purchase Interest		2,959		2,959
Management Fee	20,000			20,000
Depreciation Expense	1,377	20,000		21,377
Other Miscellaneous Expenses	19,260		6,714	25,974
Total Operating Expenses	254,195	1,086,923	6,714	1,347,832
Operating Income/(Loss)	(97,196)	41,583	(28)	(55,641)
Non-Operating Revenue:				
Local Sources:				
Interest Income	20		12	32
State Sources:				
State School Lunch Program	1,457			1,457
COVID-19 - Seamless Summer Option	98			98
Federal Sources:				
National School Lunch Program	39,801			39,801
COVID-19 - Seamless Summer Option - Lunch	6,222			6,222
Food Distribution Program	10,842			10,842
School Breakfast Program	2,583			2,583
COVID-19 - Seamless Summer Option - Breakfast	3,290			3,290
Total Non-Operating Revenue	64,313		12	64,325
Net Income/(Loss) before Transfer	(32,883)	41,583	(16)	8,684
Transfer General Fund - Board Contribution	31,054			31,054
Change in Net Position	(1,829)	41,583	(16)	39,738
Net Position - Beginning of Year	27,320	285,761	26,829	339,910
Net Position - End of Year	\$ 25,491	\$ 327,344	\$ 26,813	\$ 379,648

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, 2020

	Major Funds			Totals
	Food Service Fund	Transportation Services	Non-Major Funds	
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 157,264	\$ 1,252,351	\$ 6,686	\$ 1,416,301
Payments to Employees	(98,701)			(98,701)
Payments to Food Service Vendor	(113,344)			(113,344)
Payments to Suppliers	(19,260)	(1,060,477)	(9,640)	(1,089,377)
Net Cash Provided by/(Used) for Operating Activities	(74,041)	191,874	(2,954)	114,879
Cash Flows from Noncapital Financing Activities:				
Cash Received from Federal and State Sources	48,625			48,625
Prior Year Interfund Returned - General Fund	7,726			7,726
Board Contribution - General Fund	31,054			31,054
Net Cash Provided by Noncapital Financing Activities	87,405			87,405
Cash Flows from Capital Financing Activities:				
Purchase of Equipment		(40,054)		(40,054)
Net Cash (Used) for Capital Financing Activities		(40,054)		(40,054)
Cash Flows from Investing Activities:				
Investment Income	20		12	32
Net Cash Flows Provided by Investing Activities:	20		12	32
Net Increase/(Decrease) in Cash and Cash Equivalents	13,384	151,820	(2,942)	162,262
Cash and Cash Equivalents, July 1	5,972	17,300	18,289	41,561
Cash and Cash Equivalents, June 30	\$ 19,356	\$ 169,120	\$ 15,347	\$ 203,823

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Major Funds			Non-Major Funds			Totals
	Food Service Fund	Transportation Services		Non-Major Funds			Totals
Reconciliation of Operating (Loss) to Net Cash (Used) for Operating Activities:							
Operating Income/(Loss)	\$ (97,196)	\$ 41,583		\$ (28)		\$ (55,641)	
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used) for Operating Activities:							
Federal Food Distribution Program	10,842					10,842	
Depreciation	1,377	20,000				21,377	
Changes in Assets and Liabilities:							
Decrease in Accounts Receivable	265	123,845				124,110	
(Increase) in Inventory	(3,377)			(2,926)		(6,303)	
Increase in Accounts Payable	11,455	6,446				17,901	
Increase in Unearned Revenue - Prepaid Sales	2,397					2,397	
Increase in Unearned Revenue - Donated Commodities	196					196	
Net Cash Provided by/(Used) for Operating Activities	<u>\$ (74,041)</u>	<u>\$ 191,874</u>		<u>\$ (2,954)</u>		<u>\$ 114,879</u>	

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 \$11,038 and utilized commodities valued at \$10,842.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Agency</u>	<u>Private Purpose Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 182,756	\$ 48,190	\$ 5,276
Total Assets	<u>182,756</u>	<u>48,190</u>	<u>5,276</u>
<u>LIABILITIES:</u>			
Net Salaries and Wages	894		
Payroll Deductions and Withholdings	39,075		
Due to Student Groups	<u>142,787</u>		
Total Liabilities	<u>182,756</u>		
<u>NET POSITION:</u>			
Held in Trust for Unemployment Claims			5,276
Restricted For Scholarships		<u>48,190</u>	
Total Net Position	<u>\$ -0-</u>	<u>\$ 48,190</u>	<u>\$ 5,276</u>

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Totals
ADDITIONS:			
Contributions:			
Donations	_____	\$ 9,514	\$ 9,514
Total Contributions	_____	9,514	9,514
Investment Earnings:			
Interest	\$ 25	33	58
Net Investment Earnings	25	33	58
Total Additions	25	9,547	9,572
DEDUCTIONS:			
Unemployment Compensation Claims	30,000		30,000
Scholarships Awarded		11,450	11,450
Total Deductions	30,000	11,450	41,450
Change in Net Position	(29,975)	(1,903)	(31,878)
Net Position - Beginning of the Year	35,251	50,093	85,344
Net Position - End of the Year	<u>\$ 5,276</u>	<u>\$ 48,190</u>	<u>\$ 53,466</u>

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2020

(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, 2020
(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, 2020

(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, 2020 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.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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 Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 25,204,464	\$ 310,072
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.		(745)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	623,759	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(566,767)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 25,261,456</u>	<u>\$ 309,327</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 24,624,079	\$ 310,072
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.		(745)
Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 24,624,079</u>	<u>\$ 309,327</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, 2020

(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, 2020
(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, 2020.

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, 2020

(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, 2020.

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 \$883,137 General Fund fund balance at June 30, 2020, \$731,790 is restricted in the capital reserve account, \$728 is restricted in the maintenance reserve, and \$150,619 is assigned fund balances for year-end encumbrances. The assigned fund balances of year-end encumbrances of \$99,854, designated for subsequent year's expenditures of \$10,000, and \$456,913 of unassigned fund balance are not reported on a GAAP basis due to the final two state aid payments not being recognized as of June 30, 2020.

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, 2020.

The District's fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$566,767, (\$456,913 in unassigned fund balance, \$10,000 in fund balance assigned for subsequent years' expenditures, and \$99,854 in year-end encumbrances) as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last two state aid payment as revenue, for budget purposes only, in the current school budget year.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. 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, 2020 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.

R. Deficit in Net Position:

There is a \$7,870,174 deficit in unrestricted net position for the governmental activities and an overall deficit in net position of \$7,517,049 at June 30, 2020. This deficit is primarily from the inclusion of the net pension liability and related deferred inflows and outflows and compensated absences payable.

This deficit does not indicate that the District is facing financial difficulties and is permitted practice under generally accepted accounting principles.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(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, 2020.

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, 2020.

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, 2020

(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, 2020

(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, 2020

(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, 2020
(Continued)

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

As of June 30, 2020, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents Capital and Maintenance Reserve Accounts	Total
Checking and Savings Accounts	\$ 549,861	\$ 732,518	\$ 1,282,379
	\$ 549,861	\$ 732,518	\$ 1,282,379

During the period ended June 30, 2020, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2020, was \$1,282,379 and the bank balance was \$1,810,435.

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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019		\$ 328,140
Increased by:		
Interest Earned	\$ 690	
Increase per Board Resolution (June 16, 2020)	423,560	
		752,390
Decreased by:		
Withdrawal by Resolution		(20,600)
Ending Balance, June 30, 2020		\$ 731,790

The June 30, 2020 LRFP balance of local support costs of uncompleted capital projects at June 30, 2020 is equal to or greater than \$731,790. 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, 2020

(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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$ 714
Increased by:	
Interest Earned	<u>14</u>
Ending Balance, June 30, 2020	<u>\$ 728</u>

NOTE 6. TRANSFER TO CAPITAL OUTLAY

During the year ended June 30, 2020, the District made transfers to capital outlay accounts in the amount of \$66,789 for equipment and \$20,600 for facilities acquisition and construction services for which the required county superintendent approval was obtained.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2020 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
Construction in Progress		\$ 8,100		8,100
Total Capital Assets Not Being Depreciated	<u>50,000</u>	<u>8,100</u>		<u>58,100</u>
Capital Assets Being Depreciated:				
Land Improvements	1,017,683			1,017,683
Buildings, Building Improvements and Site Improvements	12,194,470			12,194,470
Machinery and Equipment	<u>4,192,718</u>	<u>30,223</u>		<u>4,222,941</u>
Total Capital Assets Being Depreciated	<u>17,404,871</u>	<u>30,223</u>		<u>17,435,094</u>
Governmental Activities Capital Assets	<u>17,454,871</u>	<u>38,323</u>		<u>17,493,194</u>
Less Accumulated Depreciation for:				
Land Improvements	(698,498)	(41,819)		(740,317)
Buildings, Building Improvements and Site Improvements	(8,628,481)	(189,621)		(8,818,102)
Machinery and Equipment	<u>(3,612,709)</u>	<u>(105,789)</u>		<u>(3,718,498)</u>
	<u>(12,939,688)</u>	<u>(337,229)</u>		<u>(13,276,917)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 4,515,183</u>	<u>\$ (298,906)</u>	<u>\$ -0-</u>	<u>\$ 4,216,277</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 289,789	\$ 100,000		\$ 389,789
Less Accumulated Depreciation	<u>(281,943)</u>	<u>(21,377)</u>		<u>(303,320)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 7,846</u>	<u>\$ 78,623</u>	<u>\$ -0-</u>	<u>\$ 86,469</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 65,576
Other Special Instruction	108,737
General Administration	302
School Administration	617
Plant Operation and Maintenance	11,615
Pupil Transportation	<u>150,382</u>
 Total Depreciation Expense	 <u>\$ 337,229</u>

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2020, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2019	Accrued	Retired	Balance 6/30/2020	Due Within One Year
Capital Leases Payable:					
Governmental Funds	\$ 838,091		\$ 90,652	\$ 747,439	\$ 92,670
Proprietary Funds		\$ 100,000	40,054	59,946	19,247
Net Pension Liability	6,280,438		952,095	5,328,343	
Compensated Absences Payable	<u>960,250</u>		<u>33,075</u>	<u>927,175</u>	<u>92,717</u>
	<u>\$ 8,078,779</u>	<u>\$ 100,000</u>	<u>\$ 1,115,876</u>	<u>\$ 7,062,903</u>	<u>\$ 204,634</u>

A. Serial Bonds Payable:

The District had no serial bonds payable at June 30, 2020.

B. Bonds and Notes Authorized but not Issued:

The District had no bonds and notes authorized but not issued at June 30, 2020.

C. Capital Leases Payable:

The District is leasing equipment under an energy savings improvement program totaling \$1,327,620 of which \$580,180 had been amortized as of June 30, 2020. The capital lease is for a term of fourteen years. The District is leasing a bus totaling \$100,000 of which \$40,055 had been amortized as of June 30, 2020. The capital lease is for a term of five years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2020.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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

C. Capital Leases Payable: (Cont'd)

<u>Year</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
2021	\$ 108,715	\$ 21,507	\$ 130,222
2022	108,715	21,507	130,222
2023	108,715	21,507	130,222
2024	108,715		108,715
2025	108,715		108,715
2026-2028	271,788		271,788
	<u>815,363</u>	<u>64,521</u>	<u>879,884</u>
Less: Amount representing interest	<u>(67,924)</u>	<u>(4,575)</u>	<u>(72,499)</u>
Present value of net minimum lease payments	<u>\$ 747,439</u>	<u>\$ 59,946</u>	<u>\$ 807,385</u>

The General Fund will be used to liquidate the energy savings improvement program capital lease for which the current portion of this capital leases payable is \$92,670 and the long-term portion is \$654,769. The Transportation Services Enterprise Fund will be used to liquidate the bus capital lease for which the current portion of this capital leases payable is \$19,247 and the long-term portion is \$40,699.

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 \$92,717 and is separated from the long-term liability balance of compensated absences of \$834,458. 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, 2020, 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, 2020 is \$-0- and the long-term portion is \$5,328,343. 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).

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$294,697 for fiscal year 2020.

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

At June 30, 2020, the District reported a liability of \$5,328,343 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. 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, 2019, the District's proportion was 0.029%, which was a decrease of 0.002% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$248,661. At June 30, 2020, 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	\$ 14,082	
	2015	5.72	87,070	
	2016	5.57	430,903	
	2017	5.48		\$ 764,903
	2018	5.63		618,112
	2019	5.21		466,436
				<u>532,055</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5.00		(98,346)
	2017	5.00		118,022
	2018	5.00		82,094
	2019	5.00		(17,659)
				<u>84,111</u>
Difference Between Expected and Actual Experience	2015	5.72	24,157	
	2016	5.57	13,077	
	2017	5.48	22,748	
	2018	5.63		23,538
	2019	5.21	35,655	
			<u>95,637</u>	<u>23,538</u>
Changes in Proportion	2014	6.44	26,209	
	2015	5.72	79,261	
	2016	5.57		99,482
	2017	5.48	7,139	
	2018	5.63		23,276
	2019	5.21		425,718
			<u>112,609</u>	<u>548,476</u>
Contribution Subsequent to Measurement Date	2019	1.00	318,268	
			<u>\$ 1,058,569</u>	<u>\$ 2,505,576</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(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
2020	\$ (153,859)
2021	(499,113)
2022	(445,679)
2023	(209,269)
2024	(21,488)
	\$ (1,329,408)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(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, 2019) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Management Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of actuarially determined contributions for the local employers. 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, 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, 2020

(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, 2019 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, 2019		
	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
District's proportionate share of the Net Pension Liability	\$ 6,777,386	\$ 5,328,343	\$ 4,175,622

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/annual-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. 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, 2020

(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. For fiscal year 2020, 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 2020, the State of New Jersey contributed \$1,936,463 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$3,429,480.

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, 2020, the State's proportionate share of the net pension liability associated with the District was \$58,143,853. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. 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, 2019, the District's proportion was 0.095%, which was a decrease of 0.002% from its proportion measured as of June 30, 2018.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(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		58,143,853
Total	\$	<u>58,143,853</u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$3,429,480 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2020 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	\$768,874,621	
	2015	8.30	2,351,172,865	
	2016	8.30	5,609,216,856	
	2017	8.30		\$8,483,527,374
	2018	8.29		5,172,258,445
	2019	8.04		3,507,345,617
				<u>8,729,264,342</u>
Difference Between Expected and Actual Experience	2014	8.50		7,323,009
	2015	8.30	145,211,243	
	2016	8.30		69,755,412
	2017	8.30	150,939,884	
	2018	8.29	907,352,137	
	2019	8.04		136,265,890
			<u>1,203,503,264</u>	<u>213,344,311</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5.00		(431,855,192)
	2017	5.00		452,016,524
	2018	5.00		288,091,115
	2019	5.00		(144,882,771)
			<u>163,369,676</u>	
			<u>\$ 9,932,767,606</u>	<u>\$ 17,539,845,423</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(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)

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:

Fiscal Year Ending June 30,	Total
2020	\$ (272,405,510)
2021	(704,260,700)
2022	(630,562,767)
2023	(1,216,378,743)
2024	(2,381,316,232)
Thereafter	(2,402,153,865)
	\$ (7,607,077,817)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.00 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (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, 2019) 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, 2019 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	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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 3.5% as of June 30, 2019 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State. 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 2054. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2054, 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, 2020
(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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2019 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:

	June 30, 2019		
	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
Total Net Pension Liability	\$ 68,564,472	\$ 58,143,853	\$ 49,498,030

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 \$9,020 for the fiscal year ended June 30, 2020. Employee contributions to DCRP amounted to \$11,406 for 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, 2020

(Continued)

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.

Property and Liability

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

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

The June 30, 2020 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, 2019 is as follows:

	School Alliance Insurance Fund
Total Assets	\$ 48,410,942
Net Position	\$ 18,917,987
Total Revenue	\$ 41,974,396
Total Expenses	\$ 35,489,346
Change in Net Position	\$ 6,485,050
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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Health Benefits

The Board is a member of the Schools Health Insurance Fund (“HIF”). The HIF provides its members with Health Benefit coverage. The HIF is a risk-sharing pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the HIF are elected.

As a member of HIF, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of HIF were to be exhausted, members would become responsible for their respective shares of the HIF’s liabilities.

HIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates 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 was declared.

The June 30, 2020 audit report is not available as of the date of this report. Selected summarized financial information for HIF as of June 30, 2019 is as follows:

	School Health Insurance Fund
Total Assets	\$ 117,161,935
Net Position	\$ 88,437,915
Total Revenue	\$ 243,500,836
Total Expenses	\$ 217,892,628
Change in Net Position	\$ 25,608,208
Members Dividends	\$ 6,222,844

Financial Statements for HIF are available at PERMA’s Executive Director’s Office:

PERMA Risk Management Services
9 Campus Drive
Suite 216
Parsippany, NJ 07054

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

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>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ 25	\$ 30,000	\$ 5,276
2018-2019	70		35,251
2017-2018	70		35,181

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

The District had no interfund payables or receivables as of June 30, 2020.

NOTE 12. ACCOUNTS PAYABLE

Payables as of June 30, 2020, were:

	<u>General Fund</u>	<u>District Contribution Subsequent to Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Total Business Type-Activities</u>
Vendors	\$ 418,924		\$ 418,924	\$ 61,616
State of New Jersey		\$ 318,268	318,268	
	<u>\$ 418,924</u>	<u>\$ 318,268</u>	<u>\$ 737,192</u>	<u>\$ 61,616</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, 2020

(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, 2020, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 250,473	\$ 745	\$ 251,218
\$ 250,473	\$ 745	\$ 251,218

On the District's Governmental Funds Balance Sheet as of June 30, 2020, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund. Encumbrances in the Special Revenue Fund of \$745 are not recognized on the GAAP basis and are reflected as a reduction in grants receivables or an increase in unearned revenue.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	<u>216,892</u>
Total	<u><u>364,943</u></u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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.

Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%		
		TPAF/ABP	PERS
Salary Increases:			
Through 2026		1.55 - 3.05% based on years of service	2.00 - 6.00% based on age
Thereafter		1.55 - 3.05% based on years of service	3.00 - 7.00% based on age

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State's Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	\$ 45,024,181
Changes for Year:	
Service Cost	1,397,661
Interest on the Total OPEB Liability	1,774,186
Differences Between Expected and Actual Experience	(8,484,895)
Changes of Assumptions	583,417
Gross Benefit Payments by the State	(1,201,144)
Contributions from Members	35,605
Net Changes in Total OPEB liability	(5,895,170)
Balance at June 30, 2019	\$ 39,129,011

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, 2019, 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, 2019		
	At 1% Decrease	At Discount Rate	At 1% Increase
	(2.50%)	(3.50%)	(4.50%)
Total OPEB Liability Attributable to the District	\$ 32,592,028	\$ 39,129,011	\$ 48,773,874

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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, 2019, 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, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 32,592,028	\$ 39,129,011	\$ 48,773,874

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

For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$359,280 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, 2019 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		\$ 4,555,408
	2018	9.51		3,918,267
	2019	9.29	\$ 520,616	8,473,675
Differences Between Expected and Actual Experience			520,616	
	2018	9.51		3,703,982
	2019	9.29		6,127,682
Changes in Proportion				9,831,664
	N/A	N/A		2,918,243
			\$ 520,616	\$ 21,223,582

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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
2020	\$ (2,387,857)
2021	(2,387,857)
2022	(2,387,857)
2023	(2,387,857)
2024	(2,387,857)
Thereafter	(5,845,437)
	\$ (17,784,722)

NOTE 18. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the District's normal financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy. The District's state aid in the General Fund was reduced after their budget was adopted due to the reduction of state aid provided to certain school districts by the State of New Jersey. Also, there have been additional operating expenses in the General Fund not planned for or expected at the time of the adoption of the District's 2020-21 budget related to COVID-19.

Additionally, the District's cash flow in the Governmental Funds may be affected by the timing of the collection of the District's tax levy as well as certain State aid payments.

The District's Food Service Enterprise Fund had been impacted by COVID-19 for the fiscal year ending June 30, 2020 due to school closure which resulted in no meal revenue being collected and payments continuing to the food service management company. The Food Service Enterprise Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2021 as the number of students in the building has been reduced, resulting in fewer meals claimed for federal and state reimbursements and no daily sales revenue.

The District's Transportation Enterprise Fund had been impacted by COVID-19 for the fiscal year ending June 30, 2020 due to an Executive Order requiring the District to pay for busing contracts throughout the shutdown. The District anticipated not receiving payment from those who were provided transportation services during the shutdown. The Transportation Enterprise Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2021 as a result of the increase in supplies for sanitizing and providing personal protective equipment which were unanticipated expenses.

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
District's proportion of the net pension liability	3.0490780810%	0.0337620405%	0.0337620405%	0.0320574460%	0.0318973924%	0.0295715424%
District's proportionate share of the net pension liability	\$ 5,708,697	\$ 7,578,902	\$ 9,473,067	\$ 7,462,461	\$ 6,280,438	\$ 5,328,343
District's covered employee payroll	\$ 2,183,844	\$ 2,228,210	\$ 2,154,231	\$ 2,281,270	\$ 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%	306.67%	254.65%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 251,361	\$ 290,263	\$ 289,113	\$ 300,962	\$ 318,628	\$ 294,697
Contributions in relation to the contractually required contributio	(251,361)	(290,263)	(289,113)	(300,962)	(318,628)	(294,697)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 2,228,210	\$ 2,154,231	\$ 2,281,270	\$ 2,047,976	\$ 2,092,415	\$ 1,844,586
Contributions as a percentage of covered employee payroll	11.28%	13.47%	12.67%	14.70%	15.23%	15.98%

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

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

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
State's proportion of the net pension liability attributable to the District	0.0961169728%	0.0916826155%	0.0937156978%	0.0984414189%	0.0976366570%	0.0947416639%
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	\$ 58,143,853
District's covered employee payroll	\$ 9,297,024	\$ 10,011,720	\$ 9,881,376	\$ 10,157,584	\$ 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%	653.43%	646.90%	609.73%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 2,764,263	\$ 3,538,208	\$ 5,539,238	\$ 4,597,968	\$ 3,621,049	\$ 3,429,480
Contributions in relation to the contractually required contribution	(495,670)	(750,324)	(1,068,556)	(1,437,843)	(1,863,338)	(1,936,463)
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>	<u>\$ 1,493,017</u>
District's covered employee payroll		\$ 9,881,376	\$ 10,157,584	\$ 9,601,895	\$ 9,535,972	\$ 9,411,735
Contributions as a percentage of covered employee payroll	#DIV/0!	7.59%	10.52%	14.97%	19.54%	20.57%

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 THREE FISCAL YEARS

	Fiscal Year Ended June 30,		
	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 1,968,128	\$ 1,633,221	\$ 1,397,661
Interest Cost	1,678,317	1,941,237	1,774,186
Difference Between Expected and Actual Experience		(5,388,543)	(8,484,895)
Changes in Assumptions	(6,802,058)	(5,166,750)	583,417
Member Contributions	45,346	41,610	35,605
Gross Benefit Payments	(1,231,468)	(1,203,931)	(1,201,144)
Net Change in Total OPEB Liability	(4,341,735)	(8,143,156)	(5,895,170)
Total OPEB Liability - Beginning	57,509,072	53,167,337	45,024,181
Total OPEB Liability - Ending	<u>\$ 53,167,337</u>	<u>\$ 45,024,181</u>	<u>\$ 39,129,011</u>
District's Covered Employee Payroll *	\$ 12,239,930	\$ 12,035,607	\$ 12,438,854
Total OPEB Liability as a Percentage of Covered Employee Payroll	434.38%	374.09%	314.57%

* - 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, 2020

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%.

The inflation rate was 2.25% as of June 30, 2018. As of June 30, 2019, the inflation rate was as follows – Price – 2.75% and Wage – 3.25%. The salary increases as of June 30, 2018 were as follows: Through 2026 – 1.65% - 4.15% based on age and Thereafter – 2.65% - 5.15% based on age. The salary increases as of June 30, 2019 are as follows: Through 2026 – 2.00% - 6.00% based on years of service and Thereafter – 3.00% - 7.00% based on years of service.

The July 1, 2017 actuarial valuation utilized the following mortality rate assumptions:

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 plan actuary's modified MP-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 July 1, 2018 actuarial valuation utilized the following mortality rate assumptions:

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 4.86% as of June 30, 2018 to 5.60% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%. The inflation rate as of June 30, 2018 was 2.25%. The inflation rate as of June 30, 2019 was as follows: Price – 2.75% and Wage – 3.25%.

The salary increases in the July 1, 2018 valuation were as follows: Through 2026 - 1.55 – 4.45% based on years of service and thereafter - 2.75 – 5.65% based on years of service. The salary increases in the July 1, 2017 valuation were as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

The mortality rates utilized in the July 1, 2018 valuation were as follows: Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEN PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

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.

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

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.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 14,537,446		\$ 14,537,446	\$ 14,537,446	
Tuition from Other LEAs within State	1,435,669		1,435,669	1,349,257	\$ (86,412)
Transportation Fees from Other Sources				2,847	2,847
Interest on Investments				219	219
Interest Earned on Maintenance Reserve Funds	14		14	14	
Interest Earned on Capital Reserve Funds	690		690	690	
Unrestricted Miscellaneous	69,293		69,293	10,478	(58,815)
Total - Local Sources	16,043,112		16,043,112	15,900,951	(142,161)
State Sources:					
School Choice Aid	49,793		49,793	49,793	
Transportation Aid	748,822		748,822	748,822	
Special Education Aid	702,032		702,032	702,032	
Equalization Aid	4,071,988		4,071,988	4,071,988	
Security Aid	86,130		86,130	86,130	
Extraordinary Aid	225,000		225,000	243,068	18,068
Non-public Transportation Aid				13,920	13,920
TPAF Pension Contributions (Non-Budgeted)				1,936,463	1,936,463
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				731,269	731,269
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				34,709	34,709
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				726	726
TPAF Social Security Contributions (Reimbursed - Non-Budgeted)				674,658	674,658
Total State Sources	5,883,765		5,883,765	9,293,578	3,409,813
Federal Sources:					
Medicaid Assistance Program	24,231		24,231	9,935	(14,296)
Total Federal Sources	24,231		24,231	9,935	(14,296)
TOTAL REVENUES	21,951,108		21,951,108	25,204,464	3,253,356

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 6,122,771	\$ (135,179)	\$ 5,987,592	\$ 5,986,138	\$ 1,454
Unused Sick Payment		91,115	91,115	91,115	
Regular Programs - Home Instruction:					
Salaries of Teachers	25,000	12,580	37,580	34,585	2,995
Purchased Professional/Educational Services	4,000	61	4,061	2,501	1,560
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	15,000		15,000	11,578	3,422
Purchased Professional/Educational Services	13,454	(326)	13,128	5,306	7,822
Other Purchased Services (400-500 series)	71,862	(18,425)	53,437	42,407	11,030
General Supplies	198,770	(31,154)	167,616	150,927	16,689
Textbooks	22,787	(4,593)	18,194	13,580	4,614
Other Objects	16,040	2,786	18,826	8,401	10,425
Total Regular Programs - Instruction	6,489,684	(83,135)	6,406,549	6,346,538	60,011
Special Education - Instruction:					
Cognitive - Mild:					
Salaries of Teachers	83,790	(1,084)	82,706	82,706	
Other Salaries for Instruction		105,014	105,014	104,857	157
Purchased Professional/Educational Services	1,330		1,330		1,330
General Supplies	5,000		5,000	3,071	1,929
Total Cognitive- Mild	90,120	103,930	194,050	190,634	3,416
Multiple Disabilities:					
Other Salaries for Instruction	21,627	(20,725)	902	902	
General Supplies	1,035		1,035	357	678
Total Multiple Disabilities	22,662	(20,725)	1,937	1,259	678

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Learning and/or Language Disabilities:					
Salaries of Teachers	\$ 79,681	\$ 22,323	\$ 102,004	\$ 102,004	
Other Salaries for Instruction		28,818	28,818	28,562	\$ 256
General Supplies	800		800	520	280
Total Learning and/or Language Disabilities	80,481	51,141	131,622	131,086	536
Resource Room/Resource Center:					
Salaries of Teachers	1,094,556	(2,400)	1,092,156	1,092,135	21
Other Salaries for Instruction	60,471	97,037	157,508	157,362	146
General Supplies	11,350	(6,700)	4,650	3,929	721
Total Resource Room/Resource Center	1,166,377	87,937	1,254,314	1,253,426	888
Total Special Education Instruction	1,359,640	222,283	1,581,923	1,576,405	5,518
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	126,561	29,728	156,289	156,289	
Supplies and Materials	18,400	(9,000)	9,400	8,182	1,218
Other Objects	18,850	(741)	18,109	16,301	1,808
Total School-Sponsored Cocurricular Activities - Instruction	163,811	19,987	183,798	180,772	3,026
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	549,959	33,651	583,610	571,542	12,068
Other Purchased Services	11,180	(5,000)	6,180	4,838	1,342
Supplies and Materials	70,000	(17,000)	53,000	50,961	2,039
Other Objects	65,000	9,274	74,274	65,405	8,869
Transfer to Cover Deficit	20,000		20,000	20,000	
Total School-Sponsored Cocurricular Athletics - Instruction	716,139	20,925	737,064	712,746	24,318
Total Instruction	8,729,274	180,060	8,909,334	8,816,461	92,873

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE EXPENDITURES:					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Special	\$ 427,600	\$ (301,828)	\$ 125,772	\$ 125,752	\$ 20
Tuition to County Vocational School District - Regular	385,224	(64,082)	321,142	321,138	4
Tuition - Other	2,360	(1,829)	531	531	
Tuition to Private Schools for the Disabled Within State	1,007,519	161,645	1,169,164	1,135,460	33,704
Tuition to Private Schools for the Disabled Out of State		125,613	125,613	117,301	8,312
Tuition to CSSD & Regular Day Schools	139,697	(124,578)	15,119	9,452	5,667
Total Undistributed Expenditures - Instruction	<u>1,962,400</u>	<u>(205,059)</u>	<u>1,757,341</u>	<u>1,709,634</u>	<u>47,707</u>
Health Services:					
Salaries	81,480	5,497	86,977	86,976	1
Purchased Professional/Technical Services	21,900	1,914	23,814	17,916	5,898
Supplies and Materials	3,550	1,203	4,753	4,752	1
Total Health Services	<u>106,930</u>	<u>8,614</u>	<u>115,544</u>	<u>109,644</u>	<u>5,900</u>
Speech, OT, PT and Related Services:					
Salaries	189,929	(7,300)	182,629	182,570	59
Purchased Professional/Educational Services	4,500	(4,500)			
Supplies and Materials	715		715	280	435
Total Speech, OT, PT and Related Services	<u>195,144</u>	<u>(11,800)</u>	<u>183,344</u>	<u>182,850</u>	<u>494</u>
Other Support Services - Students - Extra Services:					
Salaries	162,635	(104,261)	58,374	51,836	6,538
Unused Sick Pay		10,800	10,800	10,800	
Total Other Support Services - Students - Extra Services	<u>162,635</u>	<u>(93,461)</u>	<u>69,174</u>	<u>62,636</u>	<u>6,538</u>

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Guidance:					
Salaries of Other Professional Staff	\$ 426,630	\$ (31,195)	\$ 395,435	\$ 395,386	\$ 49
Salaries of Secretaries and Clerical Assistants	111,209	(54,000)	57,209	56,979	230
Other Purchased Services (400-500 Services)	900	(700)	200		200
Supplies and Materials	4,035	(449)	3,586	2,755	831
Other Objects	1,000	(300)	700		700
Total Guidance	543,774	(86,644)	457,130	455,120	2,010
Child Study Teams:					
Salaries of Other Professional Staff	440,539	61,459	501,998	501,997	1
Salaries of Secretarial and Clerical Assistants	48,427	6,710	55,137	55,136	1
Purchased Professional/Educational Services	50,180	(11,255)	38,925	34,393	4,532
Supplies and Materials	3,000	(1,000)	2,000	1,253	747
Other Objects	500	(200)	300	27	273
Total Child Study Teams	542,646	55,714	598,360	592,806	5,554
Improvement of Instructional Services:					
Salary of Supervisor of Instruction	362,754	12,471	375,225	375,225	
Salaries of Secretarial and Clerical Assistants		52,670	52,670	52,670	
Supplies and Materials	500	(100)	400		400
Other Objects	9,055	(2,105)	6,950	6,070	880
Total Improvement of Instructional Services	372,309	62,936	435,245	433,965	1,280

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Educational Media Services/School Library:					
Salaries	\$ 105,287	\$ (983)	\$ 104,304	\$ 104,303	\$ 1
Salaries of Technology Coordinators	215,113	7,252	222,365	222,364	1
Other Purchased Services (400-500 series)	206,110	194,990	401,100	350,571	50,529
Supplies and Materials	5,000	(487)	4,513	3,911	602
Total Educational Media Services/School Library	531,510	200,772	732,282	681,149	51,133
Instructional Staff Training Services:					
Other Purchased Services	5,000	(3,397)	1,603	903	700
Total Instructional Staff Training Services	5,000	(3,397)	1,603	903	700
Support Services - General Administration:					
Salaries	246,703	1,500	248,203	244,883	3,320
Legal Services	25,000	50,813	75,813	63,133	12,680
Audit Fees	26,987	4,013	31,000	31,000	
Architectural/Engineering Services		2,000	2,000	2,000	
Unused Sick Payments to Terminated/Retired Staff	10,800	(10,800)			
Other Purchased Professional Services	4,518		4,518	3,745	773
Communications/Telephones	25,945	(15,206)	10,739	9,786	953
Board of Education Other Purchased Services	7,279	3,073	10,352	9,852	500
Other Purchased Services (400-500 series)	39,628	2,138	41,766	39,993	1,773
General Supplies	4,265	(1,162)	3,103	2,522	581
BOE In-House Training/Meeting Supplies	2,050	(487)	1,563	1,333	230
Miscellaneous Expenditures	6,380	7,783	14,163	9,714	4,449
BOE Membership Dues and Fees	11,476		11,476	11,326	150
Total Support Services - General Administration	411,031	43,665	454,696	429,287	25,409

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 248,241	\$ 411	\$ 248,652	\$ 248,652	\$ 181
Salaries of Other Professional Staff	66,275	(1)	66,274	66,093	
Salaries of Secretarial and Clerical Assistants	147,217	4,321	151,538	151,538	
Other Purchased Services (400-500 Services)	1,560	4,000	5,560	710	4,850
Supplies and Materials	7,365	(418)	6,947	3,737	3,210
Other Objects	6,127		6,127	5,048	1,079
Total Support Services - School Administration	476,785	8,313	485,098	475,778	9,320
Central Services:					
Salaries	281,673	24,083	305,756	276,859	28,897
Purchased Professional Services	21,428		21,428	14,933	6,495
Purchased Technical Services	625	4,111	4,736	650	4,086
Other Purchased Services (400-500 Services)	2,245		2,245	380	1,865
Supplies and Materials	5,058	(924)	4,134	3,218	916
Miscellaneous Expenditures	1,690		1,690	1,540	150
Total Central Services	312,719	27,270	339,989	297,580	42,409
Administrative Information Technology:					
Purchased Technical Services	20,000	1,002	21,002	21,001	1
Supplies and Materials		4,755	4,755	3,755	1,000
Total Administrative Information Technology	20,000	5,757	25,757	24,756	1,001
Required Maintenance of School Facilities:					
Salaries	186,236	(63,273)	122,963	119,991	2,972
Cleaning, Repair and Maintenance Services	145,400	12,386	157,786	116,577	41,209
General Supplies	38,618	882	39,500	29,707	9,793
Total Required Maintenance of School Facilities	370,254	(50,005)	320,249	266,275	53,974

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services:					
Salaries	\$ 419,738	\$ (12,876)	\$ 406,862	\$ 402,464	\$ 4,398
Purchased Professional/Technical Services	14,385	43	14,428	14,427	1
Cleaning, Repair and Maintenance Services	60,280	24,917	85,197	55,725	29,472
Lease Purchase Payments - Energy Savings Improvement Program	108,715		108,715	108,715	
Other Purchased Property Services (400-500 series)	72,181	1	72,182	58,985	13,197
Insurance	192,695	21,427	214,122	214,121	1
General Supplies	111,601	(17,994)	93,607	78,441	15,166
Energy (Electricity)	259,000	(5,260)	253,740	209,166	44,574
Energy (Natural Gas)	500		500	277	223
Energy (Oil)	155,681		155,681	122,327	33,354
Other Objects		200	200		200
Total Custodial Services	1,394,776	10,458	1,405,234	1,264,648	140,586
Care & Upkeep of Grounds:					
Salaries	165,978	(13,205)	152,773	147,686	5,087
Purchased Professional and Technical Services	22,285		22,285	11,665	10,620
Other Purchased Services	9,650	20,706	30,356	6,510	23,846
General Supplies	30,840	12,005	42,845	40,035	2,810
Total Care & Upkeep of Grounds	228,753	19,506	248,259	205,896	42,363
Security:					
Salaries	156,508	(4,291)	152,217	152,215	2
Purchased Professional and Technical Services	6,000		6,000	3,130	2,870
Cleaning, Repair and Maintenance Services	4,274	949	5,223	3,175	2,048
General Supplies	4,000	(1,379)	2,621	1,574	1,047
Other Objects	1,800		1,800		1,800
Total Security	172,582	(4,721)	167,861	160,094	7,767

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Student Transportation Services					
Salaries of Non-Instructional Aides	\$ 308,077	\$ (4,294)	\$ 303,783	\$ 303,616	\$ 167
Cleaning, Repair & Maintenance Services	60,000	(2,545)	57,455	43,265	14,190
Rental Payments - School Buses	2,500		2,500		2,500
Contracted Services (Between Home & School) - Vendors	577,145	(65,442)	511,703	501,020	10,683
Contracted Services (Other than Between Home & School) - Vendors	119,650	(20,143)	99,507	71,775	27,732
Contracted Services (Between Home & School) - Joint Agreements	272,683	(50,683)	222,000	213,324	8,676
Contracted Services (Special Education Students) - Joint Agreements	561,568	(14,148)	547,420	587,139	(39,719)
Contracted Services- Aid in Lieu Payments - Non-Public Schools	9,000	6,000	15,000	8,199	6,801
Miscellaneous Purchased Services	13,410	(200)	13,210	9,633	3,577
General Supplies	600	169	769	769	
Transportation Supplies	56,300	(705)	55,595	32,561	23,034
Other Objects	1,890	(994)	896	886	10
Total Transportation Services	1,982,823	(152,985)	1,829,838	1,772,187	57,651
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	346,000	(87,315)	258,685	251,426	7,259
Other Retirement Contributions - PERS	317,769	(20,353)	297,416	294,697	2,719
Unemployment Compensation	50,074	(15,411)	34,663	9,661	25,002
Workmen's Compensation	209,367	(35,785)	173,582	173,580	2
Health Benefits	2,517,609	(28,558)	2,489,051	2,384,692	104,359
Tuition Reimbursement	78,642	4,532	83,174	76,064	7,110
Other Employee Benefits	9,538	13,504	23,042	23,032	10
Unused Sick Pay-Term/Ret Staff		56,550	56,550	56,523	27
Total Unallocated Benefits - Employee Benefits	3,528,999	(112,836)	3,416,163	3,269,675	146,488

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
On-Behalf Contributions:					
TPAF Pension Contributions (Non-Budgeted)				\$ 1,936,463	\$ (1,936,463)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				731,269	(731,269)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				34,709	(34,709)
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				726	(726)
TPAF Social Security Contributions (Reimbursed - Non-Budgeted)				674,658	(674,658)
Total On-Behalf Contributions				<u>3,377,825</u>	<u>(3,377,825)</u>
Total Personal Services - Employee Benefits	\$ 3,528,999	\$ (112,836)	\$ 3,416,163	6,647,500	(3,231,337)
Total Undistributed Expenses	<u>13,321,070</u>	<u>(277,903)</u>	<u>13,043,167</u>	<u>15,772,708</u>	<u>(2,729,541)</u>
TOTAL CURRENT EXPENSE	<u>22,050,344</u>	<u>(97,843)</u>	<u>21,952,501</u>	<u>24,589,169</u>	<u>(2,636,668)</u>
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures - Athletic		30,824	30,824		30,824
Undistributed Expenditures - Instruction		15,551	15,551	11,000	4,551
Undistributed Expenditures - Custodial Services		20,414	20,414	11,314	9,100
Total Equipment		<u>66,789</u>	<u>66,789</u>	<u>22,314</u>	<u>44,475</u>
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Services		20,600	20,600	8,100	12,500
Construction Services	6,851		6,851		6,851
Assessment for Debt Service on SDA Funding	4,496		4,496	4,496	
Total Facilities Acquisition and Construction Services	<u>11,347</u>	<u>20,600</u>	<u>31,947</u>	<u>12,596</u>	<u>19,351</u>
TOTAL CAPITAL OUTLAY	<u>11,347</u>	<u>87,389</u>	<u>98,736</u>	<u>34,910</u>	<u>63,826</u>
TOTAL EXPENDITURES	<u>22,061,691</u>	<u>(10,454)</u>	<u>22,051,237</u>	<u>24,624,079</u>	<u>(2,572,842)</u>

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original</u>	<u>Budget</u>	<u>Transfers</u>	<u>Final</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
							<u>Final to Actual</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (110,583)	\$ 10,454	\$ (100,129)	\$ (100,129)	\$ 580,385	\$ 680,514	
Other Financing Sources/(Uses):							
Transfer to Cover Food Service Deficit		(31,054)	(31,054)	(31,054)	(31,054)	(20,720)	(20,720)
Other Item - Cancellation of Prior Year Receivable							
Total Other Financing Sources/(Uses)		(31,054)	(31,054)	(31,054)	(51,774)	(20,720)	(20,720)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(110,583)	(20,600)	(131,183)	(131,183)	528,611	659,794	
Fund Balance, July 1	921,293		921,293	921,293	921,293		
Fund Balance, June 30	<u>\$ 810,710</u>	<u>\$ (20,600)</u>	<u>\$ 790,110</u>	<u>\$ 790,110</u>	<u>\$ 1,449,904</u>	<u>\$ 659,794</u>	
Recapitulation:							
Restricted:					\$ 731,790		
Capital Reserve					728		
Maintenance Reserve							
Assigned:							
Year-end Encumbrances					250,473		
Designated for Subsequent Year's Expenditures					10,000		
Unassigned					456,913		
					<u>1,449,904</u>		
Reconciliation to Governmental Funds Statements (GAAP):							
Last Two State Aid Payments not recognized on GAAP basis					(566,767)		
Fund Balance per Governmental Funds (GAAP)					<u>\$ 883,137</u>		

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 5,000		\$ 5,000	\$ 2,132	\$ (2,868)
Federal Sources	312,559		312,559	307,940	(4,619)
Total Revenues	317,559		317,559	310,072	(7,487)
EXPENDITURES:					
Instruction:					
Other Salaries for Instruction	12,500		12,500	7,881	4,619
Tuition	204,978		204,978	204,978	
General Supplies	34,211		34,211	34,211	
Other Objects	5,000		5,000	2,132	2,868
Total Instruction	256,689		256,689	249,202	7,487
Support Services:					
Personal Service - Employee Benefits	956		956	956	
Purchased Professional/Technical Services	7,000		7,000	7,000	
Other Purchased Services	42,315	\$ (192)	42,123	42,123	
Total Support Services	50,271	(192)	50,079	50,079	
Facilities Acquisition and Construction Services:					
Instructional Equipment	10,599	192	10,791	10,791	
Total Facilities Acquisition and Construction Services	10,599	192	10,791	10,791	
Total Expenditures	\$ 317,559	\$ -0-	\$ 317,559	\$ 310,072	\$ 7,487
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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	\$ 25,204,464	\$ 310,072
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		(745)
Prior Year State Aid Payments Not Recognized for Budgetary Purposes, Recognized for GAAP Statements	623,759	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(566,767)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 25,261,456	\$ 309,327
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 24,624,079	\$ 310,072
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.		(745)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 24,624,079	\$ 309,327

Annual appropriated budgets are prepared in the spring of each year for the General and Special Revenue Funds. The budget for the fiscal year ended June 30, 2020 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, 2020

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, 2020

	<u>Elementary and Secondary Education Act</u>		<u>IDEA Part B</u>	<u>Perkins</u>	<u>Local</u>	<u>Total</u>
	<u>Title I</u>	<u>Title II A</u>	<u>Title IV</u>	<u>Vocational</u>	<u>Grants</u>	
				<u>Education</u>		
REVENUE:						
Local Sources						
Federal Sources	\$ 64,906	\$ 14,998	\$ 10,000	\$ 13,058	\$ 2,132	\$ 2,132
Total Revenue	<u>\$ 64,906</u>	<u>\$ 14,998</u>	<u>\$ 10,000</u>	<u>\$ 13,058</u>	<u>\$ 2,132</u>	<u>\$ 310,072</u>
EXPENDITURES:						
Instruction:						
Other Salaries for Instruction	\$ 7,881					\$ 7,881
Tuition						204,978
General Supplies	23,944		\$ 10,000	\$ 267		34,211
Other Objects					\$ 2,132	2,132
Total Instruction	<u>31,825</u>		<u>10,000</u>	<u>267</u>	<u>2,132</u>	<u>249,202</u>
Support Services:						
Personal Service - Employee Benefits	956					956
Purchased Professional/Technical Services	7,000					7,000
Other Purchased Services	25,125	\$ 14,998		2,000		42,123
Total Support Services	<u>33,081</u>	<u>14,998</u>		<u>2,000</u>		<u>50,079</u>
Facilities Acquisition:						
Instructional Equipment				10,791		10,791
Total Facilities Acquisition				<u>10,791</u>		<u>10,791</u>
Total Expenditures	<u>\$ 64,906</u>	<u>\$ 14,998</u>	<u>\$ 10,000</u>	<u>\$ 13,058</u>	<u>\$ 2,132</u>	<u>\$ 310,072</u>

PROPRIETARY FUNDS

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Major Funds</u>		<u>Non-Major Funds</u>		<u>Totals</u>
	<u>Food Service Fund</u>	<u>Transportation Services</u>	<u>Adult School</u>	<u>School Store</u>	
<u>ASSETS:</u>					
Current Assets:					
Cash and Cash Equivalents	\$ 19,356	\$ 169,120	\$ 5,600	\$ 9,747	\$ 203,823
Accounts Receivable:					
State	79				79
Federal	7,613				7,613
Intergovernmental - Other		188,331			188,331
Inventories	9,154			11,466	20,620
Total Current Assets	<u>36,202</u>	<u>357,451</u>	<u>5,600</u>	<u>21,213</u>	<u>420,466</u>
Non-Current Assets:					
Capital Assets	289,789	100,000			389,789
Less: Accumulated Depreciation	<u>(283,320)</u>	<u>(20,000)</u>			<u>(303,320)</u>
Total Non-Current Assets	<u>6,469</u>	<u>80,000</u>			<u>86,469</u>
Total Assets	<u>42,671</u>	<u>437,451</u>	<u>5,600</u>	<u>21,213</u>	<u>506,935</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
<u>LIABILITIES:</u>					
Current Liabilities:					
Accounts Payable - Vendors	\$ 11,455	\$ 50,161			\$ 61,616
Unearned Revenue - Prepaid Sales	4,555				4,555
Unearned Revenue - Donated Commodities	1,170				1,170
Total Current Liabilities	17,180	50,161			67,341
Non-Current Liabilities:					
Capital Lease Payable:					
Due Within One Year		19,247			19,247
Due Beyond One Year		40,699			40,699
Total Non-Current Liabilities		59,946			59,946
Total Liabilities	17,180	110,107			59,946
<u>NET POSITION:</u>					
Net Investment in Capital Assets	6,469	20,054			26,523
Unrestricted	19,022	307,290	5,600	21,213	353,125
Total Net Position	\$ 25,491	\$ 327,344	\$ 5,600	\$ 21,213	\$ 379,648

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, 2020

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
Operating Revenue:					
Local Sources:					
Daily Sales - Reimbursable Programs	\$ 64,370				\$ 64,370
Daily Sales - Non Reimbursable Programs	92,629				92,629
Program Fees		\$ 1,128,506	\$ 2,125	\$ 4,561	1,135,192
Total Operating Revenue	156,999	1,128,506	2,125	4,561	1,292,191
Operating Expenses:					
Cost of Sales - Reimbursable Programs	46,619				46,619
Cost of Sales - Non Reimbursable Programs	68,238				68,238
Salaries, Benefits & Payroll Taxes	98,701	51,151			149,852
Other Purchased Services		1,012,813			1,012,813
Lease Purchase Interest		2,959			2,959
Management Fee	20,000				20,000
Depreciation Expense	1,377	20,000			21,377
Other Miscellaneous Expenses	19,260		2,374	4,340	25,974
Total Operating Expenses	254,195	1,086,923	2,374	4,340	1,347,832
Operating Income/(Loss)	(97,196)	41,583	(249)	221	(55,641)

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, 2020

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
Non-Operating Revenue:					
Local Sources:					
Interest Income	\$ 20		\$ 4	\$ 8	\$ 32
State Sources:					
State School Lunch Program	1,457				1,457
COVID-19 - Seamless Summer Option	98				98
Federal Sources:					
National School Lunch Program	39,801				39,801
COVID-19 - Seamless Summer Option - Lunch	6,222				6,222
Food Distribution Program	10,842				10,842
School Breakfast Program	2,583				2,583
COVID-19 - Seamless Summer Option - Breakfast	3,290				3,290
Total Non-Operating Revenue	64,313		4	8	64,325
Net Income/(Loss) before Transfer	(32,883)	\$ 41,583	(245)	229	8,684
Transfer General Fund - Board Contribution	31,054				31,054
Change in Net Position	(1,829)	41,583	(245)	229	39,738
Net Position - Beginning of Year	27,320	285,761	5,845	20,984	339,910
Net Position - End of Year	\$ 25,491	\$ 327,344	\$ 5,600	\$ 21,213	\$ 379,648

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 157,264	\$ 1,252,351	\$ 2,125	\$ 4,561	\$ 1,416,301
Payments to Employees	(98,701)				(98,701)
Payments to Food Service Vendor	(113,344)				(113,344)
Payments to Suppliers	(19,260)	(1,060,477)	(2,374)	(7,266)	(1,089,377)
Net Cash Provided by/(Used) for Operating Activities	(74,041)	191,874	(249)	(2,705)	114,879
Cash Flows from Noncapital Financing Activities:					
Cash Received from State Sources	1,578				1,578
Cash Received from Federal Sources	47,047				47,047
Prior Year Interfund Returned - General Fund	7,726				7,726
Board Contribution - General Fund	31,054				31,054
Net Cash Provided by Noncapital Financing Activities	87,405				87,405
Cash Flows from Capital Financing Activities:					
Lease Purchase Principal Payment		(40,054)			(40,054)
Net Cash (Used) for Capital Financing Activities		(40,054)			(40,054)
Cash Flows from Investing Activities:					
Investment Income	20		4	8	32
Net Cash Flows Provided by Investing Activities:	20		4	8	32
Net Increase/(Decrease) in Cash and Cash Equivalents	13,384	151,820	(245)	(2,697)	162,262
Cash and Cash Equivalents, July 1	5,972	17,300	5,845	12,444	41,561
Cash and Cash Equivalents, June 30	\$ 19,356	\$ 169,120	\$ 5,600	\$ 9,747	\$ 203,823

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	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 Income/(Loss)	\$ (97,196)	\$ 41,583	\$ (249)	\$ 221	\$ (55,641)
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used) for Operating Activities:					
Federal Food Distribution Program	10,842	20,000			10,842
Depreciation	1,377				21,377
Changes in Assets and Liabilities:					
Decrease in Accounts Receivable	265	123,845			124,110
(Increase) in Inventory	(3,377)			(2,926)	(6,303)
Increase in Accounts Payable	11,455	6,446			17,901
Increase in Unearned Revenue - Prepaid Sales	2,397				2,397
Increase in Unearned Revenue - Donated Commodities	196				196
Net Cash Provided by/(Used) for Operating Activities	\$ (74,041)	\$ 191,874	\$ (249)	\$ (2,705)	\$ 114,879

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 \$11,038 and utilized commodities valued at \$10,842.

FIDUCIARY FUNDS

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020

	<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	\$ 39,969	\$ 142,787	\$ 182,756	\$ 48,190	\$ 5,276
Total Assets	39,969	142,787	182,756	48,190	5,276
<u>LIABILITIES:</u>					
Net Salaries and Wages	894		894		
Payroll Deductions and Withholdings Due to Student Groups	39,075	142,787	142,787		
Total Liabilities	39,969	142,787	182,756		
<u>NET POSITION:</u>					
Held in Trust for Unemployment Claims Restricted For Scholarships				48,190	5,276
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ 48,190	\$ 5,276

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Totals
ADDITIONS:			
Contributions:			
Donations		\$ 9,514	\$ 9,514
Total Contributions		9,514	9,514
Investment Earnings:			
Interest	\$ 25	33	58
Net Investment Earnings	25	33	58
Total Additions	25	9,547	9,572
DEDUCTIONS:			
Unemployment Compensation Claims	30,000		30,000
Scholarships Awarded		11,450	11,450
Total Deductions	30,000	11,450	41,450
Change in Net Position	(29,975)	(1,903)	(31,878)
Net Position - Beginning of the Year	35,251	50,093	85,344
Net Position - End of the Year	\$ 5,276	\$ 48,190	\$ 53,466

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

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 102,123	\$ 266,238	\$ 225,574	\$ 142,787
Total Assets	<u>\$ 102,123</u>	<u>\$ 266,238</u>	<u>\$ 225,574</u>	<u>\$ 142,787</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 102,123	\$ 266,238	\$ 225,574	\$ 142,787
Total Liabilities	<u>\$ 102,123</u>	<u>\$ 266,238</u>	<u>\$ 225,574</u>	<u>\$ 142,787</u>

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

	<u>Balance</u> <u>June 30, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
High School Activities Fund	\$ 100,424	\$ 221,841	\$ 182,929	\$ 139,336
High School Athletic Fund	<u>1,699</u>	<u>44,397</u>	<u>42,645</u>	<u>3,451</u>
Total	<u>\$ 102,123</u>	<u>\$ 266,238</u>	<u>\$ 225,574</u>	<u>\$ 142,787</u>

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

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 244,924	\$ 14,058,424	\$ 14,263,379	\$ 39,969
Total Assets	<u>\$ 244,924</u>	<u>\$ 14,058,424</u>	<u>\$ 14,263,379</u>	<u>\$ 39,969</u>
 <u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 237,953	\$ 6,338,593	\$ 6,537,471	\$ 39,075
Net Salaries and Wages	<u>6,971</u>	<u>7,719,831</u>	<u>7,725,908</u>	<u>894</u>
Total Liabilities	<u>\$ 244,924</u>	<u>\$ 14,058,424</u>	<u>\$ 14,263,379</u>	<u>\$ 39,969</u>

LONG-TERM DEBT

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOT APPLICABLE

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

Item	Interest Rate	Original Issue	Balance June 30, 2019	Issued	Matured	Balance June 30, 2020
Energy Savings Equipment Lease	1.075%	\$ 1,327,620	\$ 838,091		\$ 90,652	\$ 747,439
Bus Lease	3.770%	100,000		\$ 100,000	40,054	59,946
			<u>\$ 838,091</u>	<u>\$ 100,000</u>	<u>\$ 130,706</u>	<u>\$ 807,385</u>
						\$ 747,439
						<u>59,946</u>
						<u>\$ 807,385</u>
						\$ 747,439
						<u>59,946</u>
						<u>\$ 807,385</u>

Governmental Activities
Business-Type Activities

STATISTICAL SECTION
(UNAUDITED)

This part of the District'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 District's overall financial health.

Contents

	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the District'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 District'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 District's current levels of outstanding debt and the District'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 District'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 District's operations and resources to help the reader understand how the District's financial information relates to the services the District 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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 3,468,837
Restricted	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	732,518
Unrestricted/(Deficit)	(942,067)	(799,750)	18,546	(6,004,806)	(6,914,660)	(6,728,563)	(7,406,890)	(7,242,497)	(8,124,176)	(7,870,174)
Total Governmental Activities Net Position/(Deficit)	\$ 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)	\$ (3,668,819)
Business-Type Activities										
Net Investment in Capital Assets	\$ 2,115	\$ 9,928	\$ 9,599	\$ 27,265	\$ 26,936	\$ 26,607	\$ 6,645	\$ 3,412	\$ 7,846	\$ 26,523
Unrestricted	393,104	570,374	609,457	632,853	596,048	408,925	298,278	356,475	332,064	353,125
Total Business-Type Activities Net Position	\$ 395,219	\$ 580,302	\$ 619,056	\$ 660,118	\$ 622,984	\$ 435,532	\$ 304,923	\$ 359,887	\$ 339,910	\$ 379,648
District-Wide										
Net Investment in Capital Assets	\$ 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	\$ 3,495,360
Restricted	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	732,518
Unrestricted/(Deficit)	(548,963)	(229,376)	628,003	(5,371,953)	(6,318,612)	(6,319,638)	(7,108,612)	(6,886,022)	(7,792,112)	(7,517,049)
Total District Net Position/(Deficit)	\$ 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)	\$ (3,289,171)

Source: School District Financial Reports

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

UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
Instruction										
Regular	\$ 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	\$ 11,624,322
Special Education	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	2,897,766
Other Special Education	1,022,488	1,302,373	1,221,996	1,339,062	1,452,353	1,184,478	1,108,329	1,090,651	1,099,707	1,002,255
Other Instruction			266,655	261,685		1,209,433	301,535	266,342	240,641	180,743
Support Services:										
Tuition	802,083	993,890	943,288	1,249,788	1,258,017	1,052,244	1,087,347	1,310,444	1,617,791	1,709,634
Student & Instruction Related Services	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	3,060,943
General Administrative Services	965,708	1,094,206	1,185,882	1,037,768	1,172,827	1,028,969	1,157,618	511,751	502,442	493,465
School Administrative Services	1,003,071	997,092	627,069	560,774	619,516	522,149	485,017	916,378	864,739	796,659
Central Services			433,361	444,486	454,485	415,685	438,096	438,325	428,373	367,533
Administrative Information Technology			34,705	59,367	45,554	39,043	30,687	22,034	24,697	24,756
Plant Operations And Maintenance	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	2,029,654
Pupil Transportation	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	1,998,400
Interest On Long-Term Debt	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	211,590	4,496
Total Governmental Activities Expenses	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	26,190,626
Business-type activities:										
Food Service	435,747	414,208	354,256	360,017	409,611	470,378	430,342	351,359	339,498	254,195
Transportation Services	848,346	710,089	692,528	760,481	23,000	27,594	1,077,985	955,971	1,193,826	1,086,923
Adult School	13,579	14,422	6,490	11,328	17,777	15,698	6,103	6,780	3,766	2,374
School Store	9,577	20,220	17,047	15,933	769,623	1,134,769	20,898	6,936	8,361	4,340
Total Business-Type Activities Expense	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	1,347,832
Total District Expenses	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	27,538,458
Program Revenues										
Governmental Activities:										
Charges For Services:										
Tuition	391,128	121,196	251,295	286,804	678,827	999,366	895,190	1,275,757	1,430,012	1,349,257
Operating Grants and Contributions	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	10,780,925
Capital Grants and Contributions						628,906				
Total Governmental Activities Program Revenues	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	12,130,182

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-Type Activities:										
Charges for services										
Food Service	\$ 398,427	\$ 380,396	\$ 303,406	\$ 316,329	\$ 306,413	\$ 359,346	\$ 309,357	\$ 284,133	\$ 261,074	\$ 156,999
Transportation Services	1,008,974	862,803	718,763	772,975	770,362	998,543	1,015,575	1,003,619	1,179,068	1,128,506
Adult School	13,839	14,358	9,466	13,269	10,383	6,590	7,090	4,407	2,927	2,125
School Store	13,868	21,319	16,732	20,064	14,422	15,187	16,650	10,584	7,676	4,561
Operating Grants and Contributions										
Food Service	60,873	64,749	60,536	65,996	81,112	81,189	74,522	73,208	74,671	64,293
Total Business Type Activities Program Revenues	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	1,356,484
Total District Program Revenues	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	13,486,666
Net (Expense)/Revenue										
Governmental Activities	(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)	(14,060,444)
Business-Type Activities	188,731	184,684	38,582	40,874	(37,319)	(187,584)	(112,134)	54,905	(20,035)	8,652
Total District-Wide Net Expense	(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)	(14,051,792)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	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	14,537,446
Property Taxes Levied for Debt Service, Net	152,922	158,197	195,391	192,538	194,000	194,749	11,617	9,351	19,763	9,935
Federal and State Aid not Restricted	4,789,978	5,544,997	336,971	1,480	738	2,721	2,618	2,003	1,525	923
Investment Earnings	14,583	11,309	1,487	1,480	738	2,721	65,214	10,775	23,751	13,325
Miscellaneous Income	88,804	375,628	258,499	559,503	91,618	11,201				(31,054)
Transfers										(20,720)
Special Item - Cancellation of Prior Year Receivable										
Total Governmental Activities	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	14,509,855
Business-Type Activities:										
Investment Earnings	552	399	173	188	185	132	80	59	58	32
Transfers							5,388			31,054
Total Business-Type Activities	552	399	173	188	185	132	5,468	59	58	31,086
Total District-Wide	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	14,540,941
Change in Net Position										
Governmental Activities	921,901	1,573,703	1,206,454	(89,031)	(143,236)	(54,500)	(853,081)	(544,500)	(1,377,464)	449,411
Business-Type Activities	189,282	185,084	38,755	41,062	(37,134)	(187,452)	(106,666)	54,964	(19,977)	39,738
Total District	\$ 1,111,184	\$ 1,758,787	\$ 1,245,209	\$ (47,969)	\$ (180,370)	\$ (241,952)	\$ (959,747)	\$ (489,536)	\$ (1,397,441)	\$ 489,149

Source: School District Financial Reports

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

	June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ 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	\$ 732,518
Assigned	5,816	549,477	800,235	326,794	6,752	701,377	387,133	802,220	(31,230)	150,619
Unassigned										
Total General Fund	\$ 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	\$ 883,137
All Other Governmental Funds										
Restricted/(Deficit)	\$ (35,126)	\$ (277,152)								
Restricted for:										
Debt Service Fund	2	2	2	2	3	2	2			
Unassigned/(Deficit)					(326,178)	(448,221)				
Total All Other Governmental Funds/(Deficit)	\$ (35,124)	\$ (277,150)	\$ 2	\$ 3	\$ (326,178)	\$ (448,219)	\$ 2	\$ -0-	\$ -0-	\$ -0-
Total Fund Balances	\$ 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	\$ 883,137

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax Levy	\$ 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	\$ 14,537,446
Tuition Charges	391,128	121,196	244,795	286,804	678,827	999,366	895,190	1,275,757	1,430,012	1,349,257
Interest Earnings	14,583	11,309	1,487	1,480	738	2,721	2,618			
Miscellaneous	88,804	375,628	258,506	563,483	91,738	11,201	65,214	12,778	25,276	16,380
State Sources	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	9,350,570
Federal Sources	671,239	522,770	384,789	322,969	330,033	360,265	360,554	327,399	364,373	317,130
Total Revenue	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	25,570,783
Expenditures										
Instruction										
Regular Instruction	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	6,440,096
Special Education Instruction	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	1,781,383
Other Special Instruction	768,774	1,075,835	818,387	942,888	942,668	983,365	1,007,388	978,951	983,737	893,518
Other Instruction			187,956	183,917						
Support Services:										
Tuition	802,083	993,890	943,288	1,249,788	1,258,017	1,052,244	1,087,347	1,310,444	1,617,791	1,709,634
Student & Instruction Related Services	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	2,519,073
General Administrative Services	734,328	869,775	813,807	729,378	731,483	633,283	646,730	446,470	440,177	429,287
School Administrative Services	768,124	698,819	505,865	450,452	412,650	459,224	409,997	530,458	462,437	475,778
Central Services			311,186	326,503	297,317	325,871	321,226	325,960	336,329	297,580
Administrative Information Technology			34,705	45,760	45,554	39,043	30,687	22,034	24,697	24,756
Plant Operations And Maintenance	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	1,896,913
Pupil Transportation	1,639,920	1,703,444	1,661,839	1,772,029	1,698,644	1,645,355	1,746,071	1,798,127	1,735,647	1,772,187
Employee Benefits	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	6,647,500
Capital Outlay	334,553	1,062,037	2,469,691	887,490	1,622,830	799,983	463,374	122,008	382,854	45,701
Debt Service:										
Principal	150,000	155,000	165,000	170,000	180,000	190,000				
Interest And Other Charges	44,369	37,694	30,391	22,537	14,000	4,750				
Total Expenditures	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	24,933,406
Excess (Deficiency) Of Revenues Over (Under) Expenditures	1,035,866	902,039	(1,013,534)	(571,112)	(1,192,849)	(176,654)	(19,264)	(33,361)	(1,229,604)	637,377

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other Financing Sources (Uses)										
Capital Leases (non-budgeted)			\$ 1,327,620		\$ 1,050,090			\$	2	
Transfers In			59,819		(1,050,090)			(2)		\$ (31,054)
Transfers Out			(59,819)							(20,720)
Cancellation of Prior Year Receivable										
Total Other Financing Sources (Uses)	\$ -0-	\$ -0-	1,327,620	\$ -0-	-0-	\$ -0-	\$ -0-	-0-	\$ -0-	(51,774)
Net Change In Fund Balances	\$ 1,035,866	\$ 902,039	\$ 314,086	\$ (571,112)	\$ (1,192,849)	\$ (176,654)	\$ (19,264)	\$ (33,361)	\$ (1,229,604)	\$ 585,603
Debt Service As A Percentage Of Noncapital Expenditures	0.83%	0.81%	0.79%	0.76%	0.77%	0.76%	0.00%	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		Miscellaneous	Total
				Fees			Cafeteria			
2011	\$ 391,128	\$ 14,583	\$ 352,693	\$ 2,331	\$ 10,910	\$ 86,473	\$ 494,514		\$ 494,514	
2012	121,196	11,309	134,930	1,126	34,119	4,224	508,133	6,675	508,133	
2013	244,795	6,043	505,204	5,618		71,117	504,781	8,159	504,781	
2014	286,804	5,274	1,242	32,897		7,196	847,787	10,412	847,787	
2015	678,827	3,741		52,153		22,086	771,183	13,134	771,183	
2016	999,366	2,721				9,201	1,011,288		1,011,288	
2017	895,190	2,618	10,091			54,710	963,022	413	963,022	
2018	1,275,757	2,003				10,775	1,288,535		1,288,535	
2019	1,430,012	1,525				18,761	1,450,298		1,450,298	
2020	1,349,257	923				13,325	1,363,505		1,363,505	

Source: High Point Regional High School District District Records

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY.

LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
<u>Branchville Borough</u>											
2010	\$ 2,832,750	\$ 82,015,300	\$ 468,800	\$ 60,247,800	\$ 1,567,000	\$ 1,47,131,650	\$ 206,011	\$ 147,337,661	\$ 0.629	\$ 147,618,315	
2011	2,689,450	82,141,100	468,800	58,240,000	1,567,000	145,106,350	225,527	145,331,877	0.607	142,014,026	
2012	* 2,254,350	71,399,200	423,800	57,496,700	1,388,000	132,962,050	237,409	133,199,459	0.636	142,761,211	
2013	2,254,350	71,576,400	418,300	57,609,100	1,388,000	133,251,650	206,820	133,458,470	0.606	148,310,732	
2014	2,333,050	71,358,600	423,800	57,285,300	1,388,000	132,788,750	213,947	133,002,697	0.582	139,687,493	
2015	2,254,350	71,333,600	423,800	57,167,000	1,388,000	132,566,750	247,390	132,814,140	0.583	127,085,808	
2016	1,905,150	71,432,300	440,500	52,639,200	1,388,000	127,805,150	220,899	128,026,049	0.429	125,626,181	
2017	1,905,150	71,055,300	434,000	53,816,100	1,388,000	128,598,550		128,598,550	0.423	142,122,836	
2018	2,138,600	71,256,600	419,200	54,317,900	1,388,000	129,520,300		126,520,300	0.467	128,225,339	
2019	2,079,800	70,629,100	440,600	53,922,900	1,388,000	128,460,400		128,460,400	0.557	135,726,065	
<u>Frankford Township</u>											
2010	\$ 36,262,400	\$ 733,731,900	\$ 100,591,000	\$ 70,748,400	\$ 6,458,400	\$ 1,075,900	\$ 948,868,000	\$ 2,440,197	\$ 951,598,197	\$ 0.483	\$ 925,655,838
2011	34,353,400	734,220,600	102,117,600	69,990,600	6,548,400	1,075,900	948,306,500	2,337,821	950,644,321	0.501	882,845,249
2012	32,015,200	734,356,000	101,398,600	63,242,500	6,414,300	1,075,900	938,507,500	2,230,757	940,738,257	0.532	862,469,699
2013	* 18,976,800	559,837,200	72,998,200	60,275,700	5,529,600	880,200	721,747,200	2,033,198	723,780,398	0.706	792,810,574
2014	17,333,200	565,528,300	73,949,400	59,828,300	5,529,600	880,200	723,049,000	1,811,215	724,860,215	0.701	845,128,593
2015	17,180,700	570,042,100	74,134,500	59,064,500	5,529,600	841,700	726,793,100	2,183,338	728,976,438	0.601	825,685,795
2016	16,952,900	577,131,100	69,657,800	59,222,500	5,529,600	841,700	729,335,600	2,049,219	731,384,819	0.612	824,978,449
2017	16,848,200	578,350,100	70,077,500	59,117,800	5,529,600	859,800	730,783,000		730,783,000	0.584	807,870,623
2018	16,805,100	580,099,600	69,590,500	58,405,700	5,529,600	859,800	731,290,300		731,290,300	0.546	796,082,118
2019	16,548,600	581,811,500	69,774,000	59,727,200	5,529,600	859,800	734,250,700		734,250,700	0.547	817,998,506
<u>Lafayette Township</u>											
2010	\$ 10,195,400	\$ 302,586,600	\$ 66,281,100	\$ 49,056,600	\$ 44,494,400	\$ 472,614,100	\$ 548,807	\$ 473,162,907	\$ 0.457	\$ 448,864,212	
2011	9,160,300	294,938,000	65,672,600	46,242,100	26,731,100	442,744,100	560,912	443,305,012	0.540	427,493,775	
2012	8,661,800	292,547,500	67,325,300	45,772,600	23,929,500	438,236,700	596,007	438,832,307	0.560	414,089,316	
2013	* 6,574,300	219,343,500	47,116,300	41,217,100	15,337,800	333,540,900	539,095	334,079,995	0.701	355,384,286	
2014	6,746,400	219,287,600	49,051,500	41,203,100	15,337,800	331,626,400	494,830	332,121,230	0.693	373,817,248	
2015	6,404,000	218,935,700	48,747,500	35,992,900	15,339,900	325,420,000	597,858	326,017,858	0.524	352,383,165	
2016	6,715,300	220,130,800	47,955,900	39,293,100	14,459,900	328,555,000	588,015	329,143,015	0.542	348,586,224	
2017	6,046,700	221,637,200	47,523,400	39,142,800	14,459,900	328,810,000	618,355	329,428,355	0.526	337,460,456	
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	
2019	5,549,700	222,705,800	46,959,900	39,280,400	13,980,300	328,476,100	662,640	329,138,740	0.581	339,579,865	

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)
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
2019	2,250,900	80,462,800	662,200	25,350,100	787,300	14,484,100	123,997,400		123,997,400	0.542	127,638,746
<u>Wantage Township</u>											
2010	\$ 55,259,940	#####	\$ 156,474,776	\$ 115,230,735	\$ 761,300	\$ 5,822,300	#####	\$ 3,118,073	#####	\$ 0.505	#####
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
2019	32,050,650	897,450,506	141,496,072	112,958,834	1,541,400	15,896,200	1,201,393,662		1,201,393,662	0.601	1,279,831,695

* Revaluation or Reassessment Year

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation.

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

b Tax rates are per \$100

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

Branchville Borough								Total Direct and Overlapping Tax Rate
Direct Rate				Overlapping Rates				
Year Ended December 31,	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County		
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	
2019	0.557		0.557	0.143	0.882	0.593	2.175	

Frankford Township								Total Direct and Overlapping Tax Rate
Direct Rate				Overlapping Rates				
Year Ended December 31,	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County		
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	
2019	0.547		0.547	0.374	1.000	0.645	2.566	

* Revaluation or Reassessment Year

Source: Municipal Tax Collector and School Business Administrator

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

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

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

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

Lafayette Township								
Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County		
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	
2019	0.581		0.581	0.281	1.238	0.596	2.696	

Sussex Borough								
Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County		
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	
2019	0.542		0.542	0.797	1.285	0.597	3.221	

Source: Municipal Tax Collector and School Business Administrator

* Revaluation or Reassessment Year

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

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

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

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

Year Ended December 31,	Wantage Township							Total Direct and Overlapping Tax Rate
	Direct Rate			Overlapping Rates				
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County		
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	0.299	1.126	0.575	2.604	
2019	0.601		0.601	0.303	1.160	0.617	2.681	

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	2019		% of Total District Net Assessed Value
	Taxable Assessed Value		
Wantage Avenue Holding Company Inc	\$ 31,006,100		24.51%
Franklin Mutual Insurance Company	5,425,900		4.29%
Haubrich Enterprises, LLC	1,150,700		0.91%
Mill Manor, LLC	1,021,100		0.81%
Individual Taxpayer #1	1,007,200		0.80%
LAC Realty Corp.	925,500		0.73%
RBMK	915,600		0.72%
Individual Taxpayer #2	896,500		0.71%
National Bank of Sussex County	770,300		0.61%
Individual Taxpayer #3	747,000		0.59%
Total	\$ 43,865,900		34.67%

Taxpayer	2010		% of Total District Net Assessed Value
	Taxable Assessed Value		
N/A	N/A		N/A

N/A - Not Available

Source: Municipal Tax Assessor

Taxpayer	2019		% of Total District Net Assessed Value
	Taxable Assessed Value		
129 Morris Turnpike Realty, Inc.	\$ 6,500,000		0.89%
Sussex County Farm & Horse Show	2,793,000		0.38%
Visions Federal Credit Union	2,419,600		0.33%
Branchville Manor c/o Kaplan Dev	2,362,900		0.32%
Corn Patch Realty, LLC	2,100,000		0.29%
Individual Taxpayer #1	1,987,500		0.27%
Skylands Stadium LLC	1,600,000		0.22%
Individual Taxpayer #2	1,579,300		0.22%
One to One, LLC	1,352,400		0.18%
Kymers Campground	1,346,900		0.18%
Total	\$ 24,041,600		3.29%

Taxpayer	2010		% of Total District Net Assessed Value
	Taxable Assessed Value		
N/A	N/A		N/A

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

UNAUDITED
(Continued)

Lafayette Township

Sussex Borough

	2019			2010		
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer
205 Route 94 LLC	\$ 3,966,900	1.20%		\$ 7,506,000	6.04%	
BHR Ringwood Real Estate LLC	3,342,900	1.01%		3,700,000	2.98%	
During Realty, LLC	2,200,000	0.67%		2,100,000	1.69%	
Lafayette Village Associates, LLC	2,200,000	0.67%		1,929,500	1.55%	
Carlwood Land Development, LLC	2,070,000	0.63%		1,702,800	1.37%	
United Telephone Co of NJ	1,800,000	0.55%		1,170,600	0.94%	
34-38 Route 15 LAF C/O Lehigh Gas	1,785,600	0.54%		1,046,800	0.84%	
94 Associates, c/o Carson/Roberts	1,682,900	0.51%		985,600	0.79%	
11 Millpond Drive, LLC	1,533,100	0.47%		894,200	0.72%	
10 Millpond Drive, LLC	1,490,700	0.45%		883,700	0.71%	
Total	\$ 22,072,100	6.70%		\$ 21,919,200	17.63%	

	2010			2010		
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer
	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Not Available

Source: Municipal Tax Assessor

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

UNAUDITED
(Continued)

Wantage Township

	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value
Wantage 2002 LLC	\$ 12,041,500	1.00%	N/A	N/A
Main Land Sussex Co	9,697,300	0.75%		
Tenneco, Inc	9,044,500	0.75%		
Regency Apartments, LLC	5,539,000	0.46%		
Space Farms, Inc.	4,676,600	0.39%		
PS, LLC	3,400,900	0.28%		
Ames Rubber Corp.	3,393,100	0.28%		
Sussex Rural Electric Corp	3,132,700	0.26%		
United Telephone Co. of NJ	3,113,073	0.26%		
Rolling Wantage, Inc.	3,026,400	0.25%		
Total	\$ 57,065,073	4.71%		

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	
2018	\$ 543,358	\$ 543,358	100.00%	
2019	591,336	591,336	100.00%	
2020	715,233	715,233	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	
2018	\$ 4,269,344	\$ 4,269,344	100.00%	
2019	3,995,325	3,995,325	100.00%	
2020	4,016,183	4,016,183	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	
2018	\$ 1,733,428	\$ 1,733,428	100.00%	
2019	1,743,384	1,743,384	100.00%	
2020	1,913,870	1,913,870	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	
2018	\$ 562,434	\$ 562,434	100.00%	
2019	682,750	682,750	100.00%	
2020	671,885	671,885	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	
2018	\$ 7,248,054	\$ 7,248,054	100.00%	
2019	7,244,169	7,244,169	100.00%	
2020	7,220,276	7,220,276	100.00%	

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

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2011	\$ 860,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 860,000	0.08%	\$ 38.58
2012	705,000	-0-	-0-	-0-	-0-	-0-	705,000	0.06%	31.88
2013	540,000	-0-	1,327,620	-0-	-0-	-0-	1,867,620	0.17%	85.05
2014	370,000	-0-	1,262,567	-0-	-0-	-0-	1,632,567	0.14%	74.60
2015	190,000	-0-	1,181,370	-0-	-0-	-0-	1,371,370	0.11%	63.33
2016	-0-	-0-	1,098,365	-0-	-0-	-0-	1,098,365	0.09%	51.07
2017	-0-	-0-	1,013,511	-0-	-0-	-0-	1,013,511	0.08%	47.31
2018	-0-	-0-	926,767	-0-	-0-	-0-	926,767	0.07%	43.46
2019	-0-	-0-	838,091	-0-	-0-	-0-	838,091	0.06%	39.29
2020	-0-	-0-	747,440	-0-	-0-	59,945	807,385	0.06%	37.85

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		
2011	\$ 860,000	\$ -0-	\$ 860,000	0.03%	\$ 38.58
2012	705,000	-0-	705,000	0.02%	31.88
2013	540,000	-0-	540,000	0.02%	24.59
2014	370,000	-0-	370,000	0.01%	16.91
2015	190,000	-0-	190,000	0.01%	8.77
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-
2020	-0-	-0-	-0-	0	-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, 2019
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%)	\$ 121,923	\$ 1,369,716	\$ -0-	\$ 703,000	\$ 6,560,836	\$ 8,755,475
Local School (100%)	203,184	1,256,816	670,000	-0-	-0-	2,130,000
County of Sussex Share (1)	776,320	4,678,749	1,942,313	730,062	7,320,321	15,447,764
Total Direct and Overlapping Bonded Debt as of December 31, 2019						<u>\$ 26,333,239</u>

- (1) Borough of Branchville - 0.76%
- Township of Frankford - 4.69%
- Township of Lafayette - 2.02%

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 2020

	Borough of Branchville	Township of Frankford	Township of Lafayette	Borough of Sussex	Township of Wantage	Equalized Valuation Basis
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
2019	128,911,591	804,060,538	337,770,060	131,118,283	1,238,128,577	2,639,989,049
	<u>\$ 389,965,241</u>	<u>\$2,409,018,426</u>	<u>\$1,016,161,789</u>	<u>\$ 393,977,025</u>	<u>\$3,699,626,976</u>	<u>\$7,908,749,457</u>

Average Equalized Valuation of Taxable Property \$2,636,249,819

Debt Limit (3% of average equalization value) 79,087,495

Total Net Debt Applicable to Limit -0-

Legal Debt Margin \$ 79,087,495

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt Limit	\$ 95,202,494	\$ 94,410,069	\$ 90,262,671	\$ 82,589,097	\$ 79,760,713
Total Net Debt Applicable to Limit	860,000	705,000	540,000	370,000	190,000
Legal Debt Margin	<u>\$ 79,460,273</u>	<u>\$ 94,342,494</u>	<u>\$ 93,705,069</u>	<u>\$ 89,722,671</u>	<u>\$ 82,219,097</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.90%	0.75%	0.60%	0.45%	0.24%

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt Limit	\$ 78,592,634	\$ 77,840,473	\$ 77,547,126	\$ 78,412,884	\$ 79,087,495
Total Net Debt Applicable to Limit	-0-	-0-	-0-	-0-	-0-
Legal Debt Margin	<u>\$ 79,570,713</u>	<u>\$ 79,570,713</u>	<u>\$ 77,547,126</u>	<u>\$ 78,412,884</u>	<u>\$ 79,087,495</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	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>				
2011	831	\$ 40,796,283	\$ 49,093	9.6%
2012	823	41,844,612	50,844	12.6%
2013	815	41,936,640	51,456	12.5%
2014	805	43,323,490	53,818	7.6%
2015	794	44,207,538	55,677	6.2%
2016	790	44,962,060	56,914	5.0%
2017	786	46,151,562	58,717	4.1%
2018	782	48,293,974	61,757	4.1%
2019	779 **	48,108,703 *	61,757 *	3.2%
2020	779 **	48,108,703 *	61,757 *	N/A
<u>Frankford Township</u>				
2011	5,524	\$ 271,189,732	\$ 49,093	9.6%
2012	5,492	279,235,248	50,844	8.1%
2013	5,463	281,104,128	51,456	8.0%
2014	5,442	292,877,556	53,818	7.0%
2015	5,390	300,099,030	55,677	5.9%
2016	5,358	304,945,212	56,914	5.0%
2017	5,342	313,666,214	58,717	4.8%
2018	5,318	328,423,726	61,757	4.6%
2019	5,301	327,373,857 *	61,757 *	3.6%
2020	5,301 **	327,373,857 *	61,757 *	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 (2018) was used for calculation purposes.

** - Latest population data available (2019) 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>				
2011	\$ 2,494	\$ 122,437,942	\$ 49,093	9.6%
2012	2,468	125,482,992	50,844	10.90%
2013	2,439	125,501,184	51,456	10.90%
2014	2,445	131,585,010	53,818	6.2%
2015	2,419	134,682,663	55,677	4.8%
2016	2,400	136,593,600	56,914	4.6%
2017	2,393	140,509,781	58,717	3.8%
2018	2,376	146,734,632	61,757	3.9%
2019	2,363	145,931,791 *	61,757 *	3.0%
2020	2,363 **	145,931,791 *	61,757 *	N/A
<u>Sussex Borough</u>				
2011	2,117	\$ 103,929,881	\$ 49,093	9.6%
2012	2,097	106,619,868	50,844	10.20%
2013	2,076	106,822,656	51,456	10.10%
2014	2,055	110,595,990	53,818	7.9%
2015	2,031	113,079,987	55,677	6.9%
2016	2,017	114,795,538	56,914	5.7%
2017	2,005	117,727,585	58,717	5.8%
2018	1,995	123,205,215	61,757	5.3%
2019	1,985	122,587,645 *	61,757 *	4.9%
2020	1,985 **	122,587,645 *	61,757 *	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 (2018) was used for calculation purposes.

** - Latest population data available (2019) was used for calculation purposes.

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

UNAUDITED
(Continued)

<u>Year</u>	<u>Population^a</u>	<u>Personal Income</u>	<u>Sussex County Per Capita Personal Income^b</u>	<u>Unemployment Rate^c</u>
<u>Wantage Township</u>				
2011	11,326	\$ 556,027,318	\$ 49,093	9.6%
2012	11,234	571,181,496	50,844	11.50%
2013	11,166	574,557,696	51,456	11.80%
2014	11,148	599,963,064	53,818	6.7%
2015	11,022	613,671,894	55,677	5.1%
2016	10,944	622,866,816	56,914	4.7%
2017	10,895	639,721,715	58,717	4.3%
2018	10,853	670,248,721	61,757	3.9%
2019	10,902	673,274,814 *	61,757 *	3.5%
2020	10,902 **	673,274,814 *	61,757 *	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 (2018) was used for calculation purposes.

** - Latest population data available (2019) was used for calculation purposes.

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

Employer	2019		2010		Percentage of Total Employment
	Employees	Percentage of Total Employment	Employer	Employees	
Selective Insurance Group Inc.	1,000-4,999	1.40%-7.00%	Crystal Springs Golf & Spa Resort	2,000	2.61%
Crystal Springs Resort	1,000-4,999	1.40%-7.00%	Newton Memorial Hospital	1,490	1.94%
Newton Medical Center	500-999	0.70%-1.40%	Selective Insurance	900	1.17%
Sussex County Offices	500-999	0.70%-1.40%	County of Sussex	830	1.08%
Thorlabs	500-999	0.70%-1.40%	Mountain Creek Resort	800	1.04%
Mountain Creek Resort	500-999	0.70%-1.40%	Shop Rite (Ronetco)	697	0.91%
Shop Rite	250-499	0.35%-0.70%	Ames Rubber Corp	445	0.58%
Sussex County Community College	250-499	0.35%-0.70%	Walmart	412	0.54%
United Methodist Community Bristol Glen	250-499	0.35%-0.70%	Andover Sub Acute and Rehab Center	300	0.39%
Andover Subacute & Rehab Center	100-249	0.14%-0.35%	Sussex County Community College	300	0.39%
Total	4,850-15,740	4.07%-12.91%		8,174	10.66%

Source: County of Sussex

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

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction										
Regular	82.0	91.5	79.0	79.0	79.0	79.0	72.5	62.3	64.4	64.4
Special Education	16.0	13.0	19.5	17.5	17.5	17.0	19.7	18.6	16.4	16.6
Support Services:										
Tuition										
Student and Instruction Related Services	25.0	21.0	29.0	28.0	28.0	30.0	32.4	30.0	29.5	28.5
General Administrative Services	3.0	3.0	3.0	3.0	3.0	3.0	2.1	3.0	3.0	3.0
School Administrative Services	9.5	9.0	9.5	9.5	9.5	8.0	6.5	5.5	4.5	4.5
Business and Other Support Services	5.5	3.5	4.0	4.0	4.0	4.0	3.6	3.6	3.6	3.6
Plant Operations and Maintenance	15.5	15.5	16.0	13.0	13.0	13.0	15.4	13.0	13.3	14.6
Pupil Transportation	5.0	5.5	6.0	6.0	6.0	5.0	5.8	5.6	6.3	5.0
Food Service										
Total	162	162	166	160	160	159	158	142	141	140

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				
2011	1,148	\$ 23,104,124	\$ 20,126	-3.20%	100	1:11	1:11	1,136	1,087	-5.22%	94.72%
2012	1,101	23,546,673	21,387	6.27%	100	1:11	1:11	1,099	1,054	-3.22%	95.77%
2013	1,014	24,627,671	24,288	13.56%	104	1:10	1:10	1,011	973	-7.75%	95.93%
2014	1,007	25,082,630	24,908	2.56%	96	1:10	1:10	1,007	971	-0.17%	96.43%
2015	1,009	24,848,219	24,627	-1.13%	96	1:10	1:10	1,001	938	-3.40%	92.96%
2016	996	25,305,842	25,407	3.17%	95	1:10	1:10	983	929	-0.96%	93.27%
2017	980	26,335,906	26,873	5.77%	94	1:10	1:10	910	851	-8.40%	86.84%
2018	912	25,398,594	27,849	3.63%	81	1:11	1:11	899	842	-1.06%	92.32%
2019	889	26,687,726	30,020	7.79%	80	1:11	1:11	877	831	-1.31%	93.48%
2020	841	24,887,705	29,593	-1.42%	83	1:10	1:10	859	825	-0.72%	98.10%

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
District Building										
High Point Regional High School										
Square Feet	251,800	251,800	251,800	251,800	251,800	251,800	251,800	251,800	251,800	251,800
Capacity (students)	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227
Enrollment	1,148	1,101	1,014	1,007	1,009	996	980	912	889	841

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
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
2020		266,275	266,275

* 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, 2020
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 Each Occurrence	5,000,000		
General Aggregate Product / Completed Ops	Agreed upon based on membership.		
Personal Injury			
Fire Damage	2,500,000		
Medical Expenses (excluding students taking part in athletics)	10,000		
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



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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 16, 2020.

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) as a basis for designing 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 financial statements. 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.

December 16, 2020
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Valerie A. Dolan

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Independent Member
BKR International

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, 2020. 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, 2020.

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.

December 16, 2020
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Valerie A. Dolan

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, 2020

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance (Accounts Receivable) 6/30/2019	Cash Received	Budgetary Expenditures	Balance 6/30/2020		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	7/1/19 - 6/30/20	\$ 9,935	\$ (8,302)	\$ 9,935	\$ (9,935)			
Medicaid Assistance Program	93.778	N/A	7/1/18 - 6/30/19	19,763		8,302				
Total General Fund					(8,302)	18,237	(9,935)			
U.S. Department of Agriculture Passed-through State Department of Agriculture:										
Child Nutrition Cluster:										
Federal Food Distribution Program	10.555	N/A	7/1/19 - 6/30/20	11,038		11,038	(9,868)	\$ 1,170		
Federal Food Distribution Program	10.555	N/A	7/1/18 - 6/30/19	11,843	974		(974)			
School Breakfast Program	10.553	N/A	7/1/19 - 6/30/20	2,583		2,583	(2,583)			
COVID19 - Seamless Summer Option	10.553	N/A	3/18/20-6/30/20	3,290		657	(3,290)	\$ (2,633)		
National School Lunch Program	10.555	N/A	7/1/19 - 6/30/20	39,801		39,801	(39,801)			
COVID19 - Seamless Summer Option	10.555	N/A	3/18/20-6/30/20	6,222	(2,764)	1,242	(6,222)	(4,980)		
National School Lunch Program	10.555	N/A	7/1/18 - 6/30/19	60,259		2,764				
Total U.S. Department of Agriculture/Child Nutrition Cluster					(1,790)	58,085	(62,738)	(7,613)	1,170	
U.S. Department of Education Passed-through State Department of Education:										
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027	FT-2165-20	7/1/19 - 9/30/20	204,978		204,978	(204,978)			
Subtotal Special Education Cluster						204,978	(204,978)			
Elementary and Secondary Education Act:										
Title I	84-010A	ESEA-2165-20	7/1/19 - 9/30/20	69,525		69,525	(64,906)		4,619	
Title IIA	84.278A	ESEA-2165-20	7/1/19 - 9/30/20	14,998		14,998	(14,998)			
Title IV	84.186	ESEA-5435-20	7/1/19 - 9/30/20	10,000		10,000	(10,000)			
Perkins Vocational Education - Basic Grants	84.048A	PERK 2165-20	7/1/19 - 6/30/20	13,058		13,058	(13,058)			
Total U.S. Department of Education						312,559	(307,940)		4,619	
Total Federal Financial Awards					\$ (10,092)	\$ 388,881	\$ (380,613)	\$ (7,613)	\$ 5,789	\$ -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, 2020

State Grantor/Program Title	Project Number	Grant Period	Award Amount	Balance (Accounts Receivable) 6/30/2019	Cash Received	Budgetary Expenditures	Balance 6/30/2020		MEMO	
							GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
NJ Department of Education:										
Equalization Aid	20-495-034-5120-078	7/1/19 - 6/30/20	\$ 4,071,988	\$ (435,455)	\$ 3,664,149	\$ (4,071,988)	\$ (13,920)	\$ (407,839)	\$ 4,071,988	
Special Education Aid	20-495-034-5120-089	7/1/19 - 6/30/20	702,032	(76,104)	631,718	(702,032)	(243,068)	(70,314)	702,032	
Security Aid	20-495-034-5120-084	7/1/19 - 6/30/20	86,130	(71,349)	77,503	(86,130)	(65,247)	(8,627)	86,130	
School Choice Aid	20-495-034-5120-068	7/1/19 - 6/30/20	49,793	(8,754)	44,806	(49,793)	(674,658)	(4,987)	49,793	
Transportation Aid	20-495-034-5120-014	7/1/19 - 6/30/20	748,822	(26,626)	673,822	(748,822)	(65,247)	(75,000)	748,822	
Non-Public Transportation	20-495-034-5120-014	7/1/19 - 6/30/20	13,920	(5,471)		(13,920)		(13,920)	13,920	
Extraordinary Aid	20-495-034-5120-044	7/1/19 - 6/30/20	243,068	(155,199)		(243,068)		(243,068)	243,068	
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19 - 6/30/20	674,658	(69,060)	609,411	(674,658)		(65,247)	674,658	
TPAF Pension Contributions (Non-Budgeted)	20-495-034-5094-002	7/1/19 - 6/30/20	1,936,463		1,936,463	(1,936,463)			1,936,463	
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)	20-495-034-5094-001	7/1/19 - 6/30/20	731,269		731,269	(731,269)			731,269	
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)	20-495-034-5094-004	7/1/19 - 6/30/20	34,709		34,709	(34,709)			34,709	
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)	20-495-034-5094-004	7/1/19 - 6/30/20	726		726	(726)			726	
Equalization Aid	19-495-034-5120-078	7/1/18 - 6/30/19	4,284,622	\$ (435,455)	435,455				4,284,622	
Transportation Aid	19-495-034-5120-014	7/1/18 - 6/30/19	748,822	(76,104)	76,104				748,822	
Special Education Aid	19-495-034-5120-089	7/1/18 - 6/30/19	702,032	(71,349)	71,349				702,032	
Security Aid	19-495-034-5120-084	7/1/18 - 6/30/19	86,130	(8,754)	8,754				86,130	
Adjustment Aid	19-495-034-5120-085	7/1/18 - 6/30/19	261,984	(26,626)	26,626				261,984	
School Choice Aid	19-495-034-5120-068	7/1/18 - 6/30/19	53,832	(5,471)	5,471				53,832	
Extraordinary Aid	19-495-034-5120-044	7/1/18 - 6/30/19	155,199	(155,199)	155,199				155,199	
Non-Public Transportation	19-495-034-5120-014	7/1/18 - 6/30/19	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	(69,060)	69,060				697,346	
Total General Fund State Aid				(864,019)	9,268,595	(9,293,578)	(322,235)	(889,002)	16,299,546	
Total NJ Department of Education				(864,019)	9,268,595	(9,293,578)	(322,235)	(889,002)	16,299,546	
Enterprise Fund:										
State School Lunch Program	20-100-034-5120-122	7/1/19 - 6/30/20	1,457		1,378	(1,457)	(79)	(79)	1,475	
COVID19 - Seamless Summer Option	20-100-034-5120-122	3/18/20 - 6/30/20	98		98	(98)			98	
State School Lunch Program	19-100-034-5120-122	7/1/18 - 6/30/19	2,398	(102)	102				2,398	
Total Enterprise Fund				(102)	1,578	(1,555)	(79)	(79)	3,971	
Total State Awards				(864,121)	9,270,173	(9,295,133)	(322,314)	(889,081)	16,303,517	
Less: State Awards Not Subject to Single Audit Major Program Determination										
On-Behalf TPAF Pension System Contributions:										
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/1/19 - 6/30/20	\$ 1,936,463			\$ 1,936,463				
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19 - 6/30/20	731,269			731,269				
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/19 - 6/30/20	34,709			34,709				
On-Behalf TPAF Long-Term Disability Insurance	20-495-034-5094-004	7/1/19 - 6/30/20	726			726				
Subtotal - On-Behalf TPAF Contributions						2,703,167				
Total State Awards Subject to Single Audit Determination						\$ (6,591,966)				

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, 2020

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, 2020. 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 \$56,992 for the general fund and \$(745) for special revenue fund. 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, 2020
(Continued)

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

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 9,935	\$ 9,350,570	\$ 9,360,505
Special Revenue Fund	307,195		307,195
Food Service Fund	<u>62,738</u>	<u>1,555</u>	<u>64,293</u>
	<u>\$ 379,868</u>	<u>\$ 9,352,125</u>	<u>\$ 9,731,993</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, 2020. 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, 2020

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, 2020 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following:

	State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
<u>State:</u>				
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	\$ 4,071,988	\$ 4,071,988
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	702,032	702,032
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	86,130	86,130
School Choice Aid	20-495-034-5120-068	7/1/19-6/30/20	49,793	49,793
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	748,822	748,822
Non-Public Transportation	20-495-034-5120-014	7/1/19-6/30/20	13,920	13,920

- 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, 2020

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, 2020

Status of Prior Year Findings:

There were no findings in the prior year.