

**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, 2021**

**Comprehensive Annual
Financial Report**

of the

**High Point Regional
High School District**

Sussex, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

**High Point Regional High School
For the Fiscal Year Ended June 30, 2021**

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)

HIGH POINT REGIONAL HIGH SCHOOL

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October 22, 2021

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, 2021, 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 2020-2021 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. Starting with 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 2021-22 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 and an increased focus on student literacy, in particular, enhanced instruction focused on writing.

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-reflect. For the 2021-22 school year the observation process will include an acute focus on student writing, and teacher feedback on that writing. 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 six years, instances of HIB, and instances in which students have tested positive for substance use while at High Point. For 2021-22, the continued use of a student center, which incorporates the services of a school psychologist, counselor and a security officer will augment our efforts to ensure the wellbeing of all students

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, 2021.

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.

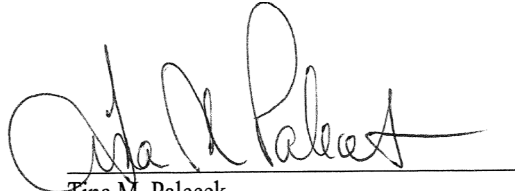
9) OTHER INFORMATION: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was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

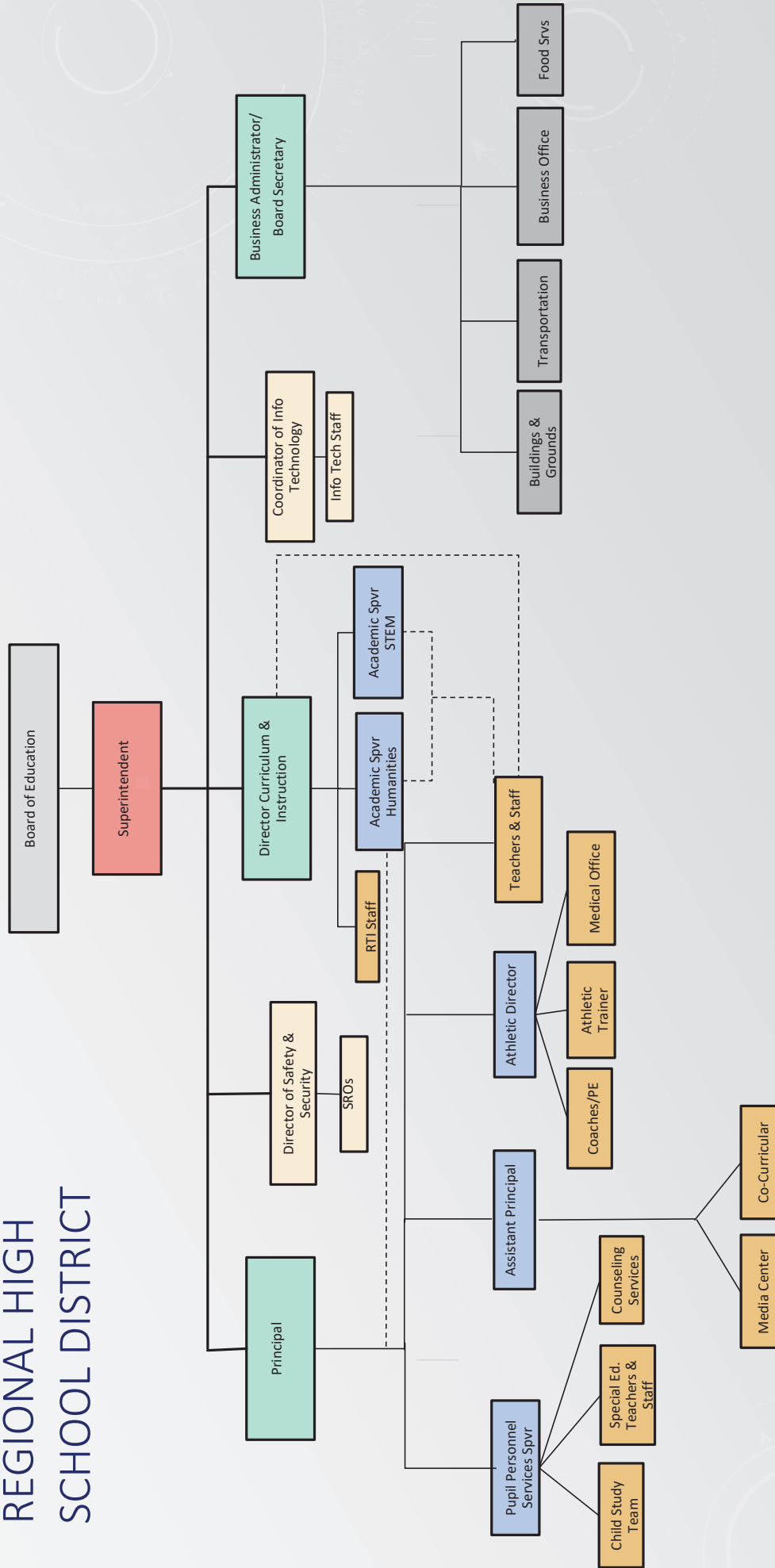


Scott D. Ripley
Superintendent and Chief School



Tina M. Palecek
Board Secretary/Business Administrator

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT



**HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2021**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Wayne Dunn, President	Wantage Township	12/2023
Spencer Arnold, Vice President	Wantage Township	12/2022
Deborah Anderson	Branchville Township	12/2021
Vacant	Wantage Township	12/2022
Lee Ann Smith	Wantage Township	12/2022
Richard Klien	Borough of Sussex	12/2023
Joseph Corazza	Frankford Township	12/2023
Patricia Nugent	Lafayette Township	12/2021
Gayle Tidona	Frankford Township	12/2021

Other Officers

Scott D. Ripley	Superintendent / Chief School Administrator
Tina Palecek	Business Administrator/Board Secretary
Michelle LaStarza	Treasurer

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

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

Attorney

Busch Law Group LLC
450 Main Street
Metuchen, NJ 08840

Official Depository

Sussex Bank
399 Route 23
Franklin, NJ 07416

Architect

EI Associates
8 Ridgedale Avenue
Cedar Knolls, NJ 07927

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the High Point Regional High School District (the "District") in the County of Sussex, as of and for the fiscal year ended June 30, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the pension schedules and 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 Honorable President and Members
of the Board of Education
High Point Regional School District
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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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2021 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.

October 22, 2021
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, 2021

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, 2021. 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.
- *Notes to Basic Financial Statements*: Provide additional information essential to a full understanding of the district-wide and fund financial statements.

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 K-8 School District's Financial Report**

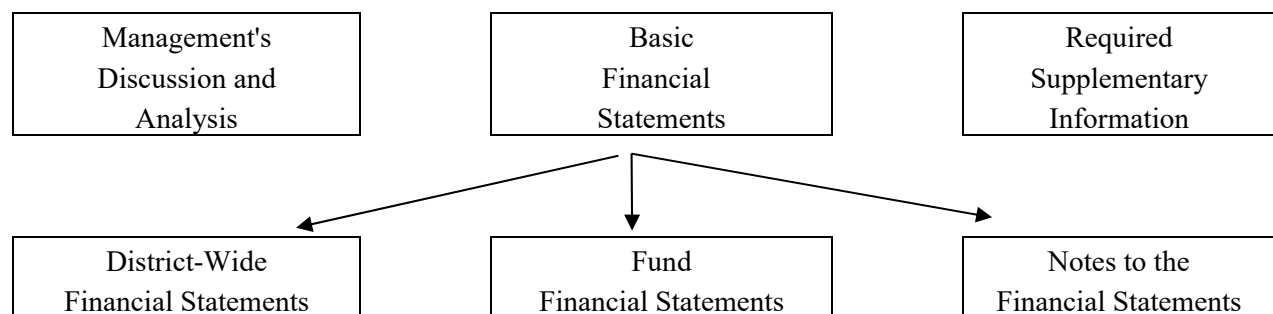


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents 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
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services, adult school, school store and transportation services
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
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial 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
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

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 two 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.

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
	2020/21	Restated 2019/20	2020/21	2019/20	2020/21	Restated 2019/20	
Current and							
Other Assets	\$ 3,727,208	\$ 1,501,271	\$ 354,248	\$ 420,465	\$ 4,081,456	\$ 1,921,736	
Capital Assets, Net	3,914,837	4,216,277	75,990	86,469	3,990,827	4,302,746	
Total Assets	7,642,045	5,717,548	430,238	506,934	8,072,283	6,224,482	22.89%
Deferred Outflows of Resources	718,872	1,058,569			718,872	1,058,569	-47.25%
Other Liabilities	434,901	745,424	7,604	67,341	442,505	812,765	
Long-term Liabilities	6,263,295	7,002,958	40,698	59,946	6,303,993	7,062,904	
Total Liabilities	6,698,196	7,748,382	48,302	127,287	6,746,498	7,875,669	-16.74%
Deferred Inflows of Resources	2,569,887	2,505,576			2,569,887	2,505,576	2.50%
Net Investment							
in Capital Assets	3,260,067	3,468,837	35,292	26,523	3,295,359	3,495,360	
Restricted	2,284,663	923,496			2,284,663	923,496	
Unrestricted/(Deficit)	(6,451,896)	(7,870,174)	346,644	353,124	(6,105,252)	(7,517,050)	
Total Net Position/ (Deficit)	\$ (907,166)	\$ (3,477,841)	\$ 381,936	\$ 379,647	\$ (525,230)	\$ (3,098,194)	489.87%

Changes in Net Position. The District's combined net position was (\$525,230) on June 30, 2021, \$2,572,964 more than it was the year before. (See Figure A-3). The net position of the governmental activities and business-type activities increased \$2,570,675 and increased \$2,289 respectively (See Figure A-4).

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		%
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	Change
Revenue:							
Program Revenue:							
Charges for Services	\$ 1,314,806	\$ 1,349,257	\$ 907,623	\$ 1,292,191	\$ 2,222,429	\$ 2,641,448	
Operating Grants & Contributions	10,522,628	10,780,925	97,966	64,293	10,620,594	10,845,218	
General Revenue:							
Property Taxes	16,572,883	14,537,446			16,572,883	14,537,446	
Other	43,263	24,183	33	32	43,296	24,215	
Total Revenue	28,453,580	26,691,811	1,005,622	1,356,516	29,459,202	28,048,327	4.79%
Expenses:							
Instruction	15,657,362	15,705,086			15,657,362	15,705,086	
Pupil and Instruction Services	4,668,884	4,770,577			4,668,884	4,770,577	
Administrative and Business	1,657,365	1,682,413			1,657,365	1,682,413	
Maintenance and Operations	1,949,149	2,029,654			1,949,149	2,029,654	
Transportation	1,945,649	1,998,400			1,945,649	1,998,400	
Other	4,496	4,496	1,003,333	1,347,832	1,007,829	1,352,328	
Total Expenses	25,882,905	26,190,626	1,003,333	1,347,832	26,886,238	27,538,458	-2.43%
Transfers		(31,054)		31,054			
Other Items		(20,720)				(20,720)	
		(51,774)		31,054		(20,720)	100.00%
Increase in Net Position	\$ 2,570,675	\$ 449,411	\$ 2,289	\$ 39,738	\$ 2,572,964	\$ 489,149	80.99%

Governmental Activities

The financial position of the District is improving. However, 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	
	2020/2021	2019/20	2020/2021	2019/20
Instruction	\$ 15,657,362	\$15,705,086	\$ 4,963,092	\$ 3,292,581
Pupil and Instruction Services	4,668,884	4,770,577	4,542,419	4,770,577
Administrative and Business	1,657,365	1,682,413	1,405,646	1,423,397
Maintenance and Operations	1,949,149	2,029,654	1,949,149	2,029,654
Transportation	1,945,649	1,998,400	1,180,669	1,234,554
Other	4,496	4,496	4,496	4,496
	<u>\$ 25,882,905</u>	<u>\$26,190,626</u>	<u>\$ 14,045,471</u>	<u>\$ 12,755,259</u>

Business-Type Activities

Net position from the District's business-type activities increased by \$2,289. (Refer to Figure A-4).

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
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	
Land	\$ 50,000	\$ 50,000			\$ 50,000	\$ 50,000	
Construction in Progress	32,970	8,100			32,970	8,100	
Land Improvements	236,487	277,366			236,487	277,366	
Buildings, and Site Improvements	3,200,914	3,376,368			3,200,914	3,376,368	
Furniture, Machinery, and Equipment	394,466	504,443	\$ 75,990	\$ 86,469	470,456	590,912	
Total Capital Assets - (Net of Depreciation)	<u>\$ 3,914,837</u>	<u>\$ 4,216,277</u>	<u>\$ 75,990</u>	<u>\$ 86,469</u>	<u>\$ 3,990,827</u>	<u>\$ 4,302,746</u>	7.82%

During the year the District made capital purchases of \$63,866 and disposed of an asset with a carrying value of \$45,449. The depreciation factored into the governmental-type activities totaled \$319,857 and into the business-type activities totaled \$10,479. (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
	2020/21	2019/20	
Capital Leases Payable	\$ 695,468	\$ 807,385	
Net Pension Liability	4,596,390	5,328,343	
Other Long Term Liabilities	1,012,135	927,175	
	<u>\$ 6,303,993</u>	<u>\$ 7,062,903</u>	12.04%

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

- 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 2021-2022 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, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,154,672	\$ 208,470	\$ 1,363,142
Receivables from Federal Government	64,163	16,589	80,752
Receivables from State Government	423,227	629	423,856
Receivables from Other Governments	268,327	169,483	437,810
Internal Balances	59,095	(59,095)	
Inventory		18,172	18,172
Restricted Cash and Cash Equivalents	1,757,724		1,757,724
Capital Assets:			
Land	82,970		82,970
Depreciable Buildings and Building Improvements, Site and Land Improvements, Furniture, Machinery and Equipment	3,831,867	75,990	3,907,857
Total Assets	<u>7,642,045</u>	<u>430,238</u>	<u>8,072,283</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows - Pension	718,872		718,872
Total Deferred Outflows of Resources	<u>718,872</u>		<u>718,872</u>
LIABILITIES			
Accounts Payable	408,758		408,758
Unearned Revenue	26,143	7,604	33,747
Noncurrent Liabilities:			
Due Within One Year	195,947	19,972	215,919
Due Beyond One Year	6,067,348	20,726	6,088,074
Total Liabilities	<u>6,698,196</u>	<u>48,302</u>	<u>6,746,498</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows - Pensions	2,569,887		2,569,887
Total Deferred Inflows of Resources	<u>2,569,887</u>		<u>2,569,887</u>
NET POSITION			
Net Investment in Capital Assets	3,260,067	35,292	3,295,359
Restricted for:			
Capital Reserve	1,232,139		1,232,139
Maintenance Reserve	350,800		350,800
Excess Surplus	526,939		526,939
Scholarships	46,614		46,614
Student Activities	128,171		128,171
Unrestricted/(Deficit)	(6,451,896)	346,644	(6,105,252)
Total Net Position/(Deficit)	<u>\$ (907,166)</u>	<u>\$ 381,936</u>	<u>\$ (525,230)</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, 2021

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	\$ 12,542,588	\$ 1,314,806	\$ 7,975,525	\$ (3,252,257)	\$	\$ (3,252,257)
Special Education	1,970,863		1,403,939	(566,924)		(566,924)
School-Sponsored/Other Instruction	1,143,911			(1,143,911)		(1,143,911)
Support services:						
Tuition	1,701,072			(1,701,072)		(1,701,072)
Student & Instruction Related Services	2,967,812		126,465	(2,841,347)		(2,841,347)
General Administrative Services	514,736			(514,736)		(514,736)
School Administrative Services	790,482		251,719	(538,763)		(538,763)
Central Services	347,882			(347,882)		(347,882)
Administrative Technology Information	4,265			(4,265)		(4,265)
Plant Operations and Maintenance	1,949,149			(1,949,149)		(1,949,149)
Pupil Transportation	1,945,649		764,980	(1,180,669)		(1,180,669)
Capital Outlay	4,496			(4,496)		(4,496)
Total Governmental Activities	25,882,905	1,314,806	10,522,628	(14,045,471)	\$ -0-	(14,045,471)

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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	\$ 116,318	\$ 665	\$ 97,966	\$ (17,687)	\$ (17,687)	(17,687)
Adult School	1,746	250		(1,496)	(1,496)	(1,496)
School Store	953	500		(453)	(453)	(453)
Transportation Services	884,316	906,208		21,892	21,892	21,892
Total Business-Type Activities	1,003,333	907,623	97,966	2,256	2,256	2,256
Total Primary Government	\$ 26,886,238	\$ 2,222,429	\$ 10,620,594	\$ (14,045,471)	\$ 2,256	(14,043,215)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				16,572,883		16,572,883
Unrestricted Federal Aid				8,635		8,635
Interest Earnings				1,300	33	1,333
Miscellaneous Income				33,328		33,328
Total General Revenues				16,616,146	33	16,616,179
Change in Net Position				2,570,675	2,289	2,572,964
Net Position/(Deficit) - Beginning (Restated)				(3,477,841)	379,647	(3,098,194)
Net Position/(Deficit) - Ending				\$ (907,166)	\$ 381,936	\$ (525,230)

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, 2021

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,154,672		\$ 1,154,672
Receivables From Federal Government		\$ 64,163	64,163
Receivables From State Government	423,227		423,227
Receivables From Other Governments	268,327		268,327
Interfund Receivable	97,115		97,115
Tax Levy Receivable			
Other Receivable			
Restricted Cash and Cash Equivalents	1,582,939	174,785	1,757,724
Total Assets	\$ 3,526,280	\$ 238,948	\$ 3,765,228
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 84,061		\$ 84,061
Interfund Payable		\$ 38,020	38,020
Unearned Revenue		26,143	26,143
Total Liabilities	84,061	64,163	148,224
Fund Balances:			
Restricted for:			
Capital Reserve Account	1,232,139		1,232,139
Maintenance Reserve Account	350,800		350,800
Excess Surplus 2022-2023	526,939		526,939
Scholarships		46,614	46,614
Student Activities		128,171	128,171
Assigned to:			
Year-End Encumbrances	846,465		846,465
Designated for Subsequent Year's Expenditures	10,000		10,000
Unassigned	475,876		475,876
Total Fund Balances	3,442,219	174,785	3,617,004
Total Liabilities and Fund Balances	\$ 3,526,280	\$ 238,948	

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

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.	\$ 3,914,837
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.	(1,666,905)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(4,596,390)
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	394,175
Deferred Inflows for Pensions	<u>(2,569,887)</u>
Net Position/(Deficit) of Governmental Activities	<u>\$ (907,166)</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, 2021

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUE:			
Local Sources:			
Local Tax Levy	\$ 16,572,883		\$ 16,572,883
Tuition from Other LEAs within State	1,314,806		1,314,806
Interest Earned on Investment	1,300		1,300
Restricted Miscellaneous		\$ 126,465	126,465
Unrestricted Miscellaneous	33,328		33,328
Total - Local Sources	17,922,317	126,465	18,048,782
State Sources	9,455,670		9,455,670
Federal Sources	8,635	354,349	362,984
Total Revenue	27,386,622	480,814	27,867,436
EXPENDITURES:			
Current:			
Regular Instruction	6,311,963	144,188	6,456,151
Special Education Instruction	1,533,778	210,161	1,743,939
School-Sponsored/Cocurricular Instruction	888,496		888,496
Support Services and Undistributed Costs:			
Tuition	1,701,072		1,701,072
Student & Instruction Related Services	2,380,684	142,658	2,523,342
General Administrative Services	440,903		440,903
School Administrative Services	427,712		427,712
Central Services	292,227		292,227
Administrative Information Technology	4,265		4,265
Plant Operations and Maintenance	1,850,921		1,850,921
Pupil Transportation	1,676,069		1,676,069
Unallocated Benefits	7,251,587		7,251,587
Capital Outlay	67,863		67,863
Total Expenditures	24,827,540	497,007	25,324,547
Net Change in Fund Balances	2,559,082	(16,193)	2,542,889
Fund Balance - July 1 (Restated)	883,137	190,978	1,074,115
Fund Balance - June 30	\$ 3,442,219	\$ 174,785	\$ 3,617,004

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, 2021

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 2,542,889

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	\$ (319,857)	
	Capital Asset Deletions with Carrying Value	(45,449)	
	Capital outlays	63,866	(301,440)

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	731,953	
Change in Deferred Outflows	(346,126)	
Change in Deferred Inflows	(64,311)	

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.

92,670

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

\$ 2,570,675

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, 2021

	<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	\$ 44,941	\$ 150,451	\$ 13,078	\$ 208,470
Accounts Receivable:				
State	629			629
Federal	16,589			16,589
Intergovernmental - Other		169,483		169,483
Inventories	6,379		11,793	18,172
Total Current Assets	<u>68,538</u>	<u>319,934</u>	<u>24,871</u>	<u>413,343</u>
Non-Current Assets:				
Capital Assets	289,789	100,000		389,789
Less: Accumulated Depreciation	<u>(283,799)</u>	<u>(30,000)</u>		<u>(313,799)</u>
Total Non-Current Assets	<u>5,990</u>	<u>70,000</u>		<u>75,990</u>
Total Assets	<u>74,528</u>	<u>389,934</u>	<u>24,871</u>	<u>489,333</u>
<u>LIABILITIES:</u>				
Current Liabilities:				
Interfund Payable - General Fund	59,095			59,095
Unearned Revenue - Prepaid Sales	4,829			4,829
Unearned Revenue - Donated Commodities	<u>2,775</u>			<u>2,775</u>
Total Current Liabilities	<u>66,699</u>			<u>66,699</u>
Non-Current Liabilities:				
Capital Lease Payable:				
Due Within One Year		19,972		19,972
Due Beyond One Year		<u>20,726</u>		<u>20,726</u>
Total Non-Current Liabilities		<u>40,698</u>		<u>40,698</u>
Total Liabilities	<u>66,699</u>	<u>40,698</u>		<u>107,397</u>
<u>NET POSITION:</u>				
Net Investment in Capital Assets	5,990	29,302		35,292
Unrestricted	<u>1,839</u>	<u>319,934</u>	<u>24,871</u>	<u>346,644</u>
Total Net Position	<u>\$ 7,829</u>	<u>\$ 349,236</u>	<u>\$ 24,871</u>	<u>\$ 381,936</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, 2021

	Major Funds			Totals
	Food Service Fund	Transportation Services	Non-Major Funds	
Operating Revenue:				
Local Sources:				
Daily Sales - Reimbursable Programs	\$ 665			\$ 665
Program Fees		\$ 906,208	\$ 750	906,958
Total Operating Revenue	665	906,208	750	907,623
Operating Expenses:				
Cost of Sales - Reimbursable Programs	44,780			44,780
Salaries & Payroll Taxes	40,996	48,746		89,742
Other Purchased Services		823,310		823,310
Lease Purchase Interest		2,260		2,260
Management Fee	20,400			20,400
Depreciation Expense	479	10,000		10,479
Other Miscellaneous Expenses	9,663		2,699	12,362
Total Operating Expenses	116,318	884,316	2,699	1,003,333
Operating Income/(Loss)	(115,653)	21,892	(1,949)	(95,710)
Non-Operating Revenue:				
Local Sources:				
Interest Income	26		7	33
State Sources:				
COVID-19 - Seamless Summer Option	3,584			3,584
Federal Sources:				
COVID-19 - Seamless Summer Option - Lunch	65,489			65,489
Food Distribution Program	6,026			6,026
COVID-19 - Seamless Summer Option - Breakfast	22,867			22,867
Total Non-Operating Revenue	97,992		7	97,999
Change in Net Position	(17,661)	21,892	(1,942)	2,289
Net Position - Beginning of Year	25,490	327,344	26,813	379,647
Net Position - End of Year	\$ 7,829	\$ 349,236	\$ 24,871	\$ 381,936

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, 2021

	Major Funds		Totals
	Food Service Fund	Transportation Services	
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 665	\$ 925,056	\$ 926,471
Payments to Employees	(40,996)		(40,996)
Payments to Food Service Vendor	(65,955)		(65,955)
Payments to Suppliers	(9,663)	(924,477)	(937,166)
Net Cash Provided by/(Used) for Operating Activities	(115,949)	579	(117,646)
Cash Flows from Noncapital Financing Activities:			
Cash Received from Federal and State Sources	82,413		82,413
Current Year Interfund Returned - General Fund	59,095		59,095
Net Cash Provided by Noncapital Financing Activities	141,508		141,508
Cash Flows from Capital Financing Activities:			
Purchase of Equipment		(19,248)	(19,248)
Net Cash (Used) for Capital Financing Activities		(19,248)	(19,248)
Cash Flows from Investing Activities:			
Investment Income	26		33
Net Cash Flows Provided by Investing Activities:	26		33
Net Increase/(Decrease) in Cash and Cash Equivalents	25,585	(18,669)	4,647
Cash and Cash Equivalents, July 1	19,356	169,120	203,823
Cash and Cash Equivalents, June 30	\$ 44,941	\$ 150,451	\$ 208,470

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Major Funds		Non-Major Funds	Totals
	Food Service Fund	Transportation Services		
Reconciliation of Operating (Loss) to Net Cash (Used) for Operating Activities:				
Operating Income/(Loss)	\$ (115,653)	\$ 21,892	\$ (1,949)	\$ (95,710)
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used) for Operating Activities:				
Federal Food Distribution Program	6,026			6,026
Depreciation	479	10,000		10,479
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable		18,848		18,848
Decrease in Inventory	2,775		326	3,101
(Decrease) in Accounts Payable	(11,455)	(50,161)		(61,616)
Increase in Unearned Revenue - Prepaid Sales	274			274
Increase in Unearned Revenue - Donated Commodities	1,605			1,605
 Net Cash Provided by/(Used) for Operating Activities	 \$ (115,949)	 \$ 579	 \$ (1,623)	 \$ (116,993)

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 \$7,631 and utilized commodities valued at \$6,026.

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, 2021

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, 2021
(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, 2021
(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.

C. Measurement Focus and Basis of Accounting:

The district-wide financial statements and the proprietary 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, 2021
(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, 2021 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 except for student activities (including athletics) and scholarships. 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, 2021
(Continued)

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 27,307,873	\$ 486,307
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.		(5,493)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	566,767	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(488,018)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 27,386,622</u>	<u>\$ 480,814</u>
Uses/Outflows of Resources:	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 24,827,540	\$ 502,500
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		<u>(5,493)</u>
Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 24,827,540</u>	<u>\$ 497,007</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, 2021
(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, 2021
(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, 2021.

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, 2021
(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, 2021.

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 \$3,442,219 General Fund fund balance at June 30, 2021, \$1,232,139 is restricted in the capital reserve account; \$350,800 is restricted in the maintenance reserve; \$526,939 is restricted for current fiscal year excess surplus in accordance with N.J.S.A 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2023; \$846,465 is assigned fund balances for year-end encumbrances; \$10,000 is assigned and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2022 and \$475,876 is unassigned which is \$488,018 less than reported on a GAAP basis due to the final two state aid payments not being recognized as of June 30, 2021.

Special Revenue Fund: Of the \$174,785 Special Revenue fund balance at June 30, 2021 is \$46,614 is restricted for Scholarships and \$128,171 is restricted for Student Activities.

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 an excess surplus at June 30, 2021 as noted above.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2021 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 \$6,451,896 deficit in unrestricted net position for the governmental activities and an overall deficit in net position of \$907,166 at June 30, 2021. This deficit is primarily a result 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, 2021
(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, a maintenance reserve, excess surplus, scholarships and student activities (including athletics).

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, 2021.

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, 2021.

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, 2021
(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, 2021
(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, 2021
(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, 2021
(Continued)

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

As of June 30, 2021, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents Capital, Maintenance, Scholarship, and Student Activity Reserve Accounts</u>	<u>Total</u>
Checking and Savings Accounts	\$ 1,363,142	\$ 1,757,724	\$ 3,120,866
	<u>\$ 1,363,142</u>	<u>\$ 1,757,724</u>	<u>\$ 3,120,866</u>

During the period ended June 30, 2021, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2021, was \$3,120,866 and the bank balance was \$4,440,651.

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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020		\$ 731,790
Increased by:		
Interest Earned	\$ 349	
Increase per Board Resolution (June 2021)	<u>500,000</u>	
Ending Balance, June 30, 2021		<u>\$ 1,232,139</u>

The balance in the capital reserve account at June 30, 2021 did not exceed the balance of local support costs of the uncompleted capital projects in the District's approved Long Range Facilities Plan ("LRFP").

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020		\$ 728
Increased by:		
Interest Earned	\$ 72	
Budget Increase	150,000	
Increase per Board Resolution (June 2021)	200,000	
		350,072
Ending Balance, June 30, 2021		\$ 350,800

NOTE 6. TRANSFER TO CAPITAL OUTLAY

During the year ended June 30, 2021, the District made transfers to capital outlay accounts in the amount of \$104,112 for equipment for which the required county superintendent approval was not required.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021 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	\$ 24,870		32,970
Total Capital Assets Not Being Depreciated	<u>58,100</u>	<u>24,870</u>		<u>82,970</u>
Capital Assets Being Depreciated:				
Land Improvements	1,017,683			1,017,683
Buildings, Building Improvements and Site Improvements	12,194,470	13,550		12,208,020
Machinery and Equipment	4,222,941	25,446	\$ 45,449	4,202,938
Total Capital Assets Being Depreciated	<u>17,435,094</u>	<u>38,996</u>	<u>45,449</u>	<u>17,428,641</u>
Governmental Activities Capital Assets	<u>17,493,194</u>	<u>63,866</u>	<u>45,449</u>	<u>17,511,611</u>
Less Accumulated Depreciation for:				
Land Improvements	(740,317)	(40,879)		(781,196)
Buildings, Building Improvements and Site Improvements	(8,818,102)	(189,004)		(9,007,106)
Machinery and Equipment	(3,718,498)	(89,974)		(3,808,472)
	<u>(13,276,917)</u>	<u>(319,857)</u>		<u>(13,596,774)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 4,216,277</u>	<u>\$ (255,991)</u>	<u>\$ 45,449</u>	<u>\$ 3,914,837</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 389,789			\$ 389,789
Less Accumulated Depreciation	(303,320)	\$ (10,479)		(313,799)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 86,469</u>	<u>\$ (10,479)</u>	<u>\$ -0-</u>	<u>\$ 75,990</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 62,198
Other Special Instruction	103,135
General Administration	286
School Administration	585
Plant Operation and Maintenance	11,017
Pupil Transportation	<u>142,636</u>
 Total Depreciation Expense	 <u><u>\$319,857</u></u>

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021, 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	\$ 747,440		\$ 92,670	\$ 654,770	\$ 94,734
Proprietary Funds	59,945		19,247	40,698	19,972
Net Pension Liability	5,328,343		731,953	4,596,390	
Compensated Absences Payable	<u>927,175</u>	<u>\$ 93,150</u>	<u>8,190</u>	<u>1,012,135</u>	<u>101,213</u>
	<u><u>\$ 7,062,903</u></u>	<u><u>\$ 93,150</u></u>	<u><u>\$ 852,060</u></u>	<u><u>\$6,303,993</u></u>	<u><u>\$ 215,919</u></u>

A. Serial Bonds Payable:

The District had no serial bonds payable at June 30, 2021.

B. Bonds and Notes Authorized but not Issued:

The District had no bonds and notes authorized but not issued at June 30, 2021.

C. Capital Leases Payable:

The District is leasing equipment under an energy savings improvement program totaling \$1,327,620 of which \$672,850 had been amortized as of June 30, 2021. The capital lease is for a term of fourteen years. The District is leasing a bus totaling \$100,000 of which \$59,302 had been amortized as of June 30, 2021. 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, 2021.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(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>
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	108,715		108,715
2027-2028	163,073		163,073
	<u>706,648</u>	<u>43,014</u>	<u>749,662</u>
Less: Amount representing interest	<u>(51,878)</u>	<u>(2,316)</u>	<u>(54,194)</u>
Present value of net minimum lease payments	<u>\$ 654,770</u>	<u>\$ 40,698</u>	<u>\$ 695,468</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 \$94,734 and the long-term portion is \$560,036. 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 \$19,972 and the long-term portion is \$20,726.

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 \$101,213 and is separated from the long-term liability balance of compensated absences of \$910,922. 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, 2021, 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, 2021 is \$-0- and the long-term portion is \$4,596,390. 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, 2021
(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 annual financial statements 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 \$308,341 for fiscal year 2021.

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, 2021

(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, 2021, the District reported a liability of \$4,596,390 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2020, the District's proportion was 0.028%, which was a decrease of 0.001% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized pension (benefit)/expense of (\$7,502). At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2016	5.57	\$ 149,112	
	2017	5.48		\$ 435,087
	2018	5.63		426,850
	2019	5.21		338,978
	2020	5.16		<u>723,637</u>
			<u>149,112</u>	<u>1,924,552</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(56,247)	
	2018	5.00	(52,165)	
	2019	5.00	12,625	
	2020	5.00	<u>252,895</u>	
			<u>157,108</u>	
Difference Between Expected and Actual Experience	2016	5.57	4,526	
	2017	5.48	12,939	
	2018	5.63		16,255
	2019	5.21	25,912	
	2020	5.16	<u>40,316</u>	
			<u>83,693</u>	<u>16,255</u>
Changes in Proportion	2016	5.57		36,119
	2017	5.48	4,262	
	2018	5.63		16,868
	2019	5.21		324,597
	2020	5.16		<u>251,496</u>
			<u>4,262</u>	<u>629,080</u>
Contribution Subsequent to Measurement Date	2020	1.00	<u>324,697</u>	
			<u>\$ 718,872</u>	<u>\$ 2,569,887</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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
2021	\$ (576,763)
2022	(525,832)
2023	(300,500)
2024	(121,517)
2025	(26,282)
	\$ (1,550,894)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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-2020.

The actuarial assumptions used in the July 1, 2019 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, 2021
(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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be made based upon 78% of the actuarially determined contributions for the State employer and 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2020 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, 2020		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 5,773,271	\$ 4,596,390	\$ 3,578,953

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 annual financial statements 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, 2021
(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 2021, 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 2021, the State of New Jersey contributed \$2,568,135 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$3,615,125.

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, 2021, the State's proportionate share of the net pension liability associated with the District was \$58,135,687. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2020, the District's proportion was 0.088%, which was a decrease of 0.007% from its proportion measured as of June 30, 2019.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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		58,135,687
Total	\$	58,135,687

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$3,615,125 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 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	\$ 461,324,773	
	2015	8.30	1,638,696,238	
	2016	8.30	4,304,747,820	
	2017	8.30		\$ 6,882,861,832
	2018	8.29		4,349,959,805
	2019	8.04		3,009,143,115
	2020	7.99	1,411,170,422	
			7,815,939,253	14,241,964,752
Difference Between Expected and Actual Experience	2014	8.50		4,393,807
	2015	8.30	101,207,836	
	2016	8.30		53,533,223
	2017	8.30	122,460,660	
	2018	8.29	763,099,015	
	2019	8.04		116,909,940
	2020	7.99	7,520,890	
			986,767,511	182,357,860
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(226,008,261)	
	2018	5.00	(192,060,744)	
	2019	5.00	108,662,078	
	2020	5.00	965,582,162	
			656,175,235	
		\$ 9,458,881,999	\$14,424,322,612	

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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
2021	\$ (262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	(335,285,618)
	\$ (4,965,440,613)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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-2020.

The actuarial assumptions used in the July 1, 2019 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, 2021
(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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 78% 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 2062. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2062, 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, 2021
(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, 2020 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, 2020		
	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
Total Net Pension Liability	\$ 68,287,172	\$ 58,135,687	\$ 49,706,581

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$10,689 for the fiscal year ended June 30, 2021. Employee contributions to DCRP amounted to \$17,815 for the fiscal year ended June 30, 2021.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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 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, 2021 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, 2020 is as follows:

	School Alliance Insurance Fund
Total Assets	\$ 51,526,293
Net Position	\$ 20,539,909
Total Revenue	\$ 43,264,723
Total Expenses	\$ 41,642,787
Change in Net Position	\$ 1,621,936
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, 2021
(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, 2021 audit report is not available as of the date of this report. Selected summarized financial information for HIF as of June 30, 2020 is as follows:

	<u>School Health Insurance Fund</u>
Total Assets	\$ 149,856,532
Net Position	\$ 111,401,500
Total Revenue	\$ 282,680,579
Total Expenses	\$ 242,520,115
Change in Net Position	\$ 40,160,464
Members Dividends	\$ 17,196,879

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

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.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

The District had interfunds as of June 30, 2021 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 59,095	
Enterprise Fund - Food Service		\$ 59,095
	<u>\$ 59,095</u>	<u>\$ 59,095</u>

NOTE 12. ACCOUNTS PAYABLE

Payables as of June 30, 2021, were:

	<u>Governmental Funds</u>		<u>Total Governmental Funds</u>	<u>District Contribution Subsequent to Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Business-Type Activities Proprietary Funds</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>				
Vendors	\$ 34,979		\$ 34,979		\$ 34,979	
Payroll Deductions and Withholdings	49,082		49,082		49,082	
State of New Jersey				\$ 324,697	324,697	
	<u>\$ 84,061</u>	<u>\$ -0-</u>	<u>\$ 84,061</u>	<u>\$ 324,697</u>	<u>\$ 408,758</u>	<u>\$ -0-</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, 2021

(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, 2021, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 846,465	\$ 6,238	\$ 852,703
\$ 846,465	\$ 6,238	\$ 852,703

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 \$6,238 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, 2021
(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, 2021
(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.

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 service years
Thereafter		1.55 - 3.05% based on years of service	3.00 - 7.00% based on service years

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, 2021
(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%	At	At 1%
	Decrease	Discount Rate	Increase
	(2.50%)	(3.50%)	(4.50%)
Total OPEB Liability Attributable to the District	\$ 46,730,762	\$ 39,129,011	\$ 33,855,995

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2020, 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, 2021, 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
			520,616	8,473,675
Differences Between Expected and Actual Experience	2018	9.51		3,703,982
	2019	9.29		6,127,682
				9,831,664
Changes in Proportion	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, 2021
(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. PRIOR YEAR ADJUSTMENT

GASB 84, *Fiduciary Activities*, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities Fund (which includes Athletic Activities) and Private Purpose Scholarship Trust Fund are now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to this implementation as follows:

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 as Restated
<u>Statement of Net Activities - Governmental Activities:</u>			
Net Position - Ending	\$ (3,668,819)	\$ 190,978	\$ (3,477,841)
<u>Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds:</u>			
Special Revenue Fund:			
Fund Balance - June 30	\$ -0-	\$ 190,978	\$ 190,978
<u>Statement of Changes in Fiduciary Net Position - Fiduciary Funds:</u>			
Private Purpose Scholarship Trust:			
Net Position - End of the Year	\$ 48,190	\$ (48,190)	\$ -0-

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 19. 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. There have been additional operating expenses in the General Fund due to the school re-opening on a full-time basis.

The Food Service Enterprise Fund has been continued to be impacted by COVID-19 as the District continues to offer free lunch to all students under the Seamless Summer Option.

The Transportation Enterprise Fund may be continued to be impacted by COVID-19 for the fiscal year ending June 30, 2022 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 SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	3.0490780810%	0.0337620405%	0.0337620405%	0.0320574460%	0.0318973924%	0.0295715424%	0.0281859430%
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	\$ 4,596,390
District's covered employee payroll	\$ 2,183,844	\$ 2,228,210	\$ 2,154,231	\$ 2,281,270	\$ 2,047,976	\$ 2,092,415	\$ 1,844,586
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	261.41%	340.13%	439.74%	327.12%	306.67%	254.65%	249.18%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

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 SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 251,361	\$ 290,263	\$ 289,113	\$ 300,962	\$ 318,628	\$ 294,697	\$ 308,341
Contributions in relation to the contractually required contributor	(251,361)	(290,263)	(289,113)	(300,962)	(318,628)	(294,697)	(308,341)
Contribution deficiency/(excess)	\$ -0-	\$ -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	\$ 1,893,298
Contributions as a percentage of covered employee payroll	11.28%	13.47%	12.67%	14.70%	15.23%	15.98%	16.29%

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 SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
State's proportion of the net pension liability attributable to the District	0.0961169728%	0.0916826155%	0.0937156978%	0.0984414189%	0.0976366570%	0.0947416639%	0.0882866346%
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	\$ 58,135,687
District's covered employee payroll	\$ 9,297,024	\$ 10,011,720	\$ 9,881,376	\$ 10,157,584	\$ 9,601,895	\$ 9,535,972	\$ 9,411,735
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%	617.69%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

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

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

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 2,764,263	\$ 3,538,208	\$ 5,539,238	\$ 4,597,968	\$ 3,621,049	\$ 3,429,480	\$ 3,615,125
Contributions in relation to the contractually required contribution	(495,670)	(750,324)	(1,068,556)	(1,437,843)	(1,863,338)	(1,936,463)	(2,568,135)
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>	<u>\$ 1,046,990</u>
District's covered employee payroll	\$ 10,011,720	\$ 9,881,376	\$ 10,157,584	\$ 9,601,895	\$ 9,535,972	\$ 9,411,735	\$ 9,061,453
Contributions as a percentage of covered employee payroll	27.61%	7.59%	10.52%	14.97%	19.54%	20.57%	28.34%

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,		
	2018	2019	2020
Total OPEB Liability			
Service Cost	\$ 1,633,221	\$ 1,397,661	\$ 1,397,661
Interest Cost	1,941,237	1,774,186	1,774,186
Difference Between Expected and Actual Experience	(5,388,543)	(8,484,895)	(8,484,895)
Changes in Assumptions	(5,166,750)	583,417	583,417
Member Contributions	41,610	35,605	35,605
Gross Benefit Payments	(1,203,931)	(1,201,144)	(1,201,144)
Net Change in Total OPEB Liability	(8,143,156)	(5,895,170)	(5,895,170)
Total OPEB Liability - Beginning	53,167,337	45,024,181	39,129,011
Total OPEB Liability - Ending	<u>\$ 45,024,181</u>	<u>\$ 39,129,011</u>	<u>\$ 33,233,841</u>
District's Covered Employee Payroll *	\$ 12,035,607	\$ 12,438,854	\$ 12,438,854
Total OPEB Liability as a Percentage of Covered Employee Payroll	374.09%	314.57%	267.18%

* - Covered payroll for the fiscal years ending June 30, 2017, June 30, 2018, and June 30, 2019 are based on the payroll on the June 30, 2016, June 30, 2017, and June 30, 2018 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ending 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 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020. The municipal bond rate changed from 3.50% to 2.21%.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

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.

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 (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

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, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 16,572,883		\$ 16,572,883	\$ 16,572,883	
Tuition from Other LEAs within State	1,440,384		1,440,384	1,314,806	\$ (125,578)
Transportation Fees from Other Sources				1,000	1,000
Interest on Investments				879	879
Interest Earned on Maintenance Reserve Funds	4		4	72	68
Interest Earned on Capital Reserve Funds	1,640		1,640	349	(1,291)
Unrestricted Miscellaneous	69,293		69,293	32,328	(36,965)
Total - Local Sources	18,084,204		18,084,204	17,922,317	(161,887)
State Sources:					
School Choice Aid	34,361		34,361	34,361	
Transportation Aid	748,822		748,822	748,822	
Special Education Aid	702,032		702,032	702,032	
Equalization Aid	3,333,742		3,333,742	3,333,742	
Security Aid	86,130		86,130	86,130	
Extraordinary Aid - Prior Year				24,347	24,347
Extraordinary Aid	225,000		225,000	343,659	118,659
Non-public Transportation Aid				15,660	15,660
TPAF Pension Contributions (Non-Budgeted)				2,568,135	2,568,135
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				820,126	820,126
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				48,862	48,862
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				670	670
TPAF Social Security Contributions (Reimbursed - Non-Budgeted)				650,375	650,375
Total State Sources	5,130,087		5,130,087	9,376,921	4,246,834
Federal Sources:					
Medicaid Assistance Program	22,054		22,054	8,635	(13,419)
Total Federal Sources	22,054		22,054	8,635	(13,419)
TOTAL REVENUES	23,236,345		23,236,345	27,307,873	4,071,528

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 6,107,933	\$ (229,074)	\$ 5,878,859	\$ 5,833,422	\$ 45,437
Unused Sick Payment	25,330	(5,659)	19,671		19,671
Regular Programs - Home Instruction:					
Salaries of Teachers	25,000	(1,502)	23,498	8,900	14,598
Purchased Professional/Educational Services	1,000	1,502	2,502	1,442	1,060
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	19,000	(602)	18,398	1,507	16,891
Purchased Professional/Educational Services	104,260	(58,085)	46,175	32,444	13,731
Other Purchased Services (400-500 series)	67,619	(9,680)	57,939	43,975	13,964
General Supplies	400,716	30,842	431,558	366,907	64,651
Textbooks	8,920	40,369	49,289	20,805	28,484
Other Objects	19,405	(6,593)	12,812	2,561	10,251
Total Regular Programs - Instruction	6,779,183	(238,482)	6,540,701	6,311,963	228,738
Special Education - Instruction:					
Cognitive - Mild:					
Salaries of Teachers	85,021	1,595	86,616	86,612	4
Other Salaries for Instruction	107,670	7,696	115,366	115,366	
Purchased Professional/Educational Services	1,331		1,331		1,331
General Supplies	5,000		5,000	3,947	1,053
Total Cognitive- Mild	199,022	9,291	208,313	205,925	2,388
Learning and/or Language Disabilities:					
Salaries of Teachers	42,001	21,416	63,417	63,415	2
Other Salaries for Instruction	27,970	16,901	44,871	44,871	
General Supplies	375		375	302	73
Total Learning and/or Language Disabilities	70,346	38,317	108,663	108,588	75

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Multiple Disabilities:					
General Supplies	860		860	170	\$ 690
Total Multiple Disabilities	860		860	170	690
Resource Room/Resource Center:					
Salaries of Teachers	1,070,767	\$ (52,813)	1,017,954	1,016,714	1,240
Other Salaries for Instruction	138,358	63,486	201,844	201,844	
Unused Sick Payment	14,875	(9,647)	5,228		5,228
General Supplies	9,850	(9,056)	794	537	257
Total Resource Room/Resource Center	1,233,850	(8,030)	1,225,820	1,219,095	6,725
Total Special Education Instruction	1,504,078	39,578	1,543,656	1,533,778	9,878
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	140,000	(11,040)	128,960	128,960	
Supplies and Materials	15,017	(2,280)	12,737	2,175	10,562
Other Objects	13,550		13,550	6,361	7,189
Total School-Sponsored Cocurricular Activities - Instruction	168,567	(13,320)	155,247	137,496	17,751
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	579,666	29,038	608,704	608,656	48
Other Purchased Services	14,000	(12,546)	1,454	1,454	
Supplies and Materials	70,036	37,504	107,540	60,598	46,942
Other Objects	70,000	(15,000)	55,000	46,292	8,708
Transfer to Cover Deficit	29,000	5,000	34,000	34,000	
Total School-Sponsored Cocurricular Athletics - Instruction	762,702	43,996	806,698	751,000	55,698
Total Instruction	9,214,530	(168,228)	9,046,302	8,734,237	312,065

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Special	\$ 233,015	\$ 20,447	\$ 233,015	\$ 155,294	\$ 77,721
Tuition - State Facilities	347,463		347,463	20,447	
Tuition to County Vocational School District - Regular	1,396,427	(57,906)	1,338,521	267,061	80,402
Tuition to Private Schools for the Disabled Within State	104,668	10,250	114,918	1,144,222	194,299
Tuition to Private Schools for the Disabled Out of State				114,048	870
Total Undistributed Expenditures - Instruction	2,081,573	(27,209)	2,054,364	1,701,072	353,292
Health Services:					
Salaries	67,214	8,998	76,212	76,211	1
Purchased Professional/Technical Services	22,070	(210)	21,860	14,241	7,619
Supplies and Materials	3,171	13,068	16,239	1,456	14,783
Total Health Services	92,455	21,856	114,311	91,908	22,403
Speech, OT, PT and Related Services:					
Salaries	185,673	(5,090)	180,583	171,439	9,144
Purchased Professional/Educational Services	3,960	2,358	6,318	6,318	
Supplies and Materials	385		385		385
Total Speech, OT, PT and Related Services	190,018	(2,732)	187,286	177,757	9,529
Other Support Services - Students - Extra Services:					
Salaries	47,792	(4,487)	43,305	37,521	5,784
Total Other Support Services - Students - Extra Services	47,792	(4,487)	43,305	37,521	5,784

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Guidance:					
Salaries of Other Professional Staff	\$ 458,869	\$ (32,265)	\$ 426,604	\$ 425,261	\$ 1,343
Salaries of Secretaries and Clerical Assistants	58,301	308	58,609	58,609	
Other Purchased Services (400-500 Services)	300	(29)	271	245	26
Supplies and Materials	4,250		4,250	1,749	2,501
Total Guidance	521,720	(31,986)	489,734	485,864	3,870
Child Study Teams:					
Salaries of Other Professional Staff	440,463	75,414	515,877	515,877	
Salaries of Secretarial and Clerical Assistants	55,523	(4,094)	51,429	51,428	1
Unused Sick Time	10,030	(4,037)	5,993	5,993	5,993
Purchased Professional/Educational Services	47,395	9,029	56,424	55,479	945
Supplies and Materials	2,000	(231)	1,769	1,542	227
Other Objects	765	(1)	764	75	689
Total Child Study Teams	556,176	76,080	632,256	624,401	7,855
Improvement of Instructional Services:					
Salary of Supervisor of Instruction	378,832	11,856	390,688	390,688	
Salaries of Secretarial and Clerical Assistants	56,884	928	57,812	57,810	2
Unused Vacation Time		4,037	4,037		4,037
Supplies and Materials	500	21	521	455	66
Other Objects	8,000	(21)	7,979	6,075	1,904
Total Improvement of Instructional Services	444,216	16,821	461,037	455,028	6,009
Instructional Staff Training Services:					
Other Purchased Services	5,512		5,512	646	4,866
Total Instructional Staff Training Services	5,512		5,512	646	4,866

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Educational Media Services/School Library:					
Salaries	\$ 107,223	\$ (43,233)	\$ 63,990	\$ 63,788	\$ 202
Salaries of Technology Coordinators	224,532		224,532	223,724	808
Other Purchased Services (400-500 series)	285,101	(400)	284,701	219,262	65,439
Supplies and Materials	5,100	(4,315)	785	785	
Total Educational Media Services/School Library	621,956	(47,948)	574,008	507,559	66,449
Support Services - General Administration:					
Salaries	256,185	(2,158)	254,027	252,782	1,245
Legal Services	60,000	1,500	61,500	50,633	10,867
Audit Fees	28,458	3,142	31,600	31,600	
Architectural/Engineering Services	7,800		7,800		7,800
Other Purchased Professional Services	2,545	962	3,507	3,507	
Communications/Telephones	20,805	16,694	37,499	37,464	35
Board of Education Other Purchased Services	8,493	(2,920)	5,573	5,325	248
Other Purchased Services (400-500 series)	42,434	(6,747)	35,687	35,550	137
General Supplies	4,643	(810)	3,833	2,093	1,740
BOE In-House Training/Meeting Supplies	1,950	(813)	1,137	1,047	90
Miscellaneous Expenditures	14,861	(4,350)	10,511	9,651	860
BOE Membership Dues and Fees	11,705		11,705	11,251	454
Total Support Services - General Administration	459,879	4,500	464,379	440,903	23,476
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	250,753	10,857	261,610	261,610	
Salaries of Other Professional Staff	67,278	(12,171)	55,107	5,606	49,501
Salaries of Secretarial and Clerical Assistants	156,698	17,500	174,198	153,119	21,079
Unused Vacation Time		1,047	1,047		1,047
Other Purchased Services (400-500 Services)	1,560		1,560	205	1,355

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - School Administration (Cont'd):					
Supplies and Materials	\$ 7,564		\$ 7,564	\$ 4,053	\$ 3,511
Other Objects	6,830		6,830	3,119	3,711
Total Support Services - School Administration	490,683	\$ 17,233	507,916	427,712	80,204
Central Services:					
Salaries	287,170		287,170	269,588	17,582
Purchased Professional Services	26,839	(2)	26,837	17,892	8,945
Purchased Technical Services	638	2	640	640	
Other Purchased Services (400-500 Services)	1,887		1,887	181	1,706
Supplies and Materials	4,100		4,100	3,431	669
Miscellaneous Expenditures	1,440		1,440	495	945
Total Central Services	322,074		322,074	292,227	29,847
Administrative Information Technology:					
Purchased Technical Services	24,623	(11,943)	12,680	4,265	8,415
Total Administrative Information Technology	24,623	(11,943)	12,680	4,265	8,415
Required Maintenance of School Facilities:					
Salaries	137,361	2,728	140,089	135,584	4,505
Cleaning, Repair and Maintenance Services	142,660	(6,235)	136,425	90,924	45,501
General Supplies	41,591	7,600	49,191	39,225	9,966
Total Required Maintenance of School Facilities	321,612	4,093	325,705	265,733	59,972

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services:					
Salaries	\$ 420,965	\$ (12,574)	\$ 408,391	\$ 373,653	\$ 34,738
Purchased Professional/Technical Services	13,230	500	13,730	13,730	
Cleaning, Repair and Maintenance Services	79,370	(500)	78,870	63,926	14,944
Lease Purchase Payments - Energy Savings Improvement Program	108,715		108,715	108,715	
Other Purchased Property Services (400-500 series)	67,309		67,309	45,267	22,042
Insurance	221,511	21,909	243,420	243,420	
General Supplies	97,431	(24,909)	72,522	68,255	4,267
Energy (Electricity)	282,859	5,274	288,133	166,927	121,206
Energy (Natural Gas)	348		348	279	69
Energy (Oil)	179,438	(4,438)	175,000	126,847	48,153
Total Custodial Services	1,471,176	(14,738)	1,456,438	1,211,019	245,419
Care & Upkeep of Grounds:					
Salaries	173,825	(11,874)	161,951	159,910	2,041
Cleaning, Repair and Maintenance Services	25,415		25,415	24,008	1,407
Other Purchased Services	9,650		9,650	2,848	6,802
General Supplies	29,900	(1,144)	28,756	19,125	9,631
Total Care & Upkeep of Grounds	238,790	(13,018)	225,772	205,891	19,881
Security:					
Salaries	155,172	5,522	160,694	160,694	
Purchased Professional and Technical Services	6,475	(123)	6,352	6,352	
Cleaning, Repair and Maintenance Services	2,870		2,870	196	2,674
General Supplies	4,045	(3,009)	1,036	1,036	
Other Objects	1,800	(868)	932	932	
Total Security	170,362	1,522	171,884	168,278	3,606

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Student Transportation Services					
Salaries of Non-Instructional Aides	\$ 302,128	\$ (2,974)	\$ 299,154	\$ 252,350	\$ 46,804
Cleaning, Repair & Maintenance Services	59,889	5,000	64,889	32,300	32,589
Rental Payments - School Buses	2,500		2,500		2,500
Contracted Services (Between Home & School) - Vendors	577,593		577,593	547,709	29,884
Contracted Services (Other than Between Home & School) - Vendors	120,330	(51,403)	68,927	41,341	27,586
Contracted Services (Between Home & School) - Joint Agreements	225,983	(10,000)	215,983	208,630	7,353
Contracted Services (Special Education Students) - Joint Agreements	480,027	221,180	701,207	551,227	149,980
Contracted Services- Aid in Lieu Payments - Non-Public Schools	13,000		13,000	6,333	6,667
Miscellaneous Purchased Services	19,746		19,746	12,100	7,646
General Supplies	600		600	319	281
Transportation Supplies	64,100	(6,000)	58,100	23,005	35,095
Other Objects	875		875	755	120
Total Transportation Services	1,866,771	155,803	2,022,574	1,676,069	346,505
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	259,000		259,000	247,380	11,620
Other Retirement Contributions - PERS	318,268		318,268	308,341	9,927
Other Retirement Contributions - Regular	8,531	3,425	11,956	10,689	1,267
Unemployment Compensation	44,789		44,789	28,754	16,035
Workmen's Compensation	187,466		187,466	165,228	22,238
Health Benefits	2,600,504	(3,460)	2,597,044	2,347,665	249,379
Tuition Reimbursement	47,110	2,207	49,317	39,428	9,889
Other Employee Benefits		800	800	759	41
Unused Sick Pay-Term/Ret Staff		15,175	15,175	15,175	
Total Unallocated Benefits - Employee Benefits	3,465,668	18,147	3,483,815	3,163,419	320,396

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
On-Behalf Contributions:					
TPAF Pension Contributions (Non-Budgeted)				\$ 2,568,135	\$ (2,568,135)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				820,126	(820,126)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				48,862	(48,862)
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				670	(670)
TPAF Social Security Contributions (Reimbursed - Non-Budgeted)				650,375	(650,375)
Total On-Behalf Contributions				4,088,168	(4,088,168)
Total Personal Services - Employee Benefits	\$ 3,465,668	\$ 18,147	\$ 3,483,815	7,251,587	(3,767,772)
Total Undistributed Expenses	13,393,056	161,994	13,555,050	16,025,440	(2,470,390)
TOTAL CURRENT EXPENSE	22,607,586	(6,234)	22,601,352	24,759,677	(2,158,325)
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures - Administrative Information Technology		30,300	30,300		30,300
Undistributed Expenditures - School-Sponsored Cocurricular	30,823	(5,885)	24,938	19,211	5,727
Undistributed Expenditures - Instruction	4,551		4,551	4,551	
Undistributed Expenditures - Custodial Services	9,100	79,697	88,797	15,335	73,462
Total Equipment	44,474	104,112	148,586	39,097	109,489
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Services	12,500	8,000	20,500	15,940	4,560
Construction Services	676,118	(105,878)	570,240	8,330	561,910
Assessment for Debt Service on SDA Funding	4,496		4,496	4,496	
Total Facilities Acquisition and Construction Services	693,114	(97,878)	595,236	28,766	566,470
TOTAL CAPITAL OUTLAY	737,588	6,234	743,822	67,863	675,959
TOTAL EXPENDITURES	23,345,174		23,345,174	24,827,540	(1,482,366)

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (108,829)	\$	\$ (108,829)	\$ 2,480,333	\$ 2,589,162
Fund Balance, July 1	1,449,904		1,449,904	1,449,904	
Fund Balance, June 30	\$ 1,341,075	\$ -0-	\$ 1,341,075	\$ 3,930,237	\$ 2,589,162
Recapitulation:					
Restricted:					
Capital Reserve				\$ 1,232,139	
Maintenance Reserve				350,800	
Excess Surplus -2022-2023				526,939	
Assigned:					
Year-End Encumbrances				846,465	
Designated for Subsequent Year's Expenditures				10,000	
Unassigned				963,894	
				3,930,237	
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not recognized on GAAP basis				(488,018)	
Fund Balance per Governmental Funds (GAAP)				\$ 3,442,219	

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 145,526	\$ 145,526	\$ 126,465	\$ (19,061)
Federal Sources	\$ 265,674	177,432	443,106	359,842	(83,264)
Total Revenues	<u>265,674</u>	<u>322,958</u>	<u>588,632</u>	<u>486,307</u>	<u>(102,325)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	10,625	6,494	17,119	6,087	11,032
Purchased Professional/Technical Services		1,047	1,047	1,047	
Other Purchased Services		20,039	20,039	3,564	16,475
Tuition	174,231	35,930	210,161	210,161	
General Supplies	29,078	97,128	126,206	94,258	31,948
Other Objects		2,868	2,868		2,868
Scholarship		18,675	18,675	18,675	
Student Activities		123,983	123,983	123,983	
Total Instruction	<u>213,934</u>	<u>306,164</u>	<u>520,098</u>	<u>457,775</u>	<u>62,323</u>
Support Services:					
Salaries of Other Professional Staff		1,228	1,228	1,228	
Personal Service - Employee Benefits	813	1,099	1,912		1,912
Purchased Professional/Technical Services	5,950	1,750	7,700	6,300	1,400
Other Purchased Services	37,837	(13,850)	23,987	10,010	13,977
Supplies and Materials		33,707	33,707	27,187	6,520
Total Support Services	<u>44,600</u>	<u>23,934</u>	<u>68,534</u>	<u>44,725</u>	<u>23,809</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	7,140	(7,140)			
Total Facilities Acquisition and Construction Services	<u>7,140</u>	<u>(7,140)</u>			
Total Expenditures	<u>\$ 265,674</u>	<u>\$ 322,958</u>	<u>\$ 588,632</u>	<u>\$ 502,500</u>	<u>\$ 86,132</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (16,193)</u>	<u>\$ (16,193)</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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	\$ 27,307,873	\$ 486,307
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		(5,493)
Prior Year State Aid Payments Not Recognized for Budgetary Purposes, Recognized for GAAP Statements	566,767	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(488,018)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 27,386,622	\$ 480,814
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 24,827,540	\$ 502,500
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.		(5,493)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 24,827,540	\$ 497,007

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, 2021 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 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, 2021

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis except for student activities and scholarships. 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, 2021

	Elementary and Secondary Education Act		Coronavirus Relief Funds (CRF)	IDEA Part B Basic -
	Title I	Title IIA	Title IVA	
REVENUE:				
Local Sources				
Federal Sources	\$ 35,872	\$ 7,677	\$ 180	\$ 34,967
Total Revenue	\$ 35,872	\$ 7,677	\$ 180	\$ 34,967
EXPENDITURES:				
Instruction:				
Salaries of Teachers	6,087			
Purchased Professional/Technical Services				
Other Purchased Services				
Tuition			180	17,872
General Supplies	21,422			
Scholarship				
Student Activities				
Total Instruction	27,509		180	17,872
Support Services:				
Salaries of Other Professional Staff	6,300			
Purchased Professional/Technical Services	2,063	7,677		17,095
Other Purchased Services				
Supplies and Materials				
Total Support Services	8,363	7,677		17,095
Total Expenditures	\$ 35,872	\$ 7,677	\$ 180	\$ 34,967

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CARES - Digital Divide Grant	CARES - Emergency Relief Grant	Perkins Vocational Education	Scholarship	Student Activities	Total
REVENUE:						
Federal Sources						
Local Sources	\$ 11,041	\$ 33,617	\$ 26,327	\$ 17,099	\$ 109,366	\$ 126,465
Total Revenue	\$ 11,041	\$ 33,617	\$ 26,327	\$ 17,099	\$ 109,366	\$ 486,307
EXPENDITURES:						
Instruction:						
Salaries of Teachers						6,087
Purchased Professional/Technical Services			1,047			1,047
Other Purchased Services		3,525	39			3,564
Tuition						210,161
General Supplies	11,041	20,000	23,743			94,258
Scholarship				18,675		18,675
Student Activities					123,983	123,983
Total Instruction	11,041	23,525	24,829	18,675	123,983	457,775
Support Services:						
Salaries of Other Professional Staff			1,228			1,228
Purchased Professional/Technical Services			270			6,300
Other Purchased Services		10,092				10,010
Supplies and Materials						27,187
Total Support Services	1,498	10,092	1,498	18,675	123,983	44,725
Total Expenditures	\$ 11,041	\$ 33,617	\$ 26,327	\$ 18,675	\$ 123,983	\$ 502,500

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
<u>ASSETS:</u>					
Current Assets:					
Cash and Cash Equivalents	\$ 44,941	\$ 150,451	\$ 4,106	\$ 8,972	\$ 208,470
Accounts Receivable:					
State	629				629
Federal	16,589				16,589
Intergovernmental - Other		169,483			169,483
Inventories	6,379			11,793	18,172
Total Current Assets	68,538	319,934	4,106	20,765	413,343
Non-Current Assets:					
Capital Assets	289,789	100,000			389,789
Less: Accumulated Depreciation	(283,799)	(30,000)			(313,799)
Total Non-Current Assets	5,990	70,000			75,990
Total Assets	74,528	389,934	4,106	20,765	489,333

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
LIABILITIES:					
Current Liabilities:					
Interfund Payable - General Fund	\$ 59,095				\$ 59,095
Unearned Revenue - Prepaid Sales	4,829				4,829
Unearned Revenue - Donated Commodities	2,775				2,775
Total Current Liabilities	66,699				66,699
Non-Current Liabilities:					
Capital Lease Payable:					
Due Within One Year		\$ 19,972			19,972
Due Beyond One Year		20,726			20,726
Total Non-Current Liabilities		40,698			40,698
Total Liabilities	66,699	40,698			107,397
NET POSITION:					
Net Investment in Capital Assets	5,990	29,302			35,292
Unrestricted	1,839	319,934	\$ 4,106	\$ 20,765	346,644
Total Net Position	\$ 7,829	\$ 349,236	\$ 4,106	\$ 20,765	\$ 381,936

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, 2021

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
Operating Revenue:					
Local Sources:					
Daily Sales - Reimbursable Programs	\$ 665	\$ 906,208	\$ 250	\$ 500	\$ 665
Program Fees					906,958
Total Operating Revenue	665	906,208	250	500	907,623
Operating Expenses:					
Cost of Sales - Reimbursable Programs	44,780				44,780
Salaries, Benefits & Payroll Taxes	40,996	48,746			89,742
Other Purchased Services		823,310			823,310
Lease Purchase Interest		2,260			2,260
Management Fee	20,400				20,400
Depreciation Expense	479	10,000			10,479
Other Miscellaneous Expenses	9,663		1,746	953	12,362
Total Operating Expenses	116,318	884,316	1,746	953	1,003,333
Operating Income/(Loss)	(115,653)	21,892	(1,496)	(453)	(95,710)

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, 2021

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
Non-Operating Revenue:					
Local Sources:					
Interest Income	\$ 26		\$ 2	\$ 5	\$ 33
State Sources:					
COVID-19 - Seamless Summer Option	3,584				3,584
Federal Sources:					
COVID-19 - Seamless Summer Option - Lunch	65,489				65,489
Food Distribution Program	6,026				6,026
COVID-19 - Seamless Summer Option - Breakfast	22,867				22,867
Total Non-Operating Revenue	97,992		2	5	97,999
Change in Net Position	(17,661)	\$ 21,892	(1,494)	(448)	2,289
Net Position - Beginning of Year	25,490	327,344	5,600	21,213	379,647
Net Position - End of Year	\$ 7,829	\$ 349,236	\$ 4,106	\$ 20,765	\$ 381,936

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 665	\$ 925,056	\$ 250	\$ 500	\$ 926,471
Payments to Employees	(40,996)				(40,996)
Payments to Food Service Vendor	(65,955)				(65,955)
Payments to Suppliers	(9,663)	(924,477)	(1,746)	(1,280)	(937,166)
Net Cash Provided by/(Used) for Operating Activities	(115,949)	579	(1,496)	(780)	(117,646)
Cash Flows from Noncapital Financing Activities:					
Cash Received from State Sources	3,034				3,034
Cash Received from Federal Sources	79,379				79,379
Current Year Interfund Returned - General Fund	59,095				59,095
Net Cash Provided by Noncapital Financing Activities	141,508				141,508
Cash Flows from Capital Financing Activities:					
Lease Purchase Principal Payment		(19,248)			(19,248)
Net Cash (Used) for Capital Financing Activities		(19,248)			(19,248)
Cash Flows from Investing Activities:					
Investment Income	26		2	5	33
Net Cash Flows Provided by Investing Activities:	26		2	5	33
Net Increase/(Decrease) in Cash and Cash Equivalents	25,585	(18,669)	(1,494)	(775)	4,647
Cash and Cash Equivalents, July 1	19,356	169,120	5,600	9,747	203,823
Cash and Cash Equivalents, June 30	\$ 44,941	\$ 150,451	\$ 4,106	\$ 8,972	\$ 208,470

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Major Funds		Non-Major Funds		Totals
	Food Service Fund	Transportation Services	Adult School	School Store	
Reconciliation of Operating (Loss) to Net Cash Provided by/(Used) for Operating Activities:					
Operating Income/(Loss)	\$ (115,653)	\$ 21,892	\$ (1,496)	\$ (453)	\$ (95,710)
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used) for Operating Activities:					
Federal Food Distribution Program	6,026				6,026
Depreciation	479	10,000			10,479
Changes in Assets and Liabilities:					
Decrease in Accounts Receivable		18,848			18,848
Decrease in Inventory	2,775			326	3,101
(Decrease) in Accounts Payable	(11,455)	(50,161)			(61,616)
Increase in Unearned Revenue - Prepaid Sales	274				274
Increase in Unearned Revenue - Donated Commodities	1,605				1,605
Net Cash Provided by/(Used) for Operating Activities	\$ (115,949)	\$ 579	\$ (1,496)	\$ (127)	\$ (116,993)

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 \$7,631 and utilized commodities valued at \$6,026.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM DEBT

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOT APPLICABLE

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

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2020</u>	<u>Matured</u>	<u>Balance June 30, 2021</u>
Energy Savings Equipment Lease	1.075%	\$ 1,327,620	\$ 747,440	\$ 92,670	\$ 654,770
Bus Lease	3.770%	100,000	59,945	19,247	40,698
			<u>\$ 807,385</u>	<u>\$ 111,917</u>	<u>\$ 695,468</u>
				Governmental Activities	\$ 654,770
				Business-Type Activities	40,698
					<u>\$ 695,468</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOT APPLICABLE

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 School provides and the activities it performs.	J-16 thru J-20

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

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

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities									Restated	
Net Investment in Capital Assets	\$ 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	\$ 3,260,067
Restricted	3,676,073	3,349,049	3,251,378	2,704,749	1,955,513	1,173,366	724,918	328,854	923,496	2,284,663
Unrestricted/(Deficit)	(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)	(6,451,896)
Total Governmental Activities Net Position/(Deficit)	\$ 6,642,136	\$ 7,906,098	\$ 2,368,741	\$ 2,225,505	\$ 2,171,005	\$ (2,196,266)	\$ (2,740,766)	\$ (4,118,230)	\$ (3,477,841)	\$ (907,166)
Business-Type Activities										
Net Investment in Capital Assets	\$ 9,928	\$ 9,599	\$ 27,265	\$ 26,936	\$ 26,607	\$ 6,645	\$ 3,412	\$ 7,846	\$ 26,523	\$ 35,292
Unrestricted	570,374	609,457	632,853	596,048	408,925	298,278	356,475	332,064	353,125	346,644
Total Business-Type Activities Net Position	\$ 580,302	\$ 619,056	\$ 660,118	\$ 622,984	\$ 435,532	\$ 304,923	\$ 359,887	\$ 339,910	\$ 379,648	\$ 381,936
District-Wide										
Net Investment in Capital Assets	\$ 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	\$ 3,295,359
Restricted	3,676,073	3,349,049	3,251,378	2,704,749	1,955,513	1,173,366	724,918	328,854	923,496	2,284,663
Unrestricted/(Deficit)	(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)	(6,105,252)
Total District Net Position/(Deficit)	\$ 7,222,438	\$ 8,525,154	\$ 3,028,859	\$ 2,848,489	\$ 2,606,537	\$ (1,891,343)	\$ (2,380,879)	\$ (3,778,320)	\$ (3,098,193)	\$ (525,230)

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
Instruction										
Regular	\$ 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	\$ 12,542,588
Special Education	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	1,970,863
School Sponsored/Cocurricular Instruction	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	1,143,911
Other Special Instruction		266,655	261,685		1,209,433	301,535	266,342	240,641	180,743	
Support Services:										
Tuition	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	1,701,072
Student & Instruction Related Services	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	2,967,812
General Administrative Services	1,094,206	1,185,882	1,037,768	1,172,827	1,028,969	1,157,618	511,751	502,442	493,465	514,736
School Administrative Services	997,092	627,069	560,774	619,516	522,149	485,017	916,378	864,739	796,659	790,482
Central Services		433,361	444,486	454,485	415,685	438,096	438,325	428,373	367,533	347,882
Administrative Information Technology		34,705	59,367	45,554	39,043	30,687	22,034	24,697	24,756	4,265
Plant Operations And Maintenance	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	1,949,149
Pupil Transportation	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	1,945,649
Interest On Long-Term Debt	34,497	26,893	18,834	9,875	396					
Unallocated Depreciation			4,496	36,399	29,968	35,661	224,145	211,590	4,496	4,496
Capital Outlay										
Total Governmental Activities Expenses	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	25,882,905
Business-type activities:										
Food Service	414,208	354,256	360,017	409,611	470,378	430,342	351,359	339,498	254,195	116,318
Transportation Services	710,089	692,528	760,481	23,000	27,594	1,077,985	955,971	1,193,826	1,086,923	884,316
Adult School	14,422	6,490	11,328	17,777	15,698	6,103	6,780	3,766	2,374	1,746
School Store	20,220	17,047	15,933	769,623	1,134,769	20,898	6,936	8,361	4,340	953
Total Business-Type Activities Expense	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	1,003,333
Total District Expenses	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	26,886,238
Program Revenues										
Governmental Activities:										
Charges For Services:										
Tuition	121,196	251,295	286,804	678,827	999,366	895,190	1,275,757	1,430,012	1,349,257	1,314,806
Operating Grants and Contributions	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	10,522,628
Capital Grants and Contributions						628,906				
Total Governmental Activities Program Revenues	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	11,837,434

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-Type Activities:										
Charges for services										
Food Service	\$ 380,396	\$ 303,406	\$ 316,329	\$ 306,413	\$ 359,346	\$ 309,357	\$ 284,133	\$ 261,074	\$ 156,999	\$ 665
Transportation Services	862,803	718,763	772,975	770,362	998,543	1,015,575	1,003,619	1,179,068	1,128,506	906,208
Adult School	14,358	9,466	13,269	10,383	6,590	7,090	4,407	2,927	2,125	250
School Store	21,319	16,732	20,064	14,422	15,187	16,650	10,584	7,676	4,561	500
Operating Grants and Contributions										
Food Service	64,749	60,536	65,996	81,112	81,189	74,522	73,208	74,671	64,293	97,966
Total Business Type Activities Program Revenues	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	1,005,589
Total District Program Revenues	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	12,843,023
Net (Expense)/Revenue	(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)	(14,045,471)
Governmental Activities	184,684	38,582	40,874	(37,319)	(187,584)	(112,134)	54,905	(20,035)	8,652	2,256
Business-Type Activities	(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)	(14,043,215)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	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	16,572,883
Property Taxes Levied for Debt Service, Net	158,197	195,391	192,538	194,000	194,749	11,617	9,351	19,763	9,935	8,635
Federal and State Aid not Restricted	5,544,997	336,971	1,480	738	2,721	2,618	2,003	1,525	923	1,300
Investment Earnings	11,309	1,487	559,503	91,618	11,201	65,214	10,775	23,751	13,325	33,328
Miscellaneous Income	375,628	258,499							(31,054)	
Transfers									(20,720)	
Special Item - Cancellation of Prior Year Receivable										
Total Governmental Activities	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	16,616,146
Business-Type Activities:										
Investment Earnings	399	173	188	185	132	80	59	58	32	32
Transfers									31,054	31,054
Total Business-Type Activities	399	173	188	185	132	5,388	59	58	31,086	31,086
Total District-Wide	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	16,647,232
Change in Net Position										
Governmental Activities	1,573,703	1,206,454	(89,031)	(143,236)	(54,500)	(853,081)	(544,500)	(1,377,464)	449,411	2,570,675
Business-Type Activities	185,084	38,755	41,062	(37,134)	(187,452)	(106,666)	54,964	(19,977)	39,738	33,342
Total District	\$ 1,758,787	\$ 1,245,209	\$ (47,969)	\$ (180,370)	\$ (241,952)	\$ (959,747)	\$ (489,536)	\$ (1,397,441)	\$ 489,149	\$ 2,604,017

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,

	2012	2013	2014	2015	2016	2017	2018	2019	Restated 2020	2021
General Fund										
Restricted	\$ 3,562,871	\$ 3,349,047	\$ 3,251,375	\$ 2,704,746	\$ 1,955,511	\$ 1,173,364	\$ 724,918	\$ 328,854	\$ 732,518	\$ 2,109,878
Assigned	549,477	800,235	326,794	6,752	701,377	387,133	802,220	(31,230)	150,619	856,465
Unassigned										475,876
Total General Fund	\$ 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	\$ 3,442,219
All Other Governmental Funds										
Restricted/(Deficit)	\$ (277,150)	\$ 2	\$ 3	\$ 3	\$ 2	\$ 2			\$ 190,978	\$ 174,785
Unassigned/(Deficit)				(326,178)	(448,221)					
Total All Other Governmental Funds/(Deficit)	\$ (277,150)	\$ 2	\$ 3	\$ 3	\$ 2	\$ 2	\$ -0-	\$ -0-	\$ 190,978	\$ 174,785
Total Fund Balances	\$ 3,835,198	\$ 4,149,284	\$ 3,578,172	\$ 2,711,501	\$ 2,656,890	\$ 1,560,499	\$ 1,527,138	\$ 297,624	\$ 1,074,115	\$ 3,617,004

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax Levy	\$ 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	\$ 16,572,883
Tuition Charges	121,196	244,795	286,804	678,827	999,366	895,190	1,275,757	1,430,012	1,349,257	1,314,806
Interest Earnings	11,309	1,487	1,480	738	2,721	2,618				1,300
Miscellaneous	375,628	258,506	563,483	91,738	11,201	65,214	12,778	25,276	16,380	159,793
State Sources	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	9,455,670
Federal Sources	522,770	384,789	322,969	330,033	360,265	360,554	327,399	364,373	317,130	362,984
Total Revenue	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	27,867,436
Expenditures										
Instruction										
Regular Instruction	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	6,456,151
Special Education Instruction	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	1,743,939
School Sponsored/Cocurricular Instruction	1,075,835	818,387	942,888	942,668	983,365	1,007,388	978,951	983,737	893,518	888,496
Other Instruction		187,956	183,917							
Support Services:										
Tuition	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	1,701,072
Student & Instruction Related Services	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	2,523,342
General Administrative Services	869,775	813,807	729,378	731,483	633,283	646,730	446,470	440,177	429,287	440,903
School Administrative Services	698,819	505,865	450,452	412,650	459,224	409,997	530,458	462,437	475,778	427,712
Central Services		311,186	326,503	297,317	325,871	321,226	325,960	336,329	297,580	292,227
Administrative Information Technology		34,705	45,760	45,554	39,043	30,687	22,034	24,697	24,756	4,265
Plant Operations And Maintenance	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	1,850,921
Pupil Transportation	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	1,676,069
Employee Benefits	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	7,251,587
Capital Outlay	1,062,037	2,469,691	887,490	1,622,830	799,983	463,374	122,008	382,854	45,701	67,863
Debt Service:										
Principal	155,000	165,000	170,000	180,000	190,000					
Interest And Other Charges	37,694	30,391	22,537	14,000	4,750					
Total Expenditures	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	25,324,547
Excess (Deficiency) Of Revenues Over (Under) Expenditures	902,039	(1,013,534)	(571,112)	(1,192,849)	(176,654)	(19,264)	(33,361)	(1,229,604)	637,377	2,542,889

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing Sources (Uses)										
Capital Leases (non-budgeted)		\$ 1,327,620								
Transfers In		59,819		\$ 1,050,090			\$ 2			
Transfers Out		(59,819)		(1,050,090)			(2)		\$ (31,054)	
Cancellation of Prior Year Receivable									(20,720)	
Total Other Financing Sources (Uses)	\$ -0-	1,327,620	\$ -0-	-0-	\$ -0-	\$ -0-	-0-	\$ -0-	(51,774)	-0-
Net Change In Fund Balances	\$ 902,039	\$ 314,086	\$ (571,112)	\$ (1,192,849)	\$ (176,654)	\$ (19,264)	\$ (33,361)	\$ (1,229,604)	\$ 585,603	\$ 2,542,889
Debt Service As A Percentage Of Noncapital Expenditures	0.81%	0.79%	0.76%	0.77%	0.76%	0.00%	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 Fees	Building Use	Student Operated Cafeteria	Miscellaneous	Total
2012	\$ 121,196	\$ 11,309	\$ 352,693	\$ 1,126	\$ 10,910	\$ 6,675	\$ 4,224	\$ 508,133
2013	244,795	6,043	134,930	5,618	34,119	8,159	71,117	504,781
2014	286,804	5,274	505,204	32,897		10,412	7,196	847,787
2015	678,827	3,741	1,242	52,153		13,134	22,086	771,183
2016	999,366	2,721					9,201	1,011,288
2017	895,190	2,618	10,091			413	54,710	963,022
2018	1,275,757	2,003					10,775	1,288,535
2019	1,430,012	1,525					18,761	1,450,298
2020	1,349,257	923					13,325	1,363,505
2021	1,314,806	1,300					33,328	1,349,434

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>												
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		129,520,300	0.457	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
2020	2,079,800		70,725,900	440,600	53,318,600		1,388,000	127,952,900		127,952,900	0.749	129,971,842
<u>Frankford Township</u>												
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	859,800	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
2020	15,225,500		582,157,000	71,337,600	59,415,000	5,529,600	859,800	734,524,500		734,524,500	0.602	810,178,789
<u>Lafayette Township</u>												
2011	\$ 9,160,300		\$ 294,938,000	\$ 65,672,600	\$ 46,242,100	\$ 26,731,100	\$ 442,744,100	\$ 560,912	\$ 443,305,012	\$ 443,305,012	\$ 0.540	\$ 427,493,775
2012	8,661,800		292,547,500	67,323,300	45,772,600	23,929,500	438,236,700	596,007	438,832,307	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	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	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	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	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	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	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	329,138,740	0.581	339,579,865
2020	5,402,500		223,578,000	47,229,100	39,131,000	13,980,300	329,320,900		329,320,900	329,320,900	0.756	361,084,199

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)
	Value	Area										
	<u>Sussex Borough</u>											
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
2020	2,205,300		80,528,200	662,200	25,204,300	787,300	14,484,100	123,871,400		123,871,400	0.626	131,565,909
	<u>Wantage Township</u>											
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
2020	33,246,950		899,020,606	141,227,300	113,279,234	1,541,400	21,121,200	1,209,436,690		1,209,436,690	0.656	1,265,208,954

* 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
Year Ended December 31,	Direct Rate			Overlapping Rates				
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County		
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	0.457		0.457	0.134	0.972	0.575	2.138	
2019	0.557		0.557	0.143	0.882	0.593	2.175	
2020	0.749		0.749	0.142	0.805	0.594	2.290	

Frankford Township								Total Direct and Overlapping Tax Rate
Year Ended December 31,	Direct Rate			Overlapping Rates				
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County		
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	
2020	0.602		0.602	0.383	1.021	0.645	2.651	

* Revaluation or Reassessment Year

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								Total Direct and Overlapping Tax Rate
Year Ended December 31,	Direct Rate			Overlapping Rates				
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County		
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	
2020	0.756		0.756	0.294	1.172	0.641	2.863	

Sussex Borough								Total Direct and Overlapping Tax Rate
Year Ended December 31,	Direct Rate			Overlapping Rates				
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	Local School District	County		
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	
2020	0.626		0.626	0.801	1.210	0.621	3.258	

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		
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	
2020	0.656		0.656	0.308	1.191	0.612	2.767	

Source: Municipal Tax Collector and School Business Administrator

* Revaluation or Reassessment Year

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

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

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

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

Branchville Borough

Frankford Township

		2020		2020	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Wantage Avenue Holding Company Inc	\$ 31,006,100	23.94%	129 Morris Turnpike Realty, Inc.	\$ 6,500,000	0.89%
Franklin Mutual Insurance Company	5,425,900	4.19%	Sussex County Farm & Horse Show	2,793,000	0.38%
Haubrich Enterprises, LLC	1,150,700	0.89%	Visions Federal Credit Union	2,419,600	0.33%
Mill Manor, LLC	1,021,100	0.79%	Branchville Manor c/o Kaplan Dev	2,362,900	0.32%
Individual Taxpayer #1	1,007,200	0.78%	Corn Patch Realty, LLC	2,100,000	0.29%
LAC Realty Corp.	925,500	0.71%	Individual Taxpayer #1	1,987,500	0.27%
RBMK	915,600	0.71%	Skylands Stadium LLC	1,600,000	0.22%
Individual Taxpayer #2	896,500	0.69%	Individual Taxpayer #2	1,579,300	0.22%
National Bank of Sussex County	770,300	0.59%	One to One, LLC	1,352,400	0.18%
Individual Taxpayer #3	747,000	0.58%	Kymers Campground	1,346,900	0.18%
Total	\$ 43,865,900	33.87%	Total	\$ 24,041,600	3.29%

		2011		2011	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
N/A	N/A	N/A	N/A	N/A	N/A

N/A - Not Available

Source: Municipal Tax Assessor

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

Wantage Township

Taxpayer	2020		2011	
	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 FOUR FISCAL YEARS
UNAUDITED

Branchville Borough

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal		Collections in Subsequent Years
		Year of the Levy ^a		
		Amount	Percentage of Levy	
2018	\$ 543,358	\$ 543,358	100.00%	
2019	591,336	591,336	100.00%	
2020	715,233	715,233	100.00%	
2021	958,554	958,554	100.00%	

Frankford Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal		Collections in Subsequent Years
		Year of the Levy ^a		
		Amount	Percentage of Levy	
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%	
2021	4,418,499	4,418,499	100.00%	

Lafayette Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal		Collections in Subsequent Years
		Year of the Levy ^a		
		Amount	Percentage of Levy	
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%	
2021	2,489,493	2,489,493	100.00%	

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

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

Sussex Borough				
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal		Collections in Subsequent Years
		Year of the Levy ^a		
		Amount	Percentage of Levy	
2018	\$ 562,434	\$ 562,434	100.00%	
2019	682,750	682,750	100.00%	
2020	671,885	671,885	100.00%	
2021	775,551	775,551	100.00%	

Wantage Township				
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal		Collections in Subsequent Years
		Year of the Levy ^a		
		Amount	Percentage of Levy	
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%	
2021	7,930,786	7,930,786	100.00%	

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

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Bond		Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Anticipation Notes (BANs)	Capital Leases	Total District					
2012	\$ 705,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 705,000	0.06%	\$ 31.88	
2013	540,000	-0-	1,327,620	-0-	-0-	-0-	-0-	1,867,620	0.17%	85.05	
2014	370,000	-0-	1,262,567	-0-	-0-	-0-	-0-	1,632,567	0.14%	74.59	
2015	190,000	-0-	1,181,370	-0-	-0-	-0-	-0-	1,371,370	0.11%	63.31	
2016	-0-	-0-	1,098,365	-0-	-0-	-0-	-0-	1,098,365	0.09%	51.04	
2017	-0-	-0-	1,013,511	-0-	-0-	-0-	-0-	1,013,511	0.04%	23.57	
2018	-0-	-0-	926,767	-0-	-0-	-0-	-0-	926,767	0.07%	43.41	
2019	-0-	-0-	838,091	-0-	-0-	-0-	-0-	838,091	0.06%	39.23	
2020	-0-	-0-	747,440	-0-	-0-	-0-	59,945	807,385	0.06%	37.94	
2021	-0-	-0-	654,769	-0-	-0-	-0-	40,699	695,468	0.05%	32.68	

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		
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-	0.00%	-0-
2021	-0-	-0-	-0-	0.00%	-0-

Source: School District Financial Reports

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

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020
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%)	\$ 594,423	\$ 734,689	\$ -0-	\$ 617,500	\$ 5,642,283	\$ 7,588,895
Local School (100%)	190,164	1,179,836	305,000	-0-	-0-	1,675,000
County of Sussex Share (1)	749,030	4,514,282	1,874,037	704,399	7,062,997	14,904,746
Total Direct and Overlapping Bonded Debt as of December 31, 2020						<u>\$ 24,168,641</u>

- (1) Borough of Branchville - 0.77%
- Township of Frankford - 4.63%
- Township of Lafayette - 1.92%
- Borough of Sussex - 0.72%
- Township of Wantage - 7.24%

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 2021

	Borough of Branchville	Township of Frankford	Township of Lafayette	Borough of Sussex	Township of Wantage	Equalized Valuation Basis
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	807,223,725	358,520,083	130,496,106	1,252,887,331	2,678,038,836
2020	129,062,840	800,746,212	351,575,638	131,778,085	1,285,950,760	2,699,113,535
	<u>\$ 393,314,347</u>	<u>\$2,420,063,552</u>	<u>\$1,047,610,403</u>	<u>\$ 389,002,891</u>	<u>\$3,812,258,709</u>	<u>\$8,062,249,902</u>

Average Equalized Valuation of Taxable Property	\$2,687,416,634
Debt Limit (3% of average equalization value)	80,622,499
Total Net Debt Applicable to Limit	-0-
Legal Debt Margin	<u>\$ 80,622,499</u>

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt Limit	\$ 94,410,069	\$ 90,262,671	\$ 82,589,097	\$ 79,760,713	\$ 78,592,634
Total Net Debt Applicable to Limit	705,000	540,000	370,000	190,000	-0-
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	0.75%	0.60%	0.45%	0.24%	0.00%

	Fiscal Year				
	2017	2018	2019	2020	2021
Debt Limit	\$ 77,840,473	\$ 77,547,126	\$ 78,412,884	79087495	\$ 80,622,499
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>\$ 80,622,499</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>				
2012	824	\$ 41,885,568	\$ 50,832	12.6%
2013	815	41,937,455	51,457	12.5%
2014	806	43,374,084	53,814	7.6%
2015	794	44,230,564	55,706	6.2%
2016	790	45,034,740	57,006	5.0%
2017	786	46,215,228	58,798	4.1%
2018	783	47,885,148	61,156	4.1%
2019	780	49,751,520	63,784	3.2%
2020	775	49,432,600 *	63,784 *	9.5%
2021	775 **	49,432,600 *	63,784 *	N/A
<u>Frankford Township</u>				
2012	5,493	\$ 279,220,176	\$ 50,832	8.1%
2013	5,464	281,161,048	51,457	8.0%
2014	5,443	292,909,602	53,814	7.0%
2015	5,392	300,366,752	55,706	5.9%
2016	5,361	305,609,166	57,006	5.0%
2017	5,345	314,275,310	58,798	4.8%
2018	5,325	325,655,700	61,156	4.6%
2019	5,311	338,756,824	63,784	3.6%
2020	5,274	336,396,816 *	63,784 *	8.8%
2021	5,274 **	336,396,816 *	63,784 *	N/A

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>				
2012	2,469	\$ 125,504,208	\$ 50,832	10.90%
2013	2,439	125,503,623	51,457	10.90%
2014	2,446	131,629,044	53,814	6.2%
2015	2,420	134,808,520	55,706	4.8%
2016	2,402	136,928,412	57,006	4.6%
2017	23,964	1,409,035,272	58,798	3.8%
2018	2,379	145,490,124	61,156	3.9%
2019	2,367	150,976,728	63,784	3.0%
2020	2,352	150,019,968 *	63,784 *	8.8%
2021	2,352 **	150,019,968 *	63,784 *	N/A
<u>Sussex Borough</u>				
2012	2,101	\$ 106,798,032	\$ 50,832	10.20%
2013	2,080	107,030,560	51,457	10.10%
2014	2,059	110,803,026	53,814	7.9%
2015	2,036	113,417,416	55,706	6.9%
2016	2,022	115,266,132	57,006	5.7%
2017	2,010	118,183,980	58,798	5.8%
2018	2,002	122,434,312	61,156	5.3%
2019	1,991	126,993,944	63,784	4.9%
2020	1,979	126,228,536 *	63,784 *	10.2%
2021	1,979 **	126,228,536 *	63,784 *	N/A

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>				
2012	11,229	\$ 570,792,528	\$ 50,832	11.50%
2013	11,161	574,311,577	51,457	11.80%
2014	11,144	599,703,216	53,814	6.7%
2015	11,020	613,880,120	55,706	5.1%
2016	10,943	623,816,658	57,006	4.7%
2017	10,893	640,486,614	58,798	4.3%
2018	10,861	664,215,316	61,156	3.9%
2019	10,912	696,011,008	63,784	3.5%
2020	10,899	695,181,816 *	63,784 *	8.8%
2021	10,899 **	695,181,816 *	63,784 *	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 (2019) was used for calculation purposes.

** - Latest population data available (2020) was used for calculation purposes.

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

	2020		2012		Percentage of Total Employment
	Employer	Employees	Employer	Employees	
Selective Insurance Group Inc.		1,000-4,999	Crystal Springs Golf and Spa Resort	2,000	2.61%
Crystal Springs Resort		1,000-4,999	Newton Memorial Hospital	1,200	1.56%
Newton Medical Center		500-999	Selective Insurance	900	1.17%
Sussex County Offices		500-999	County of Sussex	830	1.08%
Thoriabs		500-999	Mountain Creek Resort	800	1.04%
Mountain Creek Resort		500-999	Ames Rubber Corp	445	0.58%
Shop Rite		250-499	Shop Rite (Ronetco)	301	0.39%
Sussex County Community College		250-499	Andover Subacute & Rehab Center	300	0.39%
United Methodist Community Bristol Glen		250-499	Sussex County Community College	300	0.39%
Andover Subacute & Rehab Center		100-249	SCARC, Inc.	287	0.37%
		<u>4,850-15,740</u>	Total	<u>7,363</u>	<u>9.60%</u>
Total Employment - Sussex County		<u>71,425</u>	Total Employment	<u>76,713</u>	

Source: County of Sussex

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

<u>Function/Program</u>	<u>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>	<u>2021</u>
Instruction										
Regular	91.5	79.0	79.0	79.0	79.0	72.5	62.3	64.4	64.4	77.0
Special Education	13.0	19.5	17.5	17.5	17.0	19.7	18.6	16.4	16.6	13.0
Support Services:										
Student and Instruction Related Services	21.0	29.0	28.0	28.0	30.0	32.4	30.0	29.5	28.5	28.5
General Administrative Services	3.0	3.0	3.0	3.0	3.0	2.1	3.0	3.0	3.0	3.0
School Administrative Services	9.0	9.5	9.5	9.5	8.0	6.5	5.5	4.5	4.5	4.5
Business and Other Support Services	3.5	4.0	4.0	4.0	4.0	3.6	3.6	3.6	3.6	3.6
Plant Operations and Maintenance	15.5	16.0	13.0	13.0	13.0	15.4	13.0	13.3	14.6	13.0
Pupil Transportation	5.5	6.0	6.0	6.0	5.0	5.8	5.6	6.3	5.0	5.0
Food Service										
Total	162	166	160	160	159	158	142	141	140	148

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				
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%
2021	861	25,256,684	29,334	-0.87%	90	1:10	1:10	824	787	-4.61%	91.41%

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

<u>District Building</u>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	1,101	1,014	1,007	1,009	996	980	912	889	841	861

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
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
2021	265,733		265,733

* 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, 2021
UNAUDITED

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

Source: District records

SINGLE AUDIT SECTION



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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 22, 2021.

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.

October 22, 2021
Mount Arlington, New Jersey

Nisiroccia 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, 2021. 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, 2021.

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

October 22, 2021
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, 2021

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance (Accounts Receivable) 6/30/2020	Balance (Unearned Revenue) 6/30/2020	Cash Received	Budgetary Expenditures	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	Amounts Paid to Subrecipients
General Fund:												
U.S. Department of Education Passed-through State Medicaid Cluster:												
Medicaid Assistance Program	93.778	N/A	7/1/20 - 6/30/21	\$ 8,635			\$ 8,635	(8,635)				
Total U.S. Department of Education/General Fund							8,635	(8,635)				
Enterprise Fund:												
U.S. Department of Agriculture Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Federal Food Distribution Program	10.555	N/A	7/1/20 - 6/30/21	7,631			7,631	(4,856)		\$ 2,775		
Federal Food Distribution Program	10.555	N/A	7/1/19 - 6/30/20	11,038	\$ 1,170			(1,170)				
COVID19 - Seamless Summer Option - Breakfast	10.553	N/A	7/1/20 - 6/30/21	22,867			21,574	(22,867)	\$ (1,293)			
COVID19 - Seamless Summer Option - Breakfast	10.553	N/A	3/18/20-6/30/20	3,290	\$ (2,633)		2,633					
COVID19 - Seamless Summer Option - Lunch	10.555	N/A	7/1/20 - 6/30/21	65,489			50,192	(65,489)	(15,297)			
COVID19 - Seamless Summer Option - Lunch	10.555	N/A	3/18/20-6/30/20	6,222	(4,980)		4,980					
Total U.S. Department of Agriculture/Child Nutrition Cluster/Enterprise Fund					(7,613)	1,170	87,010	(94,382)	(16,590)	2,775		
Special Revenue Fund:												
U.S. Department of Treasury - Passed-through State Department of Education:												
COVID 19 - Coronavirus Relief Fund	21.019	N/A	3/1/2020-12/30/2020	35,744			35,744	(34,967)		777		
Total U.S. Department of Treasury							35,744	(34,967)		777		
U.S. Department of Education Passed-through State Department of Education:												
Education Stabilization Fund:												
COVID 19 - CARES Emergency Relief	84.425D	CARES216520	3/13/20-9/30/22	55,835			51,151	(33,617)		17,534		
COVID 19 - Digital Divide	84.425D	S425D200027	7/16/20-10/31/20	11,041			11,041	(11,041)				
Subtotal Education Stabilization Fund							62,192	(44,658)		17,534		
Special Education Cluster:												
I.D.E.A. Part B, Basic Subtotal Special Education Cluster												
Elementary and Secondary Education Act:												
Title I	84-010A	ESEA-2165-21	7/1/20 - 9/30/21	69,693				(31,252)	(31,252)			
Title I	84-010A	ESEA-2165-20	7/1/19 - 9/30/20	69,525		4,619	1	(4,620)				
Title IIA	84.278A	ESEA-2165-21	7/1/20 - 9/30/21	15,891				(7,677)	(7,677)			
Title IV	84.186	ESEA-5435-21	7/1/20 - 9/30/21	10,000				(180)	(180)			
Perkins Vocational Education - Basic Grants	84.048A	PERK 2165-21	7/1/20 - 6/30/21	26,327				(26,327)	(26,327)			
Total U.S. Department of Education						4,619	272,354	(324,875)	(65,436)	17,534		
Total Special Revenue Fund						4,619	308,098	(359,842)	(65,436)	18,311		
Total Federal Financial Awards					\$ (7,613)	\$ 5,789	\$ 403,743	\$ (462,859)	\$ (82,026)	\$ 21,086	\$ -0-	\$ -0-

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

N/A - Not Applicable/Available

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance (Accounts Receivable) 6/30/2020	Cash Received	Budgetary Expenditures	MEMO			
							GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
NJ Department of Education:										
Equalization Aid	21-495-034-5120-078	7/1/20 - 6/30/21	\$ 3,333,742		\$ 3,002,061	\$ (3,333,742)			\$ (331,681)	\$ 3,333,742
Special Education Aid	21-495-034-5120-089	7/1/20 - 6/30/21	702,032		632,185	(702,032)			(69,847)	702,032
Security Aid	21-495-034-5120-084	7/1/20 - 6/30/21	86,130		77,561	(86,130)			(8,569)	86,130
School Choice Aid	21-495-034-5120-068	7/1/20 - 6/30/21	34,361		30,942	(34,361)			(3,419)	34,361
Transportation Aid	21-495-034-5120-014	7/1/20 - 6/30/21	748,822		674,320	(748,822)			(74,502)	748,822
Non-Public Transportation	21-495-034-5120-014	7/1/20 - 6/30/21	15,660			(15,660)	\$ (15,660)		(15,660)	15,660
Extraordinary Aid	21-495-034-5120-044	7/1/20 - 6/30/21	343,659		586,467	(343,659)	(343,659)		(343,659)	343,659
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20 - 6/30/21	650,375		2,568,135	(650,375)	(63,908)		(63,908)	2,568,135
TPAF Pension Contributions (Non-Budgeted)	21-495-034-5094-002	7/1/20 - 6/30/21	2,568,135		820,126	(2,568,135)				820,126
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)	21-495-034-5094-001	7/1/20 - 6/30/21	48,862		48,862	(48,862)				48,862
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)	21-495-034-5094-004	7/1/20 - 6/30/21	670		670	(670)				670
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)	21-495-034-5094-004	7/1/20 - 6/30/21								
Equalization Aid	20-495-034-5120-078	7/1/19 - 6/30/20	4,071,988	\$ (407,839)	407,839					4,071,988
Transportation Aid	20-495-034-5120-014	7/1/19 - 6/30/20	748,822	(75,000)	75,000					748,822
Special Education Aid	20-495-034-5120-089	7/1/19 - 6/30/20	702,032	(70,314)	70,314					702,032
Security Aid	20-495-034-5120-084	7/1/19 - 6/30/20	86,130	(8,627)	8,627					86,130
School Choice Aid	20-495-034-5120-068	7/1/19 - 6/30/20	49,793	(4,987)	4,987					49,793
Extraordinary Aid	20-495-034-5120-044	7/1/19 - 6/30/20	267,415	(243,068)	267,415	(24,347)				267,415
Non-Public Transportation	20-495-034-5120-014	7/1/19 - 6/30/20	13,920	(13,920)	13,920					13,920
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19 - 6/30/20	674,658	(65,247)	65,247					674,658
Total General Fund State Aid				(889,002)	9,354,678	(9,376,921)	(423,227)		(911,245)	15,967,332
Total NJ Department of Education				(889,002)	9,354,678	(9,376,921)	(423,227)		(911,245)	15,967,332
Enterprise Fund:										
COVID19 - Seamless Summer Option	21-100-034-5120-122	7/1/20 - 6/30/21	1,457	(79)	2,955				(629)	3,584
State School Lunch Program	20-100-034-5120-122	7/1/19 - 6/30/20			79					1,457
Total Enterprise Fund				(79)	3,034	(3,584)			(629)	5,041
Total State Awards				(889,081)	9,357,712	(9,380,505)	(423,856)	\$ -0-	(911,874)	15,972,373
Less: State Awards Not Subject to Single Audit Major Program Determination										
On-Behalf TPAF Pension System Contributions:										
On-Behalf TPAF Post Retirement Contributions	21-495-034-5094-001	7/1/20 - 6/30/21	\$ 2,568,135			\$ 2,568,135				
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20 - 6/30/21	820,126			820,126				
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20 - 6/30/21	48,862			48,862				
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20 - 6/30/21	670			670				
Subtotal - On-Behalf TPAF Contributions						3,437,793				
Total State Awards Subject to Single Audit Determination						\$ (5,942,712)				

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, 2021

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, 2021. 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 \$78,749 for the general fund and \$(5,493) 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, 2021
(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	\$ 8,635	\$ 9,455,670	\$ 9,464,305
Special Revenue Fund	354,349		354,349
Food Service Fund	<u>94,382</u>	<u>3,584</u>	<u>97,966</u>
	<u>\$ 457,366</u>	<u>\$ 9,459,254</u>	<u>\$ 9,916,620</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, 2021. 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, 2021

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, 2021 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following:

<u>State:</u>	<u>State</u> <u>Grant Number</u>	<u>Grant Period</u>	<u>Award</u> <u>Amount</u>	<u>Budgetary</u> <u>Expenditures</u>
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	\$3,333,742	\$ 3,333,742
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	702,032	702,032
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	86,130	86,130
School Choice Aid	21-495-034-5120-068	7/1/20-6/30/21	34,361	34,361

- 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, 2021

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, 2021

Status of Prior Year Findings:

There were no findings in the prior year.