

**HANOVER PARK  
REGIONAL HIGH SCHOOL DISTRICT**

**Hanover Park Regional High School District  
East Hanover, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2020**

**Comprehensive Annual  
Financial Report**

**of the**

**Hanover Park  
Regional High School District**

**East Hanover, New Jersey**

**For the Fiscal Year Ended June 30, 2020**

**Prepared by**

**Hanover Park Regional High School District  
Board of Education**

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INTRODUCTORY SECTION  
(UNAUDITED)

BOARD OF EDUCATION  
**HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT**

Serving East Hanover Township, Florham Park Borough and Hanover Township

75 Mt. Pleasant Avenue, East Hanover, New Jersey 07936  
Telephone (973) 887-0340 Fax (973) 887-9247

William F. Albert, Jr  
Business Administrator/Board Secretary  
E-mail: William.albert@hanpk.morris.k12.nj.us

HANOVER PARK HIGH SCHOOL  
WHIPPANY PARK HIGH SCHOOL

December 14, 2020

The Honorable President and Members  
of the Board of Education  
Hanover Park Regional High School District  
East Hanover, NJ 07936

Dear Honorable President and Board Members:

The Comprehensive Annual Financial Report of the Hanover Park Regional High School District (the "District") for the fiscal year ended June 30, 2020 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations 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 Independent Auditors' Report, 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 economic and demographic information, financial trends and the fiscal capacity of the District, 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' report on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Hanover Park 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 Hanover Park Regional High School District and its two schools constitute 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 East Hanover Township, the Borough of Florham Park, and Hanover Township. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2019-2020 fiscal year with an enrollment of 1,431 students, which is a decrease of 31 students from the previous year's enrollment.

2. ECONOMIC CONDITION AND OUTLOOK: The Economic Conditions and Outlook of the Hanover Park Regional High School District remains positive. This budget the District has been able to deposit funds into the Capital Reserve Fund for future capital projects contained in the District's Long Range Facility Plan while continuing to maintain a Maintenance Reserve Fund for required maintenance projects. The District is also currently carrying a 2% unassigned budgetary basis fund balance of the net budget to provide future funding.
3. MAJOR INITIATIVES: For a complete report on District objectives and major accomplishments during 2019-2020, please contact the Superintendent's Office.

Students in the Class of 2020 at both of the District's high schools were granted diplomas in June 2020.

	Regular Pupils	Special Education Pupils	Total Pupils
Grade 12 Enrollment 6/30/20	379	82	461
No. Students Graduating	373 *	65	438
No. Students On Track Continuing	- 0 -	17	17

\* One non graduate and 5 to the HIVE program

A majority of graduating students plan to continue their education. Advanced education plans are summarized below for the Class of 2020.

	4-Year College	2-Year College	Armed Forces	Other Education	Total
Hanover Park	158	33	1	1	193
Whippany Park	114	16	1	8	139

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 awards 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 major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

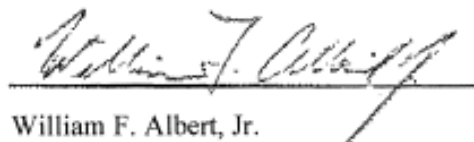


5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund and 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2020.
6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
7. OTHER INFORMATION: Independent Audit - 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.
8. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Hanover Park Regional District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

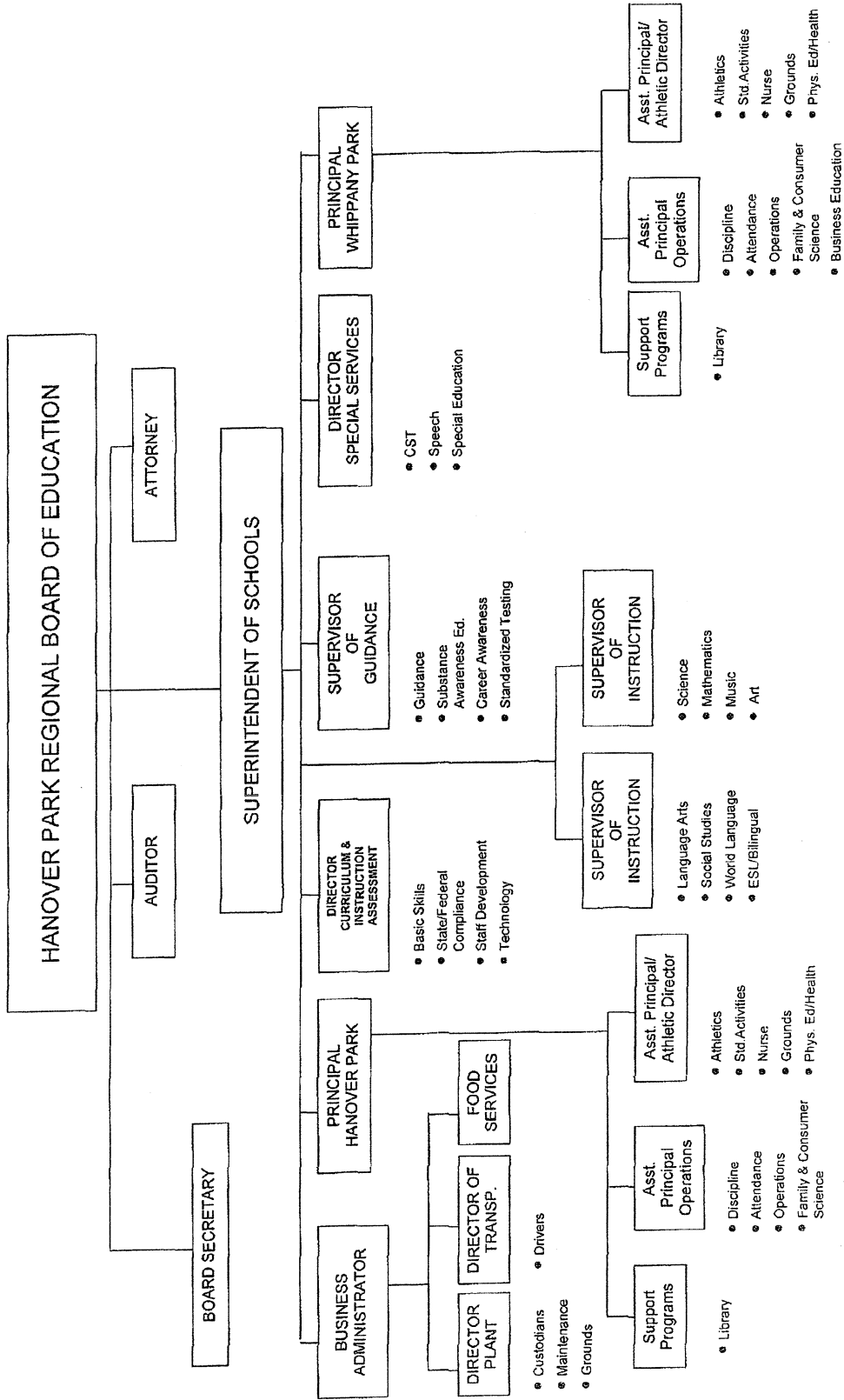


Maria Carrell  
Superintendent



William F. Albert, Jr.  
Business Administrator/Board Secretary

**HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT**  
**1110 Organizational Chart**



Revised:  
 Board Approved: 10 December 2014

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2020

<u>Members of the Board of Education</u>	<u>Term Expires</u>
James Herbert - President	2021
Joanne Greene Tobias - Vice President	2023
Tim Donohue	2022
Dr. Gerard Freda	2022
Giuseppe Peluso	2023
Deborah Davis	2023
Rhett Eveland	2022
Michael Lomio	2021
Kristine Peterson	2021

<u>Other Officers</u>	<u>Title</u>
Maria Carrell	Superintendent of Schools
William F. Albert, Jr.	Board Secretary/Business Administrator
Susan Young	Treasurer
Noemi Schlecht	Director of Curriculum, Instruction and Assessment

**HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT**  
**Consultants and Advisors**  
**Fiscal Year Ended June 30, 2020**

**Audit Firm**

Nisivoccia, LLP  
Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mount Arlington, New Jersey 07856-1320

**Attorney**

Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC  
238 St. Paul Street  
Westfield, New Jersey 07090

**Architects**

FKA Architects  
306 Ramapo Valley Road  
Oakland, New Jersey 07436

**Official Depositories**

TD Bank  
East Hanover, New Jersey 07936

Valley National Bank  
East Hanover, New Jersey 07936

FINANCIAL SECTION

## Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Hanover Park Regional High School District  
County of Morris, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Hanover Park Regional High School District (the "District") in the County of Morris, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

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

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

The Honorable President and Members  
of the Board of Education  
Hanover Park Regional High School District  
Page 3

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 December 14, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

December 14, 2020  
Mount Arlington, New Jersey

*Nisivoccia, LLP*

NISIVOCCIA, LLP

*Kathryn L. Mantell*

\_\_\_\_\_  
Kathryn L. Mantell

Licensed Public School Accountant #884

Certified Public Accountant



REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
EAST HANOVER, NEW JERSEY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

This section of Hanover Park Regional High School’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

**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 services and summer enrichment.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

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

**Figure A-1  
Organization of Hanover Park Regional School District's Financial Report**

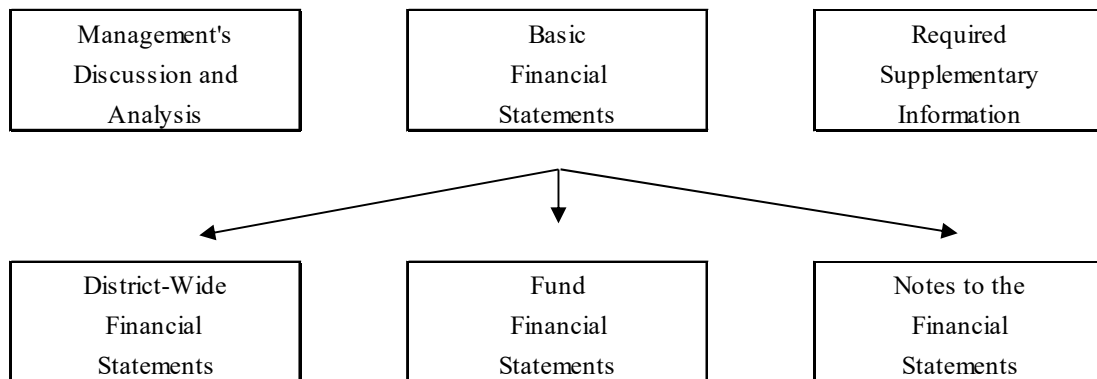


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

**HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
EAST HANOVER, NEW JERSEY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**Figure A-2**

**Major Features of the District-Wide and Fund Financial Statements**

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses, food services and summer enrichment programs	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets, deferred inflows and outflows 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 are included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
EAST HANOVER, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**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 is the difference between the District's assets, deferred inflows and outflows and liabilities and 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 and summer enrichment programs are included here.

**Fund Financial Statements**

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

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

The District has three kinds of funds:

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

**HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
EAST HANOVER, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**Fund Financial Statements**

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

**Notes to the Basic Financial Statements**

The notes provide additional 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 District's combined net position was \$35,865,827 on June 30, 2020, \$4,379,527 or 13.91% more than the year before (See Figure A-3). Net position from governmental activities increased \$4,377,418 and net position from business-type activities increased by \$2,109 (See Figure A-4). Net investment in capital assets increased \$1,847,145, restricted net position increased \$2,629,395 and unrestricted net position decreased \$97,013.

**Figure A-3  
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	
Assets:							
Current and Other Assets	\$ 16,959,651	\$ 15,287,233	\$ 53,451	\$ 43,474	\$ 17,013,102	\$ 15,330,707	
Capital Assets, Net	49,667,980	50,526,308	4,270	5,766	49,672,250	50,532,074	
Total Assets	66,627,631	65,813,541	57,721	49,240	66,685,352	65,862,781	1.25%
Deferred Outflows of Resources	3,642,613	5,234,699			3,642,613	5,234,699	-30.41%
Liabilities:							
Other Liabilities	961,557	1,621,084	21,650	15,278	983,207	1,636,362	
Long-Term Liabilities Outstanding	28,635,597	33,438,041			28,635,597	33,438,041	
Total Liabilities	29,597,154	35,059,125	21,650	15,278	29,618,804	35,074,403	-15.55%
Deferred Inflows of Resources	4,843,334	4,536,777			4,843,334	4,536,777	6.76%
Net Position:							
Net Investment in Capital Assets	34,496,166	32,647,525	4,270	5,766	34,500,436	32,653,291	
Restricted	15,203,196	12,573,801			15,203,196	12,573,801	
Unrestricted/(Deficit)	(13,869,606)	(13,768,988)	31,801	28,196	(13,837,805)	(13,740,792)	
Total Net Position	\$ 35,829,756	\$ 31,452,338	\$ 36,071	\$ 33,962	\$ 35,865,827	\$ 31,486,300	13.91%

**HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
EAST HANOVER, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**Financial Analysis of the District as a Whole**

The increase in net position from governmental activities is primarily due to the reduction in net pension liability and serial bonds payable offset by the decrease in deferred outflows in pensions and the increase in deferred inflows in pensions. The increase in net position from business-type activities is primarily due to a decrease in expenses and a contribution from the General Fund offset by a decrease in daily sales. The increase in net investment in capital assets is primarily due to a reduction in serial bonds payable offset by current year depreciation expense. The increase in restricted net position is primarily due to an increase in capital reserve as a result of the return of unused funds from Capital Projects Fund and a Board approved deposit, as well as an increase in current year excess surplus. The decrease in unrestricted net position is primarily due to the reduction in net pension liability, deferred outflows in pensions, and unamortized bond premium offset by the increase in deferred inflows in pensions.

**Changes in Net Position**

The Changes in Net Position shows the cost of program services and the revenues of the District on a comparative schedule (Figure A-4).

**Figure A-4**

**Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	
Revenue:							
Program Revenue:							
Charges for Services	\$ 18,500	\$ 16,650	\$ 304,051	\$ 431,136	\$ 322,551	\$ 447,786	
Operating Grants & Contributions	8,364,241	9,480,989			8,364,241	9,480,989	
General Revenue:							
Property Taxes	36,169,147	35,228,423			36,169,147	35,228,423	
Unrestricted Federal & State Aid	919,267	888,668			919,267	888,668	
Other	676,158	902,259	21	27	676,179	902,286	
Total Revenue	46,147,313	46,516,989	304,072	431,163	46,451,385	46,948,152	-1.06%
Expenses:							
Instruction	20,110,482	20,881,327			20,110,482	20,881,327	
Pupil & Instruction Services	11,043,506	11,145,226			11,043,506	11,145,226	
Administration and Business	3,925,316	3,968,663			3,925,316	3,968,663	
Maintenance & Operations	2,733,500	3,219,826			2,733,500	3,219,826	
Transportation	2,244,244	2,855,927			2,244,244	2,855,927	
Other	1,697,847	1,767,795	316,963	440,266	2,014,810	2,208,061	
Total Expenses	41,754,895	43,838,764	316,963	440,266	42,071,858	44,279,030	-4.98%
Transfer	(15,000)		15,000				
Change in Net Position	\$ 4,377,418	\$ 2,678,225	\$ 2,109	\$ (9,103)	\$4,379,527	\$2,669,122	64.08%

**HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
EAST HANOVER, NEW JERSEY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**Financial Analysis of the District as a Whole**

**Governmental Activities**

The financial position of the District increased by \$4,377,418 and remains strong. However, maintaining existing programs, developing new programs for regular education pupil enrollment and continued special programs and services for disabled pupils places great demands on the District’s resources. Limited veteran employee retirements and increased employee health benefit contributions have been surpassed by the increase in health benefits costs and the costs associated with training new teachers.

Careful management of expenses remains essential for the District to sustain its financial health. Many significant cost saving measures have led to superior transportation efficiency and overall fiscal restraint. The District’s cost-saving measures included:

- Joint Transportation with surrounding school districts
- Employees contribute towards health and dental benefits
- Group purchasing for electric, gas, insurance and telecommunications
- Efficiency of District bus routes
- Continuation of in-district special education programs

Due to the constraints placed upon the District by legislation enacted in the past several years, it is crucial that the District continually examines its expenses. Parental and student demands for new activities and programs must be evaluated thoroughly.

Figure A-5 presents the cost of six major District activities: instruction, pupil & instructional services, administration & business, maintenance & 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:

**Governmental Activities**

**Figure A-5**

**Net Cost of Governmental Activities**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019/20</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2018/19</u>
Instruction	\$ 20,110,482	\$ 20,881,327	\$ 14,998,573	\$ 15,490,199
Pupil & Instruction Services	11,043,506	11,145,226	9,404,138	9,365,670
Administration and Business	3,925,316	3,968,663	3,168,339	3,137,635
Maintenance & Operations	2,733,500	3,219,826	2,608,798	2,756,291
Transportation	2,244,244	2,855,927	1,494,459	1,823,535
Other	1,697,847	1,767,795	1,697,847	1,767,795
Total	<u>\$ 41,754,895</u>	<u>\$ 43,838,764</u>	<u>\$ 33,372,154</u>	<u>\$ 34,341,125</u>

**HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
EAST HANOVER, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**Business-Type Activities**

- Net position from the District's business-type activities increased \$2,109 due primarily to decreased expenses and a contribution from the General Fund, offset by a decrease in daily sales as a result of the COVID-19 shutdown. (Refer to Figure A-4).

**Financial Analysis of the District's Funds**

The District's General Fund financial position increased \$2,457,739 on the GAAP basis. The District continues to see a rise in additional student needs and the associated expenditures. Difficult economic times continue to have an effect on the District's revenue. The District's Capital Projects Fund financial condition decreased \$120,259 due to continued construction on various capital projects and the return of unexpended funds to the General Fund.

The District anticipates the current economic conditions to continue and create the same climate that has existed for the past several years. The District has had a multi-year practice of utilizing funds from its unassigned fund balance to offset or reduce the tax levy.

Ratables in the East Hanover, Florham Park and Hanover Township will be increasing. Commercial building continues in each of the communities. Small residential sub-developments also have occurred along with replacing existing homes with larger, more valuable homes.

The District must continue practice sound financial management in order to maintain a stable financial position.

**General Fund Budgetary Highlights**

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

**Capital Assets and Long-Term Liabilities**

The District's capital assets decreased \$859,824, or 1.70%, over the course of the fiscal year.

Capital asset additions consisted of \$94,138 of construction in progress and \$455,527 of budgeted capital outlay expenditures.

Depreciation expense was \$1,407,993 from governmental activities and \$1,496 from business-type activities.



**HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
EAST HANOVER, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**Capital Assets and Long-Term Liabilities**

**Figure A-6**

**Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	
Land	\$ 1,961,326	\$ 1,961,326			\$ 1,961,326	\$ 1,961,326	
Construction in Progress	9,039,961	9,289,702			9,039,961	9,289,702	
Site Imps.	650,842	714,635			650,842	714,635	
Buildings & Bldg. Imps.	36,080,959	36,596,688			36,080,959	36,596,688	
Machinery, Furniture and Equipment	1,934,892	1,963,957	\$ 4,270	\$ 5,766	1,939,162	1,969,723	
<b>Total</b>	<b>\$49,667,980</b>	<b>\$50,526,308</b>	<b>\$ 4,270</b>	<b>\$ 5,766</b>	<b>\$49,672,250</b>	<b>\$50,532,074</b>	<b>-1.70%</b>

**Long-Term Liabilities**

The District's long-term liabilities decreased \$4,802,444, or 14.36%, over the course of the fiscal year. At year-end, the District had \$16,000,000 in general obligation bonds outstanding – a decrease of \$2,845,000 from last year – as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 9 to the financial statements.)

**Figure A-7**

**Outstanding Long-Term Liabilities**

	Total School District		Percent Change
	2019/20	2018/19	
General Obligation Bonds (Financed with Property Taxes)	\$ 16,000,000	\$ 18,845,000	
Unamortized Bond Issuance Premium	1,162,674	1,356,453	
Net Pension Liability	10,719,650	12,500,600	
Compensated Absences Payable	753,273	735,988	
<b>Total</b>	<b>\$ 28,635,597</b>	<b>\$ 33,438,041</b>	<b>-14.36%</b>

- The District paid down \$2,845,000 of its School Bonds during the fiscal year.
- Unamortized bond issuance premium decreased by \$193,779.
- Net Pension Liability decreased \$1,780,950.
- Compensated absences payable increased by \$17,285.

**HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
EAST HANOVER, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**Factors Bearing on the District's Future**

While many factors influence the district's future, the availability of funding for enrollment, staffing needs and the economy will have the most impact on educational and fiscal decisions in the future.

Similar to most school districts in New Jersey, the District's primary sources of funding are property tax revenue and state aid. State aid comprised 4% of the District's original 2020 operating budget while local property taxes accounted for 94%. As a result, the financial wellbeing of the District is tied in large measure to the actions of the state legislature. Current legislation restricts the growth rate on local property taxes to 2%. However, the law does allow for an increase in the 2% limitation, if needed. Significant cuts in state funding and/or further restrictions on the growth rate of the local property tax levy could have a substantial impact on the District's programs and services.

- The Board of Education has experienced increased expenditures related to COVID-19. The District anticipates to experience additional costs to COVID-19 for the 2020-21 fiscal year.
- The labor agreement with the Hanover Park Regional Education Association will expire on June 30, 2021.
- The labor agreement with the Hanover Park Regional Administrator's Association will expire on June 30, 2023.
- The Board of Education voted to move the school election to November thereby eliminating a public vote.
- The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters is either unknown, or will not have a material adverse effect on the financial position of the District.
- Legislation is pending regarding the ability of districts to carry up to a 4% surplus for fiscal years 2020-21 and 2021-22.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, 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, 75 Mt. Pleasant Avenue, East Hanover, New Jersey 07936.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 14,570,208	\$ 39,404	\$ 14,609,612
Cash with Fiscal Agents	1,837		1,837
Receivable from Federal Government	109,680		109,680
Receivable from State Government	714,691		714,691
Other Receivables	28,283		28,283
Inventories		14,047	14,047
Restricted Assets - Cash and Cash Equivalents:			
Capital Reserve Account	1,481,093		1,481,093
Maintenance Reserve Account	53,859		53,859
Capital Assets, Net:			
Site (Land) and Construction in Progress	11,001,287		11,001,287
Depreciable Site Improvements, Buildings and Building Improvements & Machinery, Furniture & Equipment	38,666,693	4,270	38,670,963
<b>Total Assets</b>	<b>66,627,631</b>	<b>57,721</b>	<b>66,685,352</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Amount on Refunding	828,186		828,186
Deferred Outflows Related to Pensions	2,814,427		2,814,427
<b>Total Deferred Outflows of Resources</b>	<b>3,642,613</b>		<b>3,642,613</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Interest Payable	1,837		1,837
Accrued Interest Payable	158,625		158,625
Accounts Payable	794,154	21,650	815,804
Unearned Revenue	6,941		6,941
<b>Noncurrent Liabilities:</b>			
Due Within One Year	3,149,537		3,149,537
Due Beyond One Year	25,486,060		25,486,060
<b>Total Liabilities</b>	<b>29,597,154</b>	<b>21,650</b>	<b>29,618,804</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflows Related to Pensions	4,843,334		4,843,334
<b>Total Deferred Inflows of Resources</b>	<b>4,843,334</b>		<b>4,843,334</b>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2020  
(Continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
NET POSITION			
Net Investment in Capital Assets	\$ 34,496,166	\$ 4,270	\$ 34,500,436
Restricted for:			
Capital Projects	8,143,272		8,143,272
Excess Surplus	7,006,065		7,006,065
Maintenance Reserve	53,859		53,859
Unrestricted/(Deficit)	<u>(13,869,606)</u>	<u>31,801</u>	<u>(13,837,805)</u>
Total Net Position	<u>\$ 35,829,756</u>	<u>\$ 36,071</u>	<u>\$ 35,865,827</u>

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

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

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 15,994,563		\$ 3,468,596		\$ (12,525,967)		\$ (12,525,967)
Special Education	1,833,035		1,208,413		(624,622)		(624,622)
Other Special Instruction	46,391		10,058		(36,333)		(36,333)
Other Instruction	2,236,493		424,842		(1,811,651)		(1,811,651)
Support Services:							
Tuition	4,456,900	\$ 18,500	229,627		(4,208,773)		(4,208,773)
Student & Instruction Related Services	6,586,606		1,391,241		(5,195,365)		(5,195,365)
General Administration Services	1,053,905		175,574		(878,331)		(878,331)
School Administration Services	1,783,319		384,794		(1,398,525)		(1,398,525)
Central Services	821,460		196,609		(624,851)		(624,851)
Administration Information Technology	266,632				(266,632)		(266,632)
Plant Operations and Maintenance	2,733,500		124,702		(2,608,798)		(2,608,798)
Pupil Transportation	2,244,244		749,785		(1,494,459)		(1,494,459)
Interest on Long-Term Debt	539,869				(539,869)		(539,869)
Capital Outlay	106,465				(106,465)		(106,465)
Unallocated Depreciation	1,051,513				(1,051,513)		(1,051,513)
Total Governmental Activities	41,754,895	18,500	8,364,241	\$ - 0 -	(33,372,154)	\$ - 0 -	(33,372,154)

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

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities:						
Food Service	\$ 307,893	\$ 287,151			\$ (20,742)	\$ (20,742)
Summer Enrichment	9,070	16,900			7,830	7,830
Total Business-Type Activities	316,963	304,051	\$ - 0 -	\$ - 0 -	(12,912)	(12,912)
Total Primary Government	\$ 42,071,858	\$ 8,364,241	\$ - 0 -	(33,372,154)	(12,912)	(33,385,066)

General Revenues and Transfers:

Taxes:						
Property Taxes, Levied for General Purposes, Net				32,936,210		32,936,210
Taxes Levied for Debt Service				3,232,937		3,232,937
Federal and State Aid not Restricted				919,267		919,267
Investment Earnings				5,268	21	5,289
Miscellaneous Income				670,890		670,890
Transfer				(15,000)	15,000	
Total General Revenues and Transfers				37,749,572	15,021	37,764,593
Change in Net Position				4,377,418	2,109	4,379,527
Net Position - Beginning				31,452,338	33,962	31,486,300
Net Position - Ending				\$ 35,829,756	\$ 36,071	\$ 35,865,827

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



FUND FINANCIAL STATEMENTS

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 7,904,219	\$ 2,377	\$ 6,663,612	\$ 1,837	\$ 14,570,208
Cash with Fiscal Agents					1,837
Interfunds Receivable	98,244				98,244
Receivable from Federal Government		109,680			109,680
Receivable from State Government	714,691				714,691
Other Receivables	28,283				28,283
Restricted Cash and Cash Equivalents	1,534,952				1,534,952
<b>Total Assets</b>	<b>\$ 10,280,389</b>	<b>\$ 112,057</b>	<b>\$ 6,663,612</b>	<b>\$ 1,837</b>	<b>\$ 17,057,895</b>

**LIABILITIES AND FUND BALANCES:**

<b>Liabilities:</b>					
Interest Payable				\$ 1,837	\$ 1,837
Accounts Payable - Vendors	\$ 174,842	\$ 6,872	\$ 1,433		\$ 183,147
Interfunds Payable		98,244			98,244
Unearned Revenue		6,941			6,941
<b>Total Liabilities</b>	<b>174,842</b>	<b>112,057</b>	<b>1,433</b>	<b>1,837</b>	<b>290,169</b>
<b>Fund Balances:</b>					
Restricted for:					
Capital Reserve Account	1,481,093				1,481,093
Maintenance Reserve Account	53,859				53,859
Excess Surplus	4,285,620				4,285,620
Excess Surplus - Subsequent Year's Expenditures	2,720,445				2,720,445
Capital Projects			6,662,179		6,662,179

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>LIABILITIES AND FUND BALANCES:</b>					
Fund Balances:					
Assigned:					
Year End Encumbrances	\$ 390,470				390,470
Subsequent Year's Expenditures	269,833				269,833
Unassigned	904,227				904,227
Total Fund Balances	<u>10,105,547</u>		<u>\$ 6,662,179</u>		<u>16,767,726</u>
Total Liabilities and Fund Balances	<u>\$ 10,280,389</u>	<u>\$ 112,057</u>	<u>\$ 6,663,612</u>	<u>\$ 1,837</u>	<u>\$ 17,057,895</u>

Amounts Reported for *Governmental Activities* in the Statement of Net Position (Exhibit A-1) are different because:

Total Fund Balances (Above)	\$ 16,767,726
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	49,667,980
The Deferred Amount on Refunding is not reported as an expenditure in the governmental funds in the year of the expenditure.	828,186
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(158,625)
Long-term liabilities, including bonds payable, bond issuance premiums and net pension liability for PERS, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(28,635,597)
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	2,203,420
Deferred Inflows	(4,843,334)
Net Position of Governmental Activities (Exhibit A-1)	<u>\$ 35,829,756</u>

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUE:</b>					
Local Sources:					
Local Tax Levy	\$ 32,936,210			\$ 3,232,937	\$ 36,169,147
Tuition from Individuals	18,500				18,500
Interest Earned on Maintenance Reserve Funds	976				976
Interest Earned on Capital Reserve Funds	4,292				4,292
Miscellaneous	651,246	\$ 2,084	\$ 19,644		672,974
Total - Local Sources	33,611,224	2,084	19,644	3,232,937	36,865,889
State Sources	6,725,334			234,462	6,959,796
Federal Sources		240,386			240,386
Total Revenue	40,336,558	242,470	19,644	3,467,399	44,066,071
<b>EXPENDITURES:</b>					
Current:					
Regular Instruction	9,383,465	1,744			9,385,209
Special Education Instruction	1,062,100				1,062,100
Other Special Instruction	27,343				27,343
Other Instruction	1,431,509				1,431,509
Support Services and Undistributed Costs:					
Tuition	4,241,504	215,396			4,456,900
Student & Instruction Related Services	3,973,106	25,330			3,998,436
General Administration Services	736,010				736,010
School Administration Services	1,043,201				1,043,201
Central Services	426,617				426,617
Administrative Information Technology	263,012				263,012
Plant Operations and Maintenance	2,199,899				2,199,899
Pupil Transportation	1,536,576				1,536,576

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>EXPENDITURES (Cont'd):</b>					
Support Services and Undistributed Costs:					
Unallocated Benefits	\$ 11,009,337				\$ 11,009,337
Capital Outlay	575,905		\$ 94,138		670,043
Debt Service:					
Interest and Other Charges				\$ 622,400	622,400
Principal				2,845,000	2,845,000
<b>Total Expenditures</b>	<b>37,909,584</b>	<b>\$ 242,470</b>	<b>94,138</b>	<b>3,467,400</b>	<b>41,713,592</b>
Excess/(Deficiency) of Revenue over/(under) Expenditures	2,426,974		(74,494)	(1)	2,352,479
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfers In	45,765				45,765
Transfers Out	(15,000)		(45,765)		(60,765)
<b>Total Other Financing Sources/(Uses)</b>	<b>30,765</b>		<b>(45,765)</b>		<b>(15,000)</b>
<b>Net Change in Fund Balances</b>	<b>2,457,739</b>		<b>(120,259)</b>	<b>(1)</b>	<b>2,337,479</b>
<b>Fund Balance - July 1</b>	<b>7,647,808</b>		<b>6,782,438</b>	<b>1</b>	<b>14,430,247</b>
<b>Fund Balance - June 30</b>	<b>\$ 10,105,547</b>	<b>\$ - 0 -</b>	<b>\$ 6,662,179</b>	<b>\$ - 0 -</b>	<b>\$ 16,767,726</b>

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 2,337,479

Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit 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 depreciation differs from capital outlays in the period.

Depreciation Expense	\$ (1,407,993)
Capital Outlays	<u>549,665</u>
	(858,328)

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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

In the Statement of Activities, interest on long-term debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due.

The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

The governmental funds report the effect of the deferred amount on refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Repayment of serial bonds 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.

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

Change in Net Pension Liability	1,780,950
Change in Deferred Outflows	(1,486,372)
Change in Deferred Inflows	<u>(306,557)</u>
Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ 4,377,418</u>

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2020

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Fund</u>	<u>Major Fund</u>	<u>Total</u>
			<u>Food Service</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 16,915	\$ 22,489	\$ 39,404
Inventories		14,047	14,047
Total Current Assets	<u>16,915</u>	<u>36,536</u>	<u>53,451</u>
Non-Current Assets:			
Capital Assets:			
Depreciable Furniture, Machinery & Equipment		398,188	398,188
Less: Accumulated Depreciation		<u>(393,918)</u>	<u>(393,918)</u>
Total Non-Current Assets		<u>4,270</u>	<u>4,270</u>
Total Assets	<u>16,915</u>	<u>40,806</u>	<u>57,721</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable - Vendors		<u>21,650</u>	<u>21,650</u>
Total Liabilities		<u>21,650</u>	<u>21,650</u>
<u>NET POSITION:</u>			
Investment in Capital Assets		4,270	4,270
Unrestricted	<u>16,915</u>	<u>14,886</u>	<u>31,801</u>
Total Net Position	<u>\$ 16,915</u>	<u>\$ 19,156</u>	<u>\$ 36,071</u>

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds		
	Non-Major Fund	Major Fund	Total
		Food Service	Enterprise Funds
Operating Revenue:			
Local Sources:			
Daily Sales - Non-Reimbursable Programs		\$ 273,644	\$ 273,644
Special Events		806	806
Free and Reduced Lunches Subsidized by District		12,701	12,701
Summer Enrichment Program Fees	\$ 16,900		16,900
Total Operating Revenue	16,900	287,151	304,051
Operating Expenses:			
Cost of Sales- Non-Reimbursable Programs		138,816	138,816
Salaries, Benefits & Payroll Taxes	9,070	121,365	130,435
Supplies, Insurance & Other Costs		9,897	9,897
Management Fee		14,949	14,949
Miscellaneous Expense		9,971	9,971
Insurance & Office Supplies		11,399	11,399
Depreciation Expense		1,496	1,496
Total Operating Expenses	9,070	307,893	316,963
Operating Income/(Loss)	7,830	(20,742)	(12,912)
Non-Operating Income:			
Interest Income		21	21
Total Non-Operating Income		21	21
Change in Net Position before Transfer	7,830	(20,721)	(12,891)
Transfer - General Fund		15,000	15,000
Change in Net Position	7,830	(5,721)	2,109
Net Position - Beginning of Year	9,085	24,877	33,962
Net Position - End of Year	\$ 16,915	\$ 19,156	\$ 36,071

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



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

	Business-Type Activities - Enterprise Funds		
	Non-Major Fund	Major Fund Food Service	Total Enterprise Funds
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 6,600	\$ 275,506	\$ 282,106
Receipts from District		12,701	12,701
Payments by District for the Free Lunches		(12,701)	(12,701)
Payments to Food Service Vendor		(285,557)	(285,557)
Payments to Summer Enrichment Employees	(9,070)		(9,070)
Net Cash Used for Operating Activities	<u>(2,470)</u>	<u>(10,051)</u>	<u>(12,521)</u>
Cash Flows from Investing Activities:			
Interest Income		21	21
Net Cash Provided by Investing Activities		<u>21</u>	<u>21</u>
Cash Flows from Noncapital Financing Activities:			
Transfer - General Fund		15,000	15,000
Net Cash Provided by Noncapital Financing Activities		<u>15,000</u>	<u>15,000</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,470)	4,970	2,500
Cash and Cash Equivalents, July 1	19,385	17,519	36,904
Cash and Cash Equivalents, June 30	<u>\$ 16,915</u>	<u>\$ 22,489</u>	<u>\$ 39,404</u>
Reconciliation of Operating Income/(Loss) to Net Cash Used for Operating Activities:			
Operating Income/(Loss)	\$ 7,830	\$ (20,742)	\$ (12,912)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Used for Operating Activities:			
Depreciation		1,496	1,496
Changes in Assets and Liabilities:			
(Increase) in Inventory		(8,533)	(8,533)
Decrease in Accounts Receivable		1,056	1,056
(Decrease) in Unearned Revenue	(10,300)		(10,300)
Increase in Accounts Payable		16,672	16,672
Net Cash Used for Operating Activities	<u>\$ (2,470)</u>	<u>\$ (10,051)</u>	<u>\$ (12,521)</u>

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

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

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Benefits Trust</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 823,902	\$ 131,096	\$ 21,827	\$ 19,019
Investments	22,994			
Total Assets	<u>846,896</u>	<u>131,096</u>	<u>21,827</u>	<u>19,019</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	233,743			
Summer Savings				
Salaries Payable	355,329			
Due to Student Groups	257,824			
Total Liabilities	<u>846,896</u>			
<u>NET POSITION:</u>				
Held in Trust for:				
Unemployment Claims		131,096		
Flexible Benefits Claims				19,019
Scholarships			21,827	
Total Net Position	<u>\$ - 0 -</u>	<u>\$ 131,096</u>	<u>\$ 21,827</u>	<u>\$ 19,019</u>

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

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

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust
ADDITIONS:			
Contributions:			
Plan Members	\$ 63,387		\$ 95,586
Donations		\$ 14,326	
Total Contributions	63,387	14,326	95,586
Investment Earnings:			
Interest	1,830		
Net Investment Earnings	1,830		
Total Additions	65,217	14,326	95,586
DEDUCTIONS:			
Unemployment Compensation Claims	33,919		
Flexible Benefits Claims			183,671
Scholarship Payments		20,550	
Total Deductions	33,919	20,550	183,671
Change in Net Position	31,298	(6,224)	(88,085)
Net Position - Beginning of the Year	99,798	28,051	107,104
Net Position - End of the Year	\$ 131,096	\$ 21,827	\$ 19,019

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of the Hanover Park 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 District 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.

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

(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (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 revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues 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 governmental 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 fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report 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.

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

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

B. Basis of Presentation: (Cont'd)

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (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 the 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 operations and summer enrichment program. The food service and summer enrichment programs are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange 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 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 long-term debt and acquisitions under capital leases are reported as other financing sources.

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

(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget 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. All budget Amendments/Transfers must be made by School Board resolution. All budgeting 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 budget during the year).

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

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

The General Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of the last two state aid payments for the current year. Since the State recorded the last two state aid payments in the subsequent fiscal year, the District recognized these payments in the current year GAAP financial statements.

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 40,349,660	\$ 326,635
Differences - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and revenue, whereas the GAAP Basis does not.		
Current Year Encumbrances at year end		(88,716)
Prior Year Encumbrances at year end		4,551
Prior Year State Aid Payments Recognized for GAAP Statements, not recognized for Budgetary Basis	120,009	
Current Year State Aid Payments recognized for Budgetary purposes, not recognized for GAAP Statements	(133,111)	
Total Revenues as reported on the Statement of Revenues, Expenditures & Changes in Fund Balances - Governmental Funds	<u>\$ 40,336,558</u>	<u>\$ 242,470</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 37,909,584	\$ 326,635
Differences - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and revenue, whereas the GAAP Basis does not.		
Current Year Encumbrances at year end		(88,716)
Prior Year Encumbrances at year end		4,551
Total Expenditures as Reported on the Statement of Revenue, Expenditures, & Changes in Fund Balances - Governmental Funds	<u>\$ 37,909,584</u>	<u>\$ 242,470</u>



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

(Continued)

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

E. Cash and Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

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.

New Jersey school districts are limited as to type 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 funds. 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, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

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

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

(Continued)

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

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.

I. Short-term Interfund Receivables/Payables:

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 an expenditure 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 funds represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. 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:

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

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

K. Capital Assets: (Cont'd)

	Estimated Useful Life
Buildings and Building Improvements	50 Years
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 in 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 premium 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.

M. Accrued Salaries and Wages:

Certain District employees, who provide services to the District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned undisbursed amounts be retained in a separate bank account. As of June 30, 2020, the amount earned by these employees but not disbursed was \$355,329.

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.

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

(Continued)

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

P. Fund Balance Appropriated:

General Fund: Of the \$10,105,547 General Fund balance at June 30, 2020, \$660,303 is assigned fund balance of which \$390,470 is for year-end encumbrances and \$269,833 is for subsequent year's expenditures and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2021; \$1,481,093 is restricted in the capital reserve account; \$53,859 is restricted in the maintenance reserve account; \$2,720,445 is restricted for prior year excess surplus in accordance with N.J.S.A. 18A:7F-7 (S1701) and has been appropriated and included as anticipated revenue for the year ending June 30, 2021; \$4,285,620 is restricted for current year excess surplus in accordance with N.J.S.A. 18A:7F (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2022; and \$904,227 is unassigned fund balance which is \$133,111 less than the calculated maximum unassigned fund balance due to the final two state aid payments that are not recognized on the GAAP basis until the fiscal year ending June 30, 2021.

Capital Projects Fund: The \$6,662,179 of Capital Projects Fund balance at June 30, 2020 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended, 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 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 excess surplus as noted above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$133,111 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, Districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Deficit Net Position:

The District has a deficit in unrestricted net position of \$13,869,606 in governmental activities, which is primarily due to accruals for unamortized bond premiums and net pension liability. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

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

(Continued)

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

R. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2020 for the Deferred Amount on Refunding related to the District's 2013 refunding bonds and pensions.

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 of resources at June 30, 2020 for deferred inflows 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.

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 have been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, capital and maintenance reserves and Capital Projects Fund.

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

(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments (Cont'd)

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 had no committed resources at June 30, 2020.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources of \$390,470 for year-end encumbrances and \$269,833 for subsequent year's expenditures in the General Fund at June 30, 2020.

T. Revenue - Exchange and Nonexchange 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.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income 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 nonexchange 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.

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 fees for the summer enrichment program. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the respective Enterprise Fund.

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

(Continued)

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

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

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 page.

Custodial Credit Risk - The District's policy with respect to custodial credit risk 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.

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

(Continued)

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

Deposits: (Cont'd)

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;
- (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



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

(Continued)

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

Investments: (Cont'd)

- (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); and
  - (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.

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

(Continued)

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

Investments: (Cont'd)

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

	Cash and Cash Equivalents	Invest- ments	Cash With Fiscal Agents	<u>Restricted</u>		Total
				Capital Reserve	Maintenance Reserve	
Checking Accounts	\$ 15,419,032		\$ 1,837			\$ 15,420,869
Savings Accounts	186,424			\$ 1,481,093	\$ 53,859	1,721,376
Certificates of Deposit		\$ 22,994				22,994
	<u>\$ 15,605,456</u>	<u>\$ 22,994</u>	<u>\$ 1,837</u>	<u>\$ 1,481,093</u>	<u>\$ 53,859</u>	<u>\$ 17,165,239</u>

During the period ended June 30, 2020, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2020, was \$17,165,239 and the bank balance was \$17,693,674. The \$1,837 of Cash with Fiscal Agents is uninsured and unregistered.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Hanover Park Regional High School District by inclusion of \$800,000 on July 1, 1996 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 NJ Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance at July 1, 2019	\$ 450,680
Increased by:	
Interest Earnings	\$ 4,292
Return of Unused Funds - Capital Projects Fund	26,121
Transfer by Board Resolution	<u>1,000,000</u>
	<u>1,030,413</u>
Ending Balance at June 30, 2020	<u>\$ 1,481,093</u>

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

(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The balance in the capital reserve account did not exceed the balance of local support costs of uncompleted capital projects in the District's approved LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by Board resolution on June 22, 2011. These funds are restricted to 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 from 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 and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance at July 1, 2019	\$ 52,883
Interest Earnings	<u>976</u>
Ending Balance at June 30, 2020	<u><u>\$ 53,859</u></u>

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

(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2020 were as follows:

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 1,961,326			\$ 1,961,326
Construction in Progress	9,289,702	\$ 94,138	\$ (343,879)	9,039,961
Total Capital Assets not being Depreciated	11,251,028	94,138	(343,879)	11,001,287
Capital Assets being Depreciated:				
Site Improvements	2,799,166			2,799,166
Buildings and Building Improvements	53,868,432	107,179	343,879	54,319,490
Machinery and Equipment	6,765,853	348,348		7,114,201
Total Capital Assets being Depreciated	63,433,451	455,527	343,879	64,232,857
Governmental Activities Capital Assets	74,684,479	549,665		75,234,144
Less Accumulated Depreciation for:				
Site Improvements	(2,084,531)	(63,793)		(2,148,324)
Buildings and Building Improvements	(17,271,744)	(966,787)		(18,238,531)
Machinery and Equipment	(4,801,896)	(377,413)		(5,179,309)
Total Accumulated Depreciation	(24,158,171)	(1,407,993)		(25,566,164)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 50,526,308	\$ (858,328)	\$ - 0 -	\$ 49,667,980
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 400,888		\$ (2,700)	\$ 398,188
Less Accumulated Depreciation	(395,122)	\$ (1,496)	2,700	(393,918)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 5,766	\$ (1,496)	\$ - 0 -	\$ 4,270
Total Governmental and Business-Type Activities	\$ 50,532,074	\$ (859,824)	\$ - 0 -	\$ 49,672,250

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

NOTE 6. CAPITAL ASSETS (Cont'd)

During the year ended June 30, 2020, the District had active construction projects for refurbishment of the athletic and physical education facility at the Hanover Park and Whippany Park High Schools, a fuel station replacement at Hanover Park High School, and the installation of interior cameras at Hanover Park and Whippany Park High Schools totaling \$10,638,879 of which the District expended \$94,138 during the year and has \$174,891 in construction encumbrances at June 30, 2020.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 19,646
Operations & Maintenance of Plant	18,038
Student Transportation	297,736
Central Services	21,060
Unallocated	1,051,513
Total Depreciation	\$ 1,407,993

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2020, the District transferred \$43,335 to the capital outlay accounts for equipment which did not require County Superintendent approval.

NOTE 8. OPERATING LEASES

The District has commitments at June 30, 2020, to lease copying equipment valued at \$221,880 under operating leases which expire in 2022. Total operating lease payments made during the year ended June 30, 2020 were \$48,074. Future minimum lease payments are as follows:

Year	Amount
2021	\$ 44,376
2022	44,376
	\$ 88,752

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

(Continued)

NOTE 9. LONG-TERM LIABILITIES

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

	Balance 6/30/2019	Issued/ Accrued	Matured/ Retired	Balance 6/30/2020
Serial Bonds Payable	\$ 18,845,000		\$ 2,845,000	\$ 16,000,000
Unamortized Bond Issuance Premium	1,356,453		193,779	1,162,674
Net Pension Liability	12,500,600		1,780,950	10,719,650
Compensated Absences Payable	735,988	\$ 60,242	42,957	753,273
	<u>\$ 33,438,041</u>	<u>\$ 60,242</u>	<u>\$ 4,862,686</u>	<u>\$ 28,635,597</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be liquidated through the Debt Service Fund. The current portion of bonds payable is \$2,945,000 and the long-term portion is \$13,055,000.

On March 14, 2013 the District issued \$18,480,000 refunding bonds with interest rates ranging from 3.0%- 4.0% to refund \$19,014,000 of the \$31,714,000 school bonds dated July 15, 2005 with rates ranging from 3.75- 4.25%. The refunding bonds will mature on October 1, 2016 through October 1, 2025 and constitute an advanced refunding. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent who will pay the debt service requirements of the refunded bonds and redeemed refunded bonds, at a redemption price equal to 100% of par, on October 1, 2015, which was the first optional redemption date. The refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the District's government-wide financial statements. As a result of the advance refunding, the District reduced its total debt service requirements by \$925,078, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt).

On January 14, 2014, the District issued \$9,795,000 in school bonds which were authorized by voter referendum for athletic and physical education facility refurbishment at Hanover Park and Whippany Park High Schools. The bonds mature in serial installments due February 1, 2015 through February 1, 2024 at interest rates ranging from 1.00% to 2.50% over the life of the issue.

Serial Bonds Outstanding as of June 30, 2020

Purpose	Final Maturity	Interest Rates	Amount
School Refunding Bonds of 2013	10/01/25	4.00%	\$ 11,550,000
School Bonds of 2014	02/01/24	2.00% to 2.50%	4,450,000
			<u>\$ 16,000,000</u>

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

(Continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

Principal and interest due on serial bonds outstanding are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ 2,945,000	\$ 526,600	\$ 3,471,600
2022	3,045,000	428,800	3,473,800
2023	3,090,000	326,350	3,416,350
2024	3,140,000	220,000	3,360,000
2025	1,935,000	112,500	2,047,500
Thereafter (2026)	1,845,000	36,900	1,881,900
	\$ 16,000,000	\$ 1,651,150	\$ 17,651,150

B. Bonds Authorized But Not Issued:

The Board had \$444 of bonds authorized but not issued related to the District's athletic and physical education facility refurbishment project at both of the high schools at June 30, 2020.

C. Capital Leases Payable:

As of June 30, 2020, the District had no capital leases payable.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a current and long-term liability and will be liquidated through the General Fund. The current portion of the liability is \$10,758 and the long-term portion is \$742,515.

The District had no liability at June 30, 2020 for compensated absences in its Food Service or Summer Enrichment Enterprise Funds.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2020 is \$-0- and the long-term portion is \$10,719,650. See Note 10 for further information on the PERS.

F. Unamortized Bond Issuance Premium:

The bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities and will be liquidated through the General Fund. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$193,779 and is separated from the long-term liability balance of \$968,895.

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

NOTE 10. PENSION PLANS

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

A. Public Employees’ Retirement System (PERS)

Plan Description

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

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.



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

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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 \$581,486 for fiscal year 2020.

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

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

At June 30, 2020, the District reported a liability of \$10,719,650 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019.

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.0595%, which was a decrease of 0.004% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$601,298. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

(Continued)

NOTE 10. 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)

	<u>Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	6.44	\$ 28,330	
	2015	5.72	175,170	
	2016	5.57	866,896	
	2017	5.48		\$(1,538,845)
	2018	5.63		(1,243,528)
	2019	5.21		(938,384)
			<u>1,070,396</u>	<u>(3,720,757)</u>
Difference Between Expected and Actual Experience	2015	5.72	48,600	
	2016	5.57	26,308	
	2017	5.48	45,765	
	2018	5.63		(47,355)
	2019	5.21	71,731	
			<u>192,404</u>	<u>(47,355)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5.00		197,855
	2017	5.00		(237,439)
	2018	5.00		(165,157)
	2019	5.00		35,527
			<u>                    </u>	<u>(169,214)</u>
Changes in Proportion	2014	6.44	14,652	
	2015	5.72		(114,724)
	2016	5.57	449,580	
	2017	5.48		(59,843)
	2018	5.63	476,388	
	2019	5.21		(731,441)
			<u>940,620</u>	<u>(906,008)</u>
District Contribution Subsequent to the Measurement Date	2019	1.00	611,007	
			<u>                    </u>	<u>                    </u>
			<u>\$ 2,814,427</u>	<u>\$(4,843,334)</u>

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2020	\$ (309,535)
2021	(1,004,125)
2022	(896,625)
2023	(421,011)
2024	(43,230)
	\$ (2,674,526)

Actuarial Assumptions

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

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

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

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

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

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected\_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2019 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2019 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
District's proportionate share of the Net Pension Liability	\$ 13,634,858	\$ 10,719,650	\$ 8,400,586

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2020, the State of New Jersey contributed \$2,608,278 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$4,294,521.

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

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

(Continued)

NOTE 10. 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

At June 30, 2020, the State's proportionate share of the net pension liability associated with the District was \$72,809,876. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.119%, which was an increase of 0.001% from its proportion measured as of June 30, 2018.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>72,809,876</u>
Total	<u>\$ 72,809,876</u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$4,294,521 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2020 financial statements.

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 768,874,621	
	2015	8.3	2,351,172,865	
	2016	8.3	5,609,216,856	
	2017	8.3		\$ 8,483,527,374
	2018	8.29		5,172,258,445
	2019	8.04		<u>3,507,345,617</u>
			<u>8,729,264,342</u>	<u>17,163,131,436</u>
Difference Between Expected and Actual Experience	2014	8.5		7,323,009
	2015	8.3	145,211,243	
	2016	8.3		69,755,412
	2017	8.3	150,939,884	
	2018	8.29	907,352,137	
	2019	8.04		<u>136,265,890</u>
			<u>1,203,503,264</u>	<u>213,344,311</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5		(431,855,192)
	2017	5		452,016,524
	2018	5		288,091,115
	2019	5		<u>(144,882,771)</u>
				<u>163,369,676</u>
			<u>\$ 9,932,767,606</u>	<u>\$ 17,539,845,423</u>

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

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

Actuarial Assumptions

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

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

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

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



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

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected\_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2019 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (4.60%)	At Current Discount Rate (5.60%)	At 1% Increase (6.60%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 85,858,959	\$ 72,809,876	\$ 61,983,258

Pension Plan Fiduciary Net Position - TPAF

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

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

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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 \$21,141 for the fiscal year ended June 30, 2020. Employee contributions to DCRP amounted to \$28,710 for the year ended June 30, 2020.

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is administered by Lincoln Investment Planning, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrator is Lincoln Investment Planning, Inc., 4 Commerce Drive, 3<sup>rd</sup> Floor, Cranford, NJ 07016.

NOTE 12. RISK MANAGEMENT

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

Property, Liability and Health Benefits

The District maintains insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report. Health Benefits are provided to the employees through the State of New Jersey Health Benefits Plan.

The Board is a member of the New Jersey Schools Insurance Group ("the Group"). This public entity risk management pool provides its members with Workers' Compensation, General Liability and Property and Automobile Liability insurance coverage. The Group is a risk-sharing fund 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 Group are elected.

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

NOTE 12. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

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

The Group 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.

Selected, summarized financial information for the Group as of June 30, 2020 is as follows:

Total Assets	<u>\$ 388,055,408</u>
Net Position	<u>\$ 139,233,105</u>
Total Revenue	<u>\$ 144,445,665</u>
Total Expenses	<u>\$ 113,037,156</u>
Change in Net Position	<u>\$ 31,408,509</u>
Members Dividends	<u>\$ -0-</u>

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

New Jersey Schools Insurance Group  
6000 Midlantic Drive  
Mount Laurel, NJ 08054  
(609) 386-6060

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

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

NOTE 12. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

The following is a summary of the District's contributions, employee contributions and interest, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Trust Fiduciary Fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	-0-	\$ 65,217	\$ 33,919	131,096
2018-2019	-0-	52,675	51,959	99,798
2017-2018	-0-	58,674	74,817	99,082

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

The District had the following interfund receivables and payables at June 30, 2020.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 98,244	
Special Revenue Fund		\$ 98,244
	<u>\$ 98,244</u>	<u>\$ 98,244</u>

The interfund receivable in the General Fund and the interfund payable in the Special Revenue Fund represents funds advanced to the Special Revenue Fund awaiting the collection of grants receivable.

NOTE 14. 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 a predetermined, agreed-upon schedule.

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

NOTE 15. 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 any potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2020, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 390,470	\$ 88,716	\$ 174,891	\$ 654,077

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, which is \$88,716 less than actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue. The \$174,891 of encumbrances in the Capital Projects Fund is included in restricted fund balance.

Arbitrage

The District may have a liability for arbitrage payable to the federal government relative to its school bond issues. The amount of liability at June 30, 2020, if any, is unknown and has not been recorded in the financial statements.

NOTE 16. 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.

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

NOTE 17. TAX ABATEMENTS

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

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

The Borough of Florham Park recognized revenue in the amount of \$236,214 from payment in lieu of taxes ("PILOT") agreements. The taxes which would have been paid on these properties for 2019 without the abatement would have been \$806,952 of which \$145,147 would have been for the regional high school tax.

NOTE 18. ACCOUNTS PAYABLE

The following accounts payable existed as of June 30, 2020:

	<u>Governmental Funds</u>			<u>Total</u> Governmental Funds	<u>District</u> <u>Contribution</u> <u>Subsequent</u> <u>to the</u> <u>Measurement</u> <u>Date</u>	<u>Total</u> Governmental Activities	<u>Business-type</u>	<u>Total</u>
	<u>General</u> Fund	<u>Special</u> Revenue Fund	<u>Capital</u> Projects Fund				<u>Proprietary</u> Funds	
Vendors	\$ 174,842	\$ 6,872	\$ 1,433	\$ 183,147		\$ 183,147	\$ 21,650	\$ 204,797
Due to the State of New Jersey					\$ 611,007	611,007		611,007
	<u>\$ 174,842</u>	<u>\$ 6,872</u>	<u>\$ 1,433</u>	<u>\$ 183,147</u>	<u>\$ 611,007</u>	<u>\$ 794,154</u>	<u>\$ 21,650</u>	<u>\$ 815,804</u>

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

NOTE 19. 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 Codification Section P50, 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 GASB Codification Section P50. 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	216,892
Total	364,943



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

(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017 which was rolled forward to June 30, 2018.

Actuarial Assumptions and Other Inputs

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

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

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%.

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

(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(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 Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2018	\$ 53,554,210
Changes for Year:	
Service Cost	2,001,965
Interest on the Total OPEB Liability	2,122,096
Changes of Assumptions	729,391
Differences between Expected and Actual Experience	(8,031,192)
Gross Benefit Payments by the State	(1,501,677)
Contributions from Members	44,514
Net Changes	(4,634,903)
Balance at June 30, 2019	\$ 48,919,307

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Total OPEB Liability Attributable to the District	\$ 57,793,033	\$ 48,919,307	\$ 41,870,505

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

(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 40,307,329	\$ 48,919,307	\$ 60,319,798

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

For the fiscal year ended June 30, 2020 the District recognized OPEB expense of \$1,379,966 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		\$ 5,695,197
	2018	9.51		4,898,640
	2019	9.29	\$ 650,877	10,593,836
Differences Between Expected and Actual Experience	2018	9.51		4,630,739
	2019	9.29		7,660,863
			-0-	12,291,602
Changes in Proportion	N/A	N/A		300
			\$ 650,877	\$ 22,885,738

N/A - Not Available

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

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(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	\$ (2,985,312)
2021	(2,985,312)
2022	(2,985,312)
2023	(2,985,312)
2024	(2,985,312)
Thereafter	(7,307,998)
	\$ (22,234,560)

NOTE 20. SUBSEQUENT EVENTS

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

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

The District’s Summer Enrichment Enterprise Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2021 as classes were cancelled and program fee revenue was refunded. The District’s Food Service Enterprise Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2021 as remote learning has led to a decrease in sales.

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
District's proportion of the Net Pension Liability	0.0575238109%	0.052789137%	0.0608193031%	0.0602127692%	0.0634886552%	0.0594925225%
	\$ 10,770,031	\$ 11,850,103	\$ 18,012,933	\$ 14,016,570	\$ 12,500,000	\$ 10,719,650
District's proportionate share of the Net Pension Liability	\$ 3,796,444	\$ 3,887,969	\$ 3,961,621	\$ 4,017,384	\$ 3,909,098	\$ 3,722,457
District's Covered Employee Payroll	283.69%	304.79%	454.69%	348.90%	319.77%	287.97%
District's proportionate share of the Net Pension Liability as a percentage of its Covered Employee Payroll	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability						

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 474,218	\$ 453,845	\$ 543,864	\$ 566,478	\$ 634,762	\$ 581,486
Contributions in relation to the Contractually Required Contribution	(474,218)	(453,845)	(543,864)	(566,478)	(634,762)	(581,486)
Contribution Deficiency/(Excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's Covered Employee Payroll	\$ 3,887,969	\$ 3,961,621	\$ 4,017,384	\$ 3,909,098	\$ 3,722,457	\$ 3,830,763
Contributions as a percentage of Covered Employee Payroll	12.20%	11.46%	13.54%	14.49%	17.05%	15.18%

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT  
TEACHERS' PENSION AND ANNUITY FUND  
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
State's proportion of the Net Pension Liability attributable to the District	0.1206990792%	0.1188149302%	0.1185157526%	0.1195199449%	0.1176329769%	0.1186390035%
State's proportionate share of the Net Pension Liability attributable to the District	\$ 64,509,730	\$ 75,096,110	\$ 93,232,037	\$ 80,584,657	\$ 74,835,573	\$ 72,809,876
District's Covered Employee Payroll	\$ 12,008,103	\$ 12,004,910	\$ 12,070,586	\$ 12,398,615	\$ 12,680,670	\$ 12,495,852
State's proportionate share of the Net Pension Liability attributable to the District as a % District's Covered Employee Payroll	537.22%	625.54%	772.39%	649.95%	590.15%	582.67%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%

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



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

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 3,471,229	\$ 4,585,294	\$ 7,005,090	\$ 5,582,497	\$ 4,362,652	\$ 4,294,521
Contributions in relation to the Contractually Required Contribution	<u>(642,357)</u>	<u>(948,884)</u>	<u>(1,297,358)</u>	<u>(1,732,319)</u>	<u>(2,333,342)</u>	<u>(2,608,278)</u>
Contribution Deficiency/(Excess)	<u>\$ 2,828,872</u>	<u>\$ 3,636,410</u>	<u>\$ 5,707,732</u>	<u>\$ 3,850,178</u>	<u>\$ 2,029,310</u>	<u>\$ 1,686,243</u>
District's Covered Employee Payroll	\$ 12,004,910	\$ 12,070,586	\$ 12,398,615	\$ 12,680,670	\$ 12,495,852	\$ 12,892,190
Contributions as a percentage of Covered Employee Payroll	5.35%	7.86%	10.46%	13.66%	18.67%	20.23%

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

HANOVER PARK 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 Ending June 30,	
	2017	2018
Total OPEB Liability:		
Service Cost	\$ 2,670,677	\$ 2,208,352
Interest Cost	1,932,126	2,239,377
Changes in Assumptions	(8,011,206)	(6,145,614)
Differences between Expected and Actual Experience	(4,394,636)	(8,031,192)
Member Contributions	52,051	49,493
Gross Benefit Payments	(1,413,567)	(1,432,020)
	<u>(4,769,919)</u>	<u>(7,475,048)</u>
Net Change in Total OPEB Liability		(4,634,903)
Total OPEB Liability - Beginning	<u>65,799,177</u>	<u>61,029,258</u>
Total OPEB Liability - Ending	<u>\$ 61,029,258</u>	<u>\$ 53,554,210</u>
District's Covered Employee Payroll *	\$ 16,032,207	\$ 16,415,999
Total OPEB Liability as a Percentage of Covered Employee Payroll	381%	326%
		295%

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

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

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

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

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

The July 1, 2018 actuarial valuation utilized the following mortality rate assumptions:

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

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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

Changes of Actuarial Assumptions

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

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

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

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

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB 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.

HANOVER PARK 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 OPEB 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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 32,936,210		\$ 32,936,210	\$ 32,936,210	\$ 18,500
Tuition from Individuals	1,000		1,000	976	(24)
Interest Earned on Maintenance Reserve	5,000		5,000	4,292	(708)
Interest Earned on Capital Reserve Funds	170,000		170,000	651,246	481,246
Unrestricted Miscellaneous					
Total - Local Sources	<u>33,112,210</u>		<u>33,112,210</u>	<u>33,611,224</u>	<u>499,014</u>
State Sources:					
Transportation Aid	640,159		640,159	640,159	
Special Education Aid	811,744		811,744	811,744	
Categorical Security Aid	25,177		25,177	25,177	
Extraordinary Aid	300,000		300,000	659,667	359,667
Non-Public Transportation Aid				11,008	11,008
Homeless Tuition Reimbursement				14,231	14,231
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				2,608,278	2,608,278
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				984,967	984,967
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				46,750	46,750
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				2,211	2,211
Reimbursed TPAF Social Security Contribution (Non-Budgeted)				934,244	934,244
Total - State Sources	<u>1,777,080</u>		<u>1,777,080</u>	<u>6,738,436</u>	<u>4,961,356</u>
<b>TOTAL REVENUES</b>	<u>34,889,290</u>		<u>34,889,290</u>	<u>40,349,660</u>	<u>5,460,370</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	9,230,951	(13,538)	9,217,413	8,927,920	\$ 289,493
Regular Programs - Home Instruction:					
Salaries of Teachers	25,000	(1,600)	23,400	18,637	4,763
Purchased Professional-Educational Services	21,820	17,138	38,958	11,909	27,049
Other Purchased Services (400-500 series)	1,258		1,258	552	706
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	3,400		3,400	1,500	1,900
Other Purchased Services (400-500 series)	135,062	(5,466)	129,596	70,204	59,392
General Supplies	834,044	(86,282)	747,762	282,066	465,696
Textbooks	80,406	(4,360)	76,046	63,794	12,252
Other Objects	10,155	(1,544)	8,611	6,883	1,728
<b>Total Regular Programs - Instruction</b>	<b>10,342,096</b>	<b>(95,652)</b>	<b>10,246,444</b>	<b>9,383,465</b>	<b>862,979</b>
<b>Special Education - Instruction:</b>					
Cognitive Mild:					
Salaries of Teachers	63,525		63,525	55,946	7,579
Other Purchased Services (400-500 series)	475		475		475
General Supplies	6,519	(1,800)	4,719	2,772	1,947
Textbooks	591		591	377	214
Other Objects	600		600	166	434
<b>Total Cognitive - Mild</b>	<b>71,710</b>	<b>(1,800)</b>	<b>69,910</b>	<b>59,261</b>	<b>10,649</b>



HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Multiple Disabilities:					
Salaries of Teachers	\$ 72,624	\$	72,624	\$ 62,972	\$ 9,652
Other Purchased Services (400-500 series)	475		475	419	56
General Supplies	2,900	\$ 616	3,516	3,072	444
Textbooks	500	(500)			
Other Objects	800		800	389	411
<b>Total Multiple Disabilities</b>	<b>77,299</b>	<b>116</b>	<b>77,415</b>	<b>66,852</b>	<b>10,563</b>
Resource Room/Resource Center:					
Salaries of Teachers	1,092,209	(145)	1,092,064	935,897	156,167
Other Purchased Services (400-500 series)	500	(500)			
General Supplies	1,700	(1,609)	91	90	1
Textbooks	400	(400)			
<b>Total Resource Room/Resource Center</b>	<b>1,094,809</b>	<b>(2,654)</b>	<b>1,092,155</b>	<b>935,987</b>	<b>156,168</b>
<b>Total Special Education - Instruction</b>	<b>1,243,818</b>	<b>(4,338)</b>	<b>1,239,480</b>	<b>1,062,100</b>	<b>177,380</b>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 25,394	\$ 584	\$ 25,978	\$ 25,956	\$ 22
General Supplies	500	887	1,387	1,387	
<b>Total Bilingual Education - Instruction</b>	<b>25,894</b>	<b>1,471</b>	<b>27,365</b>	<b>27,343</b>	<b>22</b>
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	262,787		262,787	256,716	6,071
Purchased Services (300-500 series)	14,209	1,440	15,649	8,904	6,745
Supplies and Materials	13,950	(457)	13,493	6,644	6,849
Other Objects	12,635	(915)	11,720	4,364	7,356
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>303,581</b>	<b>68</b>	<b>303,649</b>	<b>276,628</b>	<b>27,021</b>
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	869,608	15,440	885,048	839,632	45,416
Purchased Services (300-500 series)	231,524	(1,439)	230,085	198,669	31,416
Supplies and Materials	91,094	(2,941)	88,153	67,886	20,267
Other Objects	52,158	2,065	54,223	48,694	5,529
<b>Total School-Sponsored Cocurricular Athletics - Instruction</b>	<b>1,244,384</b>	<b>13,125</b>	<b>1,257,509</b>	<b>1,154,881</b>	<b>102,628</b>
<b>Total Instruction</b>	<b>13,159,773</b>	<b>(85,326)</b>	<b>13,074,447</b>	<b>11,904,417</b>	<b>1,170,030</b>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	\$ 564,685	\$ 61,422	\$ 626,107	\$ 580,077	\$ 46,030
Tuition to County Vocational School District - Regular	673,100	89,100	762,200	731,766	30,434
Tuition to County Vocational School District - Special	70,500	(70,500)			
Tuition to CSSD & Regular Day Schools	7,380	46,458	53,838	53,837	1
Tuition to Private Schools for the Handicapped - Within State	3,030,616	(112,640)	2,917,976	2,818,824	99,152
Tuition to Private Schools for the Handicapped - Outside State	137,320	(13,840)	123,480	57,000	66,480
Total Undistributed Expenditures - Instruction	4,483,601		4,483,601	4,241,504	242,097
Attendance & Social Work:					
Salaries	185,406	(8,086)	177,320	177,047	273
Unused Vacation Payment to Term/Ret Staff		2,305	2,305	2,304	1
Supplies and Materials	500		500	251	249
Total Attendance & Social Work	185,906	(5,781)	180,125	179,602	523
Health Services:					
Salaries	158,014	661	158,675	158,673	2
Purchased Professional and Technical Services	47,909	(1,788)	46,121	33,010	13,111
Other Purchased Services (400-500 series)	972	1,734	2,706	2,176	530
Supplies and Materials	7,786	3,920	11,706	10,941	765
Other Objects	320	133	453	446	7
Total Health Services	215,001	4,660	219,661	205,246	14,415

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Speech, OT, PT and Related Services:					
Salaries of Other Professional Staff	\$ 161,698	\$	\$ 161,698	\$ 120,925	\$ 40,773
Purchased Professional - Educational Services	74,722	16,875	91,597	68,779	22,818
Supplies and Materials	520	331	851	550	301
Other Objects	1,221	(31)	1,190	943	247
<b>Total Speech, OT, PT and Related Services</b>	<b>238,161</b>	<b>17,175</b>	<b>255,336</b>	<b>191,197</b>	<b>64,139</b>
Other Support Services - Students - Extra Services:					
Salaries	839,193	576	839,769	782,851	56,918
Purchased Professional - Educational Services	255,150	16,448	271,598	134,750	136,848
Supplies and Materials	12,100	(7,031)	5,069	3,620	1,449
Other Objects	1,100		1,100	425	675
<b>Total Other Support Services - Students - Extra Services</b>	<b>1,107,543</b>	<b>9,993</b>	<b>1,117,536</b>	<b>921,646</b>	<b>195,890</b>
Guidance:					
Salaries of Other Professional Staff	919,884	5,854	925,738	925,735	3
Salaries of Secretarial and Clerical Assistants	167,927	(83)	167,844	167,844	
Unused Vacation Payment to Term/Ret Staff		10,758	10,758	10,258	500
Other Purchased Professional and Technical Services	2,804		2,804		2,804
Other Purchased Services (400-500 series)	39,896	(1,554)	38,342	38,207	135
Supplies and Materials	1,117	(139)	978	842	136
Other Objects	1,985	(169)	1,816	1,550	266
<b>Total Guidance</b>	<b>1,133,613</b>	<b>14,667</b>	<b>1,148,280</b>	<b>1,144,436</b>	<b>3,844</b>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Child Study Teams:					
Salaries of Other Professional Staff	\$ 433,819	\$ 580	\$ 434,399	\$ 434,307	\$ 92
Salaries of Secretarial and Clerical Assistants	102,680	1,344	104,024	104,024	
Other Purchased Prof. and Tech. Services	12,240		12,240	12,227	13
Misc. Purch. Serv. (400-500 series - Other than Res. Costs)	18,468	(5,641)	12,827	10,322	2,505
Supplies and Materials	8,106	(1,873)	6,233	4,742	1,491
Other Objects	2,400	(1,735)	665	665	
<b>Total Child Study Teams</b>	<b>577,713</b>	<b>(7,325)</b>	<b>570,388</b>	<b>566,287</b>	<b>4,101</b>
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	317,880	(68,282)	249,598	241,276	8,322
Salaries of Secretarial and Clerical Assistants	91,869	(31,556)	60,313	60,311	2
Other Purchased Services (400-500 series)	7,500		7,500	6,557	943
Supplies and Materials	562		562	62	500
<b>Total Improvement of Instructional Services</b>	<b>417,811</b>	<b>(99,838)</b>	<b>317,973</b>	<b>308,206</b>	<b>9,767</b>
Educational Media Services/School Library:					
Salaries	155,793	873	156,666	156,666	
Salaries of Technology Coordinators	46,580	92	46,672	46,670	2
Other Purchased Services (400-500 series)	16,559	(614)	15,945	15,694	251
Supplies and Materials	90,237	(977)	89,260	87,869	1,391
Other Objects	150		150	130	20
<b>Total Educational Media Services/School Library</b>	<b>309,319</b>	<b>(626)</b>	<b>308,693</b>	<b>307,029</b>	<b>1,664</b>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	\$ 156,569	\$	\$ 156,569	\$ 118,837	\$ 37,732
Salaries of Secretarial and Clerical Assistants	45,246		45,246	29,706	15,540
Purchased Professional Educational Services		\$ 190	190		190
Other Purchased Services (400-500 series)	5,610	(190)	5,420	914	4,506
Supplies and Materials	500		500		500
Other Objects	500		500		500
<b>Total Instructional Staff Training Services</b>	<b>208,425</b>		<b>208,425</b>	<b>149,457</b>	<b>58,968</b>
Support Services - General Administration:					
Salaries	399,470	53,615	453,085	453,085	12,408
Legal Services	84,073	6,339	90,412	78,004	500
Audit Fees	47,000		47,000	46,500	500
Architectural/Engineering Services	50,800	1,000	51,800	8,368	43,432
Other Purchased Professional Services	3,700		3,700	2,845	855
Communications/Telephone	82,779	8,541	91,320	66,005	25,315
BOE Other Purchased Services	5,054	(1,050)	4,004	3,950	54
Misc. Purchased Services (400-500 series)	49,119	4,680	53,799	52,633	1,166
General Supplies	4,000	848	4,848	4,844	4
Judgements	90		90		90
Miscellaneous Expenditures	6,250	547	6,797	6,547	250
BOE Membership Dues and Fees	13,229		13,229	13,229	
<b>Total Support Services - General Administration</b>	<b>745,564</b>	<b>74,520</b>	<b>820,084</b>	<b>736,010</b>	<b>84,074</b>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 773,740	\$ 3	\$ 773,743	\$ 773,741	\$ 2
Salaries of Secretarial and Clerical Assistants	200,021	19,240	219,261	219,260	1
Purchased Professional & Technical Services		11,493	11,493	11,493	
Other Purchased Services (400-500 series)	14,580	1,515	16,095	14,433	1,662
Supplies and Materials	12,607	1,432	14,039	10,971	3,068
Other Objects	29,481	(14,311)	15,170	13,303	1,867
<b>Total Support Services - School Administration</b>	<b>1,030,429</b>	<b>19,372</b>	<b>1,049,801</b>	<b>1,043,201</b>	<b>6,600</b>
<b>Central Services:</b>					
Salaries	347,088	2,222	349,310	349,309	1
Purchased Technical Services	35,950	12,700	48,650	42,039	6,611
Miscellaneous Purchased Services (400-500 series)	37,582	272	37,854	25,378	12,476
Supplies and Materials	9,399	1,524	10,923	8,921	2,002
Miscellaneous Expenditures	3,400	(2,024)	1,376	970	406
<b>Total Central Services</b>	<b>433,419</b>	<b>14,694</b>	<b>448,113</b>	<b>426,617</b>	<b>21,496</b>
<b>Administration Information Technology:</b>					
Salaries	163,827		163,827	158,061	5,766
Purchased Technical Services		3,000	3,000	3,000	
Other Purchased Services (400-500 series)	73,359	10,730	84,089	77,011	7,078
Supplies and Materials	9,200	16,875	26,075	24,940	1,135
<b>Total Administration Information Technology</b>	<b>246,386</b>	<b>30,605</b>	<b>276,991</b>	<b>263,012</b>	<b>13,979</b>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Required Maintenance of School Facilities:					
Salaries	\$ 284,138	\$ 3,591	\$ 287,729	\$ 286,387	\$ 1,342
Cleaning, Repair and Maintenance Services	437,079	(20,001)	417,078	231,990	185,088
General Supplies	78,553	(5,100)	73,453	60,711	12,742
Other Objects		525	525	525	
Total Required Maintenance of School Facilities	799,770	(20,985)	778,785	579,613	199,172
Custodial Services:					
Salaries	774,881	7,712	782,593	673,719	108,874
Purchased Professional and Technical Services	121,125		121,125	32,493	88,632
Cleaning, Repair and Maintenance Services	37,535	(5,174)	32,361	28,141	4,220
Other Purchased Property Services	64,566	333	64,899	55,733	9,166
Insurance	130,000	1,688	131,688	131,687	1
General Supplies	86,910	(277)	86,633	65,230	21,403
Energy (Natural Gas)	250,694	(931)	249,763	119,170	130,593
Energy (Electricity)	391,884	(3,980)	387,904	238,930	148,974
Other Objects	400	(400)			
Total Custodial Services	1,857,995	(1,029)	1,856,966	1,345,103	511,863
Care & Upkeep of Grounds:					
Salaries	176,981		176,981	154,797	22,184
Purchased Professional and Technical Services	7,580		7,580		7,580
Cleaning, Repair and Maintenance Services	43,466	32,480	75,946	57,300	18,646
General Supplies	81,387	(16,566)	64,821	31,421	33,400
Total Care & Upkeep of Grounds	309,414	15,914	325,328	243,518	81,810



HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Security:					
Purchased Professional and Technical Services	\$ 4,706	\$	\$ 4,706	\$ 919	\$ 3,787
Cleaning, Repair and Maintenance Services	2,254		2,254	1,587	667
General Supplies	2,000	\$ 28,528	30,528	29,159	1,369
<b>Total Security</b>	<b>8,960</b>	<b>28,528</b>	<b>37,488</b>	<b>31,665</b>	<b>5,823</b>
<b>Total Undist. Expend. - Operations &amp; Maintenance of Plant</b>	<b>2,976,139</b>	<b>22,428</b>	<b>2,998,567</b>	<b>2,199,899</b>	<b>798,668</b>
<b>Student Transportation Services:</b>					
Salaries of Non-Instructional Aides	56,000		56,000	39,423	16,577
Salaries for Pupil Transportation:					
Between Home and School - Regular	866,380	27,135	893,515	469,700	423,815
Between Home and School - Special Education	383,000		383,000	250,708	132,292
Other than Between Home and School - Regular	184,829		184,829	97,328	87,501
Between Home and School - Nonpublic	34,500		34,500	33,324	1,176
Management Fee - ESC & CTSA Transportation Program	1,200		1,200	715	485
Other Purchased Professional & Technical Services	3,395	1,200	4,595	4,036	559
Cleaning, Repair and Maintenance Services	14,387		14,387	6,672	7,715
Contracted Services (other than between home and school) Vendors	2,700		2,700	2,590	110
Contracted Services (Spl. Ed. Students) - Vendors	17,764	5,796	23,560	15,681	7,879
Contracted Services (Spl. Ed. Students) - Joint Agreements	57,500		57,500	41,432	16,068
Contracted Services (Reg. Students) - ESCs and CTSA	165,272	(5,582)	159,690	102,597	57,093
Contracted Services (Spl. Ed. Students) - ESCs and CTSA	216,710	14,183	230,893	181,877	49,016
Aid in Lieu of Payments - Nonpublic Students	67,068	(5,231)	61,837	36,211	25,626
Aid in Lieu of Payments- Choice School	3,000	(832)	2,168		2,168
Miscellaneous Purchased Services - Transportation	96,880	(9,166)	87,714	85,250	2,464
General Supplies	1,663	892	2,555	2,173	382
Transportation Supplies	385,253	(2,260)	382,993	161,906	221,087
Other Objects	4,978	1,000	5,978	4,953	1,025
<b>Total Student Transportation Services</b>	<b>2,562,479</b>	<b>27,135</b>	<b>2,589,614</b>	<b>1,536,576</b>	<b>1,053,038</b>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
CURRENT EXPENSE					
Undistributed Expenditures:					
Unallocated Benefits:					
Social Security Contributions	\$ 510,000		\$ 510,000	\$ 475,292	\$ 34,708
Other Retirement Contributions - PERS	773,000	(21,141)	751,859	581,486	170,373
Other Retirement Contributions - Regular		21,141	21,141	21,141	
Workmen's Compensation	225,325	(5,774)	219,551	200,347	19,204
Health Benefits	6,215,000	(92,235)	6,122,765	5,128,272	994,493
Tuition Reimbursement	25,000		25,000	4,632	20,368
Other Employee Benefits	27,851	(500)	27,351	21,217	6,134
Unused Sick Payment to Terminated/Retired Staff		500	500	500	
Total Unallocated Benefits	<u>7,776,176</u>	<u>(98,009)</u>	<u>7,678,167</u>	<u>6,432,887</u>	<u>1,245,280</u>
On-Behalf Contributions:					
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				2,608,278	(2,608,278)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				984,967	(984,967)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				46,750	(46,750)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				2,211	(2,211)
Reimbursed TPAF Social Security Contribution (Non-Budgeted)				934,244	(934,244)
Total On-Behalf Contributions				<u>4,576,450</u>	<u>(4,576,450)</u>
Total Personal Services - Employee Benefits	<u>7,776,176</u>	<u>(98,009)</u>	<u>7,678,167</u>	<u>11,009,337</u>	<u>(3,331,170)</u>
Total Undistributed Expenditures	<u>24,647,685</u>	<u>23,670</u>	<u>24,671,355</u>	<u>25,429,262</u>	<u>(757,907)</u>
<b>TOTAL CURRENT EXPENSE</b>	<u>37,807,458</u>	<u>(61,656)</u>	<u>37,745,802</u>	<u>37,333,679</u>	<u>412,123</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CAPITAL OUTLAY</b>					
Equipment:					
Grades 9-12	\$ 35,372	\$ 12,331	\$ 47,703	\$ 14,278	\$ 33,425
School-Sponsored and Other Instructional Programs	5,352		5,352	5,352	
Undistributed Expenditures:					
Support Services - Students - Regular	10,282		10,282	205	10,077
Required Maintenance for School Facilities	100,544	14,022	114,566	114,566	
Custodial Services	5,564	6,700	12,264	12,199	65
Care and Upkeep of Grounds	13,553		13,553	13,553	
Non-Instructional Equipment	7,600		7,600	7,600	
School Buses - Regular	97,467		97,467	92,527	4,940
School Buses - Special	219,078		219,078	209,160	9,918
Total Equipment	484,530	43,335	527,865	469,440	58,425
Facilities Acquisition and Construction Services					
Debt Service Assessment	106,465		106,465	106,465	
Total Facilities Acquisition and Construction Services	106,465		106,465	106,465	
<b>TOTAL CAPITAL OUTLAY</b>	590,995	43,335	634,330	575,905	58,425
<b>TOTAL EXPENDITURES</b>	38,398,453	(18,321)	38,380,132	37,909,584	470,548
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(3,509,163)	18,321	(3,490,842)	2,440,076	5,930,918

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Financing Sources/(Uses):					
Transfer from Capital Projects Fund - Interest Earnings			\$ 19,644	\$ 19,644	\$ 19,644
Transfer from Capital Projects Fund - Unexpended Balances			(18,321)	26,121	26,121
Transfer to Food Service Fund		\$ (18,321)	\$ (18,321)	(15,000)	3,321
Total Other Financing Sources/(Uses)		<u>(18,321)</u>	<u>(18,321)</u>	<u>30,765</u>	<u>49,086</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (3,509,163)	\$ - 0 -	\$ (3,509,163)	2,470,841	5,980,004
Fund Balance, July 1	<u>7,767,817</u>		<u>7,767,817</u>	<u>7,767,817</u>	
Fund Balance, June 30	<u>\$ 4,258,654</u>	<u>\$ - 0 -</u>	<u>\$ 4,258,654</u>	<u>10,238,658</u>	<u>\$ 5,980,004</u>
Recapitulation:					
Restricted:					
Capital Reserve				1,481,093	
Maintenance Reserve				53,859	
Excess Surplus - Designated for Subsequent Year's Expenditures				2,720,445	
Excess Surplus				4,285,620	
Assigned:					
Year-End Encumbrances				390,470	
Designated for Subsequent Year's Expenditures				269,833	
Unassigned				<u>1,037,338</u>	
Reconciliation to Governmental Fund Statements (GAAP):				<u>10,238,658</u>	
June State Aid Payments not recognized on GAAP basis				<u>(133,111)</u>	
Fund Balance per Governmental Funds - GAAP Basis				<u>10,105,547</u>	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUE:</b>					
Local Sources	\$ 6,597	\$ (1,751)	\$ 4,846	\$ 1,668	\$ (3,178)
Federal Sources	290,078	97,382	387,460	324,967	(62,493)
<b>Total Revenue</b>	<b>296,675</b>	<b>95,631</b>	<b>392,306</b>	<b>326,635</b>	<b>(65,671)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Other Purchased Services	240,614	42,551	283,165	262,341	20,824
General Supplies	31,087	(2,413)	28,674	1,668	27,006
<b>Total Instruction</b>	<b>271,701</b>	<b>40,138</b>	<b>311,839</b>	<b>264,009</b>	<b>47,830</b>
Support Services:					
Purchased Professional and Technical Services		8,241	8,241	1,050	7,191
Other Purchased Services	17,282	2,985	20,267	13,875	6,392
Supplies and Materials	7,692	10,071	17,763	13,846	3,917
<b>Total Support Services</b>	<b>24,974</b>	<b>21,297</b>	<b>46,271</b>	<b>28,771</b>	<b>17,500</b>
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment		34,196	34,196	33,855	341
<b>Total Facilities Acquisition and Construction Services</b>		<b>34,196</b>	<b>34,196</b>	<b>33,855</b>	<b>341</b>
<b>Total Expenditures</b>	<b>296,675</b>	<b>95,631</b>	<b>392,306</b>	<b>326,635</b>	<b>65,671</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 40,349,660	\$ 326,635
Differences - Budgetary 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.		
Current Year Encumbrances at year end		(88,716)
Prior Year Encumbrances at year end		4,551
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Basis	120,009	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(133,111)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 40,336,558</u>	<u>\$ 242,470</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 37,909,584	\$ 326,635
Differences - Budgetary 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.		
Current Year Encumbrances at year end		(88,716)
Prior Year Encumbrances at year end		4,551
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 37,909,584</u>	<u>\$ 242,470</u>

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2020 was submitted to the County office and was approved by a vote by 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. All budget amendments and transfers must be made by school Board resolution. All budgeting 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).

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

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

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

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

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)



SPECIAL REVENUE FUND

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Title I	Elementary and Secondary Education Act		Title IV
		Title IIA	Title III	Title IV
<b>REVENUE:</b>				
Local Sources				
Federal Sources	\$ 33,855	\$ 14,925	\$ 3,846	\$ 10,000
<b>Total Revenue</b>	<u>33,855</u>	<u>14,925</u>	<u>3,846</u>	<u>10,000</u>
<b>EXPENDITURES:</b>				
Instruction:				
Other Purchased Services				
General Supplies				
<b>Total Instruction</b>				
Support Services:				
Purchased Professional & Technical Services		1,050		
Other Purchased Services		13,875		
Supplies and Materials			3,846	10,000
<b>Total Support Services</b>		<u>14,925</u>	<u>3,846</u>	<u>10,000</u>
Facilities Acquisition:				
Non-Instructional Equipment	33,855			
<b>Total Facilities Acquisition</b>	<u>33,855</u>			
<b>Total Expenditures</b>	<u>\$ 33,855</u>	<u>\$ 14,925</u>	<u>\$ 3,846</u>	<u>\$ 10,000</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Local Grants	IDEA Part B Basic	Totals
<b>REVENUE:</b>			
Local Sources	1,668		1,668
Federal Sources		\$ 262,341	\$ 324,967
Total Revenue	1,668	262,341	326,635
<b>EXPENDITURES:</b>			
Instruction:			
Other Purchased Services		262,341	262,341
General Supplies	1,668		1,668
Total Instruction	1,668	262,341	264,009
Support Services:			
Purchased Professional & Technical Services			1,050
Other Purchased Services			13,875
Supplies and Materials			13,846
Total Support Services			28,771
Facilities Acquisition:			
Non-Instructional Equipment			33,855
Total Facilities Acquisition			33,855
Total Expenditures	\$ 1,668	\$ 262,341	\$ 326,635

CAPITAL PROJECTS FUND

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Revenue and Other Financing Sources:	
Interest Income	\$ 19,644
	<hr/>
Total Revenue and Other Financing Sources	19,644
	<hr/>
Expenditures:	
Other Purchased Professional Technical Services	50,827
Construction Services	39,711
General Supplies	3,600
	<hr/>
Total Expenditures	94,138
	<hr/>
Deficiency of Revenue and Other Financing Sources Under Expenditures	(74,494)
Other Financing Uses:	
Transfer Out - General Fund - Interest Earnings	(19,644)
Transfer Out - General Fund - Unexpended Balances	(26,121)
	<hr/>
Total Other Financing Uses	(45,765)
	<hr/>
Deficiency of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(120,259)
Fund Balance - Beginning	6,782,438
	<hr/>
Fund Balance - Ending	\$ 6,662,179
	<hr/> <hr/>
<u>Recapitulation of Fund Balance:</u>	
Restricted	\$ 6,487,288
Restricted - Year End Encumbrances	174,891
	<hr/>
Fund Balance per Governmental Funds (GAAP Basis)	\$ 6,662,179
	<hr/> <hr/>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS  
ADDITIONS, ALTERATIONS AND RENOVATIONS TO HANOVER PARK HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 20,195,767		\$ 20,195,767	\$ 20,195,767
Local Share	42		42	42
SDA Grant	9,616,996		9,616,996	9,616,996
<b>Total Revenue and Other Financing Sources</b>	<b>29,812,805</b>		<b>29,812,805</b>	<b>29,812,805</b>
Expenditures:				
Other Purchased Professional Technical Services	3,192,895		3,192,895	4,284,013
Construction Services	23,685,851		23,685,851	24,201,067
Other Objects	471,829		471,829	1,327,725
<b>Total Expenditures</b>	<b>27,350,575</b>		<b>27,350,575</b>	<b>29,812,805</b>
<b>Excess of Revenue &amp; Other Financing Sources Over Expenditures</b>	<b>\$ 2,462,230</b>	<b>\$ - 0 -</b>	<b>\$ 2,462,230</b>	<b>\$ - 0 -</b>

**Additional Project Information:**

Project Number	1990-050-04-1000
Grant Date	5/12/2005
Bond Authorization Date	April 2005
Bonds Authorized	\$ 20,195,767
Bonds Issued	\$ 20,195,767
Original Authorized Cost	\$ 29,812,805
Additional Authorized Cost	\$ - 0 -
Revised Authorized Cost	\$ 29,812,805
% Increase over Original Authorized Cost	0%
% Completion	100%
Original Target Completion Date	September 2008
Revised Target Completion Date	June 2011

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS  
ADDITIONS, ALTERATIONS AND RENOVATIONS TO WHIPPANY PARK HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Total</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 11,518,233		\$ 11,518,233	\$ 11,518,233
Local Share	42		42	42
SDA Grant	4,879,272		4,879,272	4,879,272
<b>Total Revenues and Other Financing Sources</b>	<b>16,397,547</b>		<b>16,397,547</b>	<b>16,397,547</b>
Expenditures:				
Other Purchased Professional Technical Services	1,768,239		1,768,239	2,313,233
Construction Services	11,379,287		11,379,287	12,896,961
Other Objects	305,111		305,111	1,187,353
<b>Total Expenditures</b>	<b>13,452,637</b>		<b>13,452,637</b>	<b>16,397,547</b>
<b>Excess of Revenue &amp; Other Financing Sources Over Expenditures</b>	<b>\$ 2,944,910</b>	<b>\$ - 0 -</b>	<b>\$ 2,944,910</b>	<b>\$ - 0 -</b>

**Additional Project Information:**

Project Number	1990-070-04-1000
Grant Date	5/12/2005
Bond Authorization Date	April 2005
Bonds Authorized	\$ 11,518,233
Bonds Issued	\$ 11,518,233
Original Authorized Cost	\$ 16,397,547
Additional Authorized Cost	\$ - 0 -
Revised Authorized Cost	\$ 16,397,547
% Increase over Original Authorized Cost	0%
% Completion	100%
Original Target Completion Date	September 2008
Revised Target Completion Date	June 2011

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND

SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS  
ATHLETIC AND PHYSICAL EDUCATION FACILITY REFURBISHMENT AT HANOVER PARK AND WHIPPANY PARK HIGH SCHOOLS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 9,795,000		\$ 9,795,000	\$ 9,795,444
Local Contribution	500,000		500,000	500,000
Total Revenues and Other Financing Sources	10,295,000		10,295,000	10,295,444
Expenditures:				
Other Purchased Professional Technical Services	982,074	\$ 50,827	1,032,901	1,020,006
Construction Services	7,876,260	8,620	7,884,880	9,117,207
General Supplies	77,173	3,600	80,773	100,000
Other Objects	41,407		41,407	58,231
Total Expenditures	8,976,914	63,047	9,039,961	10,295,444
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 1,318,086	\$ (63,047)	\$ 1,255,039	\$ -0-

**Additional Project Information:**

Project Number	1990-070-13-3000
Grant Date	N/A
Bond Authorization Date	1/1/2014
Bonds Authorized	\$ 9,795,444
Bonds Issued	\$ 9,795,000
Original Authorized Cost	\$ 9,795,444
Additional Authorized Cost	\$ 500,000
Revised Authorized Cost	\$ 10,295,444
% Increase over Original Authorized Cost	5%
% Completion	88%
Original Target Completion Date	October 2015
Revised Target Completion Date	December 2019



HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND

SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS  
FUEL STATION REPLACEMENT PROJECT - HANOVER PARK HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Total</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 335,000	\$ (25,907)	\$ 309,093	\$ 309,093
Total Revenues and Other Financing Sources	<u>335,000</u>	<u>(25,907)</u>	<u>309,093</u>	<u>309,093</u>
Expenditures:				
Other Purchased Professional Technical Services	16,320		16,320	16,320
Construction Services	292,773		292,773	292,773
Total Expenditures	<u>309,093</u>		<u>309,093</u>	<u>309,093</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 25,907</u>	<u>\$ (25,907)</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 335,000
Returned to Capital Reserve	\$ (25,907)
Revised Authorized Cost	\$ 309,093
% Increase over Original Authorized Cost	0%
% Completion	100%
Original Target Completion Date	June 2018
Revised Target Completion Date	June 2019

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND

SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS  
INSTALLATION OF INTERIOR CAMERAS - HANOVER PARK HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Total</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 12,950	\$ (149)	\$ 12,801	\$ 12,801
Private Contributions	2,550		2,550	2,550
<b>Total Revenues and Other Financing Sources</b>	<b>15,500</b>	<b>(149)</b>	<b>15,351</b>	<b>15,351</b>
Expenditures:				
Other Purchased Professional Technical Services	1,875		1,875	1,875
Construction Services		13,476	13,476	13,476
<b>Total Expenditures</b>	<b>1,875</b>	<b>13,476</b>	<b>15,351</b>	<b>15,351</b>
<b>Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures</b>	<b>\$ 13,625</b>	<b>\$ (13,625)</b>	<b>\$ - 0 -</b>	<b>\$ - 0 -</b>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 17,500
Returned to Capital Reserve	\$ (2,149)
Revised Authorized Cost	\$ 15,351
% Increase over Original Authorized Cost	0%
% Completion	100%
Original Target Completion Date	June 2019
Revised Target Completion Date	June 2020

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND

SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS  
INSTALLATION OF INTERIOR CAMERAS - WHIPPANY PARK HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Total</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenue and Other Financing Sources:</b>				
Transfer from Capital Reserve	\$ 16,950	\$ (65)	\$ 16,885	\$ 16,885
Private Contributions	2,550		2,550	2,550
<b>Total Revenues and Other Financing Sources</b>	<b>19,500</b>	<b>(65)</b>	<b>19,435</b>	<b>19,435</b>
<b>Expenditures:</b>				
Other Purchased Professional Technical Services	1,820		1,820	1,820
Construction Services		17,615	17,615	17,615
<b>Total Expenditures</b>	<b>1,820</b>	<b>17,615</b>	<b>19,435</b>	<b>19,435</b>
<b>Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures</b>	<b>\$ 17,680</b>	<b>\$ (17,680)</b>	<b>\$ - 0 -</b>	<b>\$ - 0 -</b>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 17,500
Additional Authorized Cost	\$ 2,000
Returned to Capital Reserve	\$ (65)
Revised Authorized Cost	\$ 19,435
% Increase over Original Authorized Cost	0%
% Completion	100%
Original Target Completion Date	June 2019
Revised Target Completion Date	June 2020

PROPRIETARY FUNDS

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	Non-Major Fund Summer Enrichment	Major Fund Food Service	Total Enterprise Funds
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 16,915	\$ 22,489	\$ 39,404
Inventories		14,047	14,047
Total Current Assets	16,915	36,536	53,451
Non-Current Assets:			
Capital Assets:			
Depreciable Furniture, Machinery & Equipment		398,188	398,188
Less: Accumulated Depreciation		(393,918)	(393,918)
Total Non-Current Assets		4,270	4,270
Total Assets	16,915	40,806	57,721
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable - Vendors		21,650	21,650
Total Liabilities		21,650	21,650
<u>NET POSITION:</u>			
Investment in Capital Assets		4,270	4,270
Unrestricted	16,915	14,886	31,801
Total Net Position	\$ 16,915	\$ 19,156	\$ 36,071

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Non-Major Fund <u>Summer Enrichment</u>	Major Fund <u>Food Service</u>	Total Enterprise Funds <u>Funds</u>
Operating Revenue:			
Local Sources:			
Daily Sales - Non-Reimbursable Programs		\$ 273,644	\$ 273,644
Special Events		806	806
Free and Reduced Lunches Subsidized by District		12,701	12,701
Summer Enrichment Program Fees	\$ 16,900		16,900
Total Operating Revenue	<u>16,900</u>	<u>287,151</u>	<u>304,051</u>
Operating Expenses:			
Cost of Sales- Non-Reimbursable Programs		138,816	138,816
Salaries, Benefits & Payroll Taxes	9,070	121,365	130,435
Supplies and Materials		9,897	9,897
Management Fee		14,949	14,949
Miscellaneous Expense		9,971	9,971
Insurance & Office Supplies		11,399	11,399
Depreciation Expense		1,496	1,496
Total Operating Expenses	<u>9,070</u>	<u>307,893</u>	<u>316,963</u>
Operating Income/(Loss)	<u>7,830</u>	<u>(20,742)</u>	<u>(12,912)</u>
Non-Operating Income:			
Interest Income		21	21
Total Non-Operating Income		<u>21</u>	<u>21</u>
Change in Net Position before Transfer	7,830	(20,721)	(12,891)
Transfer - General Fund		15,000	15,000
Change in Net Position	7,830	(5,721)	2,109
Net Position - Beginning of Year	<u>9,085</u>	<u>24,877</u>	<u>33,962</u>
Net Position - End of Year	<u>\$ 16,915</u>	<u>\$ 19,156</u>	<u>\$ 36,071</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Non-Major Fund Summer Enrichment</u>	<u>Major Fund Food Service</u>	<u>Total Enterprise Funds</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 6,600	\$ 275,506	\$ 282,106
Receipts from District		12,701	12,701
Payments by District for Free Lunches		(12,701)	(12,701)
Payments to Food Service Vendor		(285,557)	(285,557)
Payments to Summer Enrichment Employees	(9,070)		(9,070)
Net Cash Used for Operating Activities	<u>(2,470)</u>	<u>(10,051)</u>	<u>(12,521)</u>
Cash Flows from Investing Activities:			
Interest Income		21	21
Net Cash Provided by Investing Activities		<u>21</u>	<u>21</u>
Net Cash from Noncapital Financing Activities:			
Transfer - General Fund		15,000	15,000
Net Cash Provided by Noncapital Financing Activities		<u>15,000</u>	<u>15,000</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,470)	4,970	2,500
Cash and Cash Equivalents, July 1	<u>19,385</u>	<u>17,519</u>	<u>36,904</u>
Cash and Cash Equivalents, June 30	<u>\$ 16,915</u>	<u>\$ 22,489</u>	<u>\$ 39,404</u>
Reconciliation of Operating Income/(Loss) to Net Cash Used for Operating Activities:			
Operating Income/(Loss)	\$ 7,830	\$ (20,742)	\$ (12,912)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Used for Operating Activities:			
Depreciation		1,496	1,496
Changes in Assets and Liabilities:			
(Increase) in Inventory		(8,533)	(8,533)
Decrease in Accounts Receivable		1,056	1,056
(Decrease) in Unearned Revenue	(10,300)		(10,300)
Increase in Accounts Payable		16,672	16,672
Net Cash Used for Operating Activities	<u>\$ (2,470)</u>	<u>\$ (10,051)</u>	<u>\$ (12,521)</u>

FIDUCIARY FUNDS



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

	<u>Student Activities</u>	<u>Payroll</u>	<u>Total Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Benefits Trust</u>
<u>ASSETS:</u>						
Cash and Cash Equivalents	\$ 234,830	\$ 589,072	\$ 823,902	\$ 131,096	\$ 21,827	\$ 19,019
Investments	22,994		22,994			
Total Assets	257,824	589,072	846,896	131,096	21,827	19,019
<u>LIABILITIES:</u>						
Payroll Deductions and Withholdings		233,743	233,743			
Summer Savings Salaries Payable		355,329	355,329			
Due to Student Groups	257,824		257,824			
Total Liabilities	257,824	589,072	846,896			
<u>NET POSITION:</u>						
Held in Trust for:						
Unemployment Claims				131,096		
Scholarships					21,827	
Flexible Benefits Claims						19,019
Total Net Position	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 131,096	\$ 21,827	\$ 19,019

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

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust
	<u>                    </u>	<u>                    </u>	<u>                    </u>
ADDITIONS:			
Contributions:			
Plan Members	\$ 63,387		\$ 95,586
Donations		\$ 14,326	
Total Contributions	<u>63,387</u>	<u>14,326</u>	<u>95,586</u>
Investment Earnings:			
Interest	1,830		
Net Investment Earnings	<u>1,830</u>		
Total Additions	<u>65,217</u>	<u>14,326</u>	<u>95,586</u>
DEDUCTIONS:			
Unemployment Compensation Claims	33,919		
Flexible Benefits Claims			183,671
Scholarship Payments		20,550	
Total Deductions	<u>33,919</u>	<u>20,550</u>	<u>183,671</u>
Change in Net Position	31,298	(6,224)	(88,085)
Net Position - Beginning of the Year	<u>99,798</u>	<u>28,051</u>	<u>107,104</u>
Net Position - End of the Year	<u>\$ 131,096</u>	<u>\$ 21,827</u>	<u>\$ 19,019</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 147,341	\$ 474,204	\$ 386,715	\$ 234,830
Investments	24,288		1,294	22,994
Total Assets	<u>\$ 171,629</u>	<u>\$ 474,204</u>	<u>\$ 388,009</u>	<u>\$ 257,824</u>
<u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 171,629	\$ 474,204	\$ 388,009	\$ 257,824
Total Liabilities	<u>\$ 171,629</u>	<u>\$ 474,204</u>	<u>\$ 388,009</u>	<u>\$ 257,824</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
Senior High Schools:				
Hanover Park	\$ 110,877	\$ 265,266	\$ 205,444	\$ 170,699
Whippany Park	60,752	208,938	182,565	87,125
Total All Schools	<u>\$ 171,629</u>	<u>\$ 474,204</u>	<u>\$ 388,009</u>	<u>\$ 257,824</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 496,659	\$ 28,955,059	\$ 28,862,646	\$ 589,072
Total Assets	<u>\$ 496,659</u>	<u>\$ 28,955,059</u>	<u>\$ 28,862,646</u>	<u>\$ 589,072</u>
 <u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 169,465	\$ 16,244,012	\$ 16,179,763	\$ 233,714
Net Payroll	555	12,354,809	12,355,335	29
Summer Savings Salaries Payable	<u>326,639</u>	<u>356,238</u>	<u>327,548</u>	<u>355,329</u>
Total Liabilities	<u>\$ 496,659</u>	<u>\$ 28,955,059</u>	<u>\$ 28,862,646</u>	<u>\$ 589,072</u>

LONG-TERM DEBT

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Matured	Balance June 30, 2019	Balance June 30, 2020
			Date	Amount	June 30, 2020				
School Refunding Bonds	3/14/13	\$ 18,480,000	10/1/20	1,945,000	1,945,000	4.00%			
			10/1/21	1,945,000	1,945,000	4.00%			
			10/1/22	1,940,000	1,940,000	4.00%			
			10/1/23	1,940,000	1,940,000	4.00%			
			10/1/24	1,935,000	1,935,000	4.00%			
			10/1/25	1,845,000	1,845,000	4.00%	\$ 13,395,000	\$ 11,550,000	
School Bonds, Series 2014	1/14/14	9,795,000	2/1/21	1,000,000	1,000,000	2.00%			
			2/1/22	1,100,000	1,100,000	2.25%			
			2/1/23	1,150,000	1,150,000	2.50%			
			2/1/24	1,200,000	1,200,000	2.50%	5,450,000	4,450,000	
							<u>\$ 18,845,000</u>	<u>\$ 16,000,000</u>	

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOT APPLICABLE



HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 3,232,937		\$ 3,232,937	\$ 3,232,937	
State Sources:					
Debt Service State Aid Support	234,462		234,462	234,462	
<b>Total Revenues</b>	<u>3,467,399</u>		<u>3,467,399</u>	<u>3,467,399</u>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	622,400		622,400	622,400	
Redemption of Principal	2,845,000		2,845,000	2,845,000	
<b>Total Regular Debt Service</b>	<u>3,467,400</u>		<u>3,467,400</u>	<u>3,467,400</u>	
<b>Total Expenditures</b>	<u>3,467,400</u>		<u>3,467,400</u>	<u>3,467,400</u>	
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<u>(1)</u>		<u>(1)</u>	<u>(1)</u>	
<b>Fund Balance, July 1</b>	<u>1</u>		<u>1</u>	<u>1</u>	
<b>Fund Balance, June 30</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

**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**

	<b><u>Exhibit</u></b>
<b>Financial Trends</b>	
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
<b>Revenue Capacity</b>	
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
<b>Debt Capacity</b>	
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
<b>Demographic and Economic Information</b>	
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
<b>Operating Information</b>	
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

June 30,

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 20,726,578	\$ 21,536,562	\$ 24,359,850	\$ 14,243,092	\$ 17,320,212	\$ 25,279,530	\$ 28,303,100	\$ 30,898,483	\$ 32,647,525	\$ 34,496,166
Restricted	11,083,903	10,703,912	9,863,865	17,937,869	18,437,842	13,410,036	12,120,246	11,749,521	12,573,801	15,203,196
Unrestricted (Deficit)	943,282	1,010,943	(1,600,732)	(10,161,263)	(12,543,062)	(12,829,026)	(13,501,743)	(13,873,891)	(13,768,988)	(13,869,606)
<b>Total Governmental Activities Net Position</b>	<b>\$ 32,753,763</b>	<b>\$ 33,251,417</b>	<b>\$ 32,622,983</b>	<b>\$ 22,019,698</b>	<b>\$ 23,214,992</b>	<b>\$ 25,860,540</b>	<b>\$ 26,921,603</b>	<b>\$ 28,774,113</b>	<b>\$ 31,452,338</b>	<b>\$ 35,829,756</b>
<b>Business-Type Activities:</b>										
Investment in Capital Assets	\$ 57,187	\$ 49,125	\$ 41,136	\$ 33,220	\$ 25,638	\$ 18,389	\$ 11,140	\$ 8,805	\$ 5,766	\$ 4,270
Unrestricted	130,194	116,681	85,502	34,180	24,316	18,781	656	34,260	28,196	31,801
<b>Total Business-Type Activities Net Position</b>	<b>\$ 187,381</b>	<b>\$ 165,806</b>	<b>\$ 126,638</b>	<b>\$ 67,400</b>	<b>\$ 49,954</b>	<b>\$ 37,170</b>	<b>\$ 11,796</b>	<b>\$ 43,065</b>	<b>\$ 33,962</b>	<b>\$ 36,071</b>
<b>District-Wide:</b>										
Net Investment in Capital Assets	\$ 20,783,765	\$ 21,585,687	\$ 24,400,986	\$ 14,276,312	\$ 17,345,850	\$ 25,297,919	\$ 28,314,240	\$ 30,907,288	\$ 32,653,291	\$ 34,500,436
Restricted	11,083,903	10,703,912	9,863,865	17,937,869	18,437,842	13,410,036	12,120,246	11,749,521	12,573,801	15,203,196
Unrestricted (Deficit)	1,073,476	1,127,624	(1,515,230)	(10,127,083)	(12,518,746)	(12,810,245)	(13,501,087)	(13,839,631)	(13,740,792)	(13,837,805)
<b>Total District-Wide Net Position</b>	<b>\$ 32,941,144</b>	<b>\$ 33,417,223</b>	<b>\$ 32,749,621</b>	<b>\$ 22,087,098</b>	<b>\$ 23,264,946</b>	<b>\$ 25,897,710</b>	<b>\$ 26,933,399</b>	<b>\$ 28,817,178</b>	<b>\$ 31,486,300</b>	<b>\$ 35,865,827</b>

Source: Hanover Park Regional High School District Financial Reports.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 11,400,691	\$ 11,919,404	\$ 12,462,871	\$ 12,376,960	\$ 14,466,950	\$ 14,743,726	\$ 17,101,592	\$ 17,177,855	\$ 16,493,189	\$ 15,994,563
Special Education	1,688,779	1,932,005	2,228,640	2,182,874	2,351,424	2,651,199	2,393,442	2,331,871	2,006,974	1,833,035
Other Special Instruction	170,088	171,542	183,701	113,467	80,199	36,577	46,320	47,121	46,492	46,391
Vocational	44,193	36,283								
Other Instruction	1,672,541	1,733,831	1,832,733	1,792,087	2,019,398	2,097,579	2,317,701	2,391,972	2,334,672	2,236,493
Support Services:										
Tuition	2,106,145	2,581,816	2,759,304	3,026,385	2,970,421	3,411,037	3,831,583	4,192,126	4,243,694	4,456,900
Student & Instruction Related Services	3,698,588	3,824,169	3,767,588	3,704,389	4,351,320	4,595,140	5,795,009	5,971,107	6,901,532	6,586,606
General Administration Services	789,613	764,055	906,313	849,878	1,018,917	1,035,800	1,105,341	1,240,375	1,150,639	1,053,905
School Administration Services	1,194,218	1,297,662	1,406,854	1,542,429	1,700,501	1,691,586	1,806,720	1,864,273	1,782,775	1,783,319
Central Services	488,275	510,587	569,295	584,467	706,504	710,431	829,242	1,480,983	825,874	821,460
Administration Information Technology	43,359	46,959	150,406	112,261	153,597	145,989	293,046	193,340	209,375	266,632
Plant Operations And Maintenance	2,807,016	2,850,399	2,887,738	2,776,076	3,361,032	2,992,791	3,383,351	3,401,157	3,219,826	2,733,500
Pupil Transportation	1,647,907	1,753,153	2,136,856	2,353,110	2,391,889	2,788,823	3,209,866	3,230,215	2,855,927	2,244,244
Interest On Long-Term Debt	1,054,345	1,006,845	1,194,049	857,584	897,147	826,164	764,227	705,648	629,365	539,869
Capital Outlay								418,597	106,465	106,465
Unallocated Depreciation	659,316	1,056,461	1,056,550	1,059,355	1,053,596	1,066,012	1,033,998	1,033,955	1,031,965	1,051,513
Total Governmental Activities Expenses	29,465,074	31,485,171	33,542,898	33,331,322	37,522,895	38,792,854	43,911,438	45,680,595	43,838,764	41,754,895
Business-Type activities:										
Food Service	537,044	541,858	579,478	614,964	565,789	548,625	551,217	466,636	426,115	307,893
Summer Enrichment					5,155	1,920	1,615	4,521	14,151	9,070
Total Business-Type Activities Expense	537,044	541,858	579,478	614,964	570,944	550,545	552,832	471,157	440,266	316,963
Total District-Wide Expenses	30,002,118	32,027,029	34,122,376	33,946,286	38,093,839	39,343,399	44,464,270	46,151,752	44,279,030	42,071,858

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
UNAUDITED  
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
Operating Grants and Contributions	\$ 2,322,194	\$ 2,948,411	\$ 3,628,969	\$ 3,368,274	\$ 6,486,666	\$ 7,693,517	\$ 10,190,340	\$ 11,531,282	\$ 9,480,989	\$ 8,364,241
Capital Grants and Contributions	1,048,464	269,800	17,520	15,310	241,500	35,606				
Charges for Services									16,650	18,500
<b>Total Governmental Activities</b>	<b>3,370,658</b>	<b>3,218,211</b>	<b>3,646,489</b>	<b>3,383,584</b>	<b>6,728,166</b>	<b>7,729,123</b>	<b>10,190,340</b>	<b>11,531,282</b>	<b>9,497,639</b>	<b>8,382,741</b>
<b>Business-Type Activities:</b>										
Charges for Services:										
Food Service	505,962	520,101	540,103	555,536	525,618	516,706	425,180	452,660	418,685	287,151
Summer Enrichment					5,155	2,301	1,890	14,650	12,451	16,900
<b>Total Business Type Activities</b>	<b>505,962</b>	<b>520,101</b>	<b>540,103</b>	<b>555,536</b>	<b>530,773</b>	<b>519,007</b>	<b>427,070</b>	<b>467,310</b>	<b>431,136</b>	<b>304,051</b>
<b>Total District-Wide Program Revenues</b>	<b>3,876,620</b>	<b>3,738,312</b>	<b>4,186,592</b>	<b>3,939,120</b>	<b>7,258,939</b>	<b>8,248,130</b>	<b>10,617,410</b>	<b>11,998,592</b>	<b>9,928,775</b>	<b>8,686,792</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	(26,094,416)	(28,266,960)	(29,896,409)	(29,947,738)	(30,794,729)	(31,063,731)	(33,721,098)	(34,149,313)	(34,341,125)	(33,372,154)
Business-Type Activities	(31,082)	(21,757)	(39,375)	(59,428)	(40,171)	(31,538)	(125,762)	(3,847)	(9,130)	(12,912)
<b>Total District-Wide Net (Expense)/Revenue</b>	<b>(26,125,498)</b>	<b>(28,288,717)</b>	<b>(29,935,784)</b>	<b>(30,007,166)</b>	<b>(30,834,900)</b>	<b>(31,095,269)</b>	<b>(33,846,860)</b>	<b>(34,153,160)</b>	<b>(34,350,255)</b>	<b>(33,385,066)</b>
<b>General Revenues and Other Changes in Net Position:</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied for										
General Purposes, Net	25,465,407	25,848,661	26,365,634	26,892,947	27,834,200	28,946,490	30,390,920	31,276,813	32,046,873	32,936,210
Taxes Levied for Debt Service	2,261,845	2,314,970	2,266,220	2,256,100	3,271,744	2,913,403	3,131,407	3,138,986	3,181,550	3,232,937
Unrestricted Grants and Contributions	337,033	447,761	424,027	435,164	403,516	904,287	776,577	841,490	888,668	919,267
Investment Earnings	29,035	2,152	2,376	11,707	21,463	27,611	7,838	9,866	5,859	5,268
Miscellaneous Income	314,556	151,070	209,718	528,040	459,100	947,138	558,566	787,374	896,400	670,890
Transfers							(83,147)	(52,706)		(15,000)

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Special Item - SDA Grants Cancelled	\$ (64,718)					\$ (29,650)				
Total Governmental Activities	28,343,158	\$ 28,764,614	\$ 29,267,975	\$ 30,123,958	\$ 31,990,023	33,709,279	\$ 34,782,161	\$ 36,001,823	\$ 37,019,350	\$ 37,749,572
Business-Type Activities:										
Investment Earnings	345	182	207	190	130	133	92	51	27	21
Transfers							83,147	17,619		15,000
Other Item - Board Contribution								3,256		
Other Item - Food Service Management										
Contractor Contribution					22,595	18,621	17,149	14,190		
Total Business-Type Activities	345	182	207	190	22,725	18,754	100,388	35,116	27	15,021
Total District-Wide General Revenues and Other Changes in Net Position	28,343,503	28,764,796	29,268,182	30,124,148	32,012,748	33,728,033	34,882,549	36,036,939	37,019,377	37,764,593
Change in Net Position:										
Governmental Activities	2,248,742	497,654	(628,434)	176,220	1,195,294	2,645,548	1,061,063	1,852,510	2,678,225	4,377,418
Business-Type Activities	(30,737)	(21,575)	(39,168)	(59,238)	(17,446)	(12,784)	(25,374)	31,269	(9,103)	2,109
Total District-Wide Change in Net Position	\$ 2,218,005	\$ 476,079	\$ (667,602)	\$ 116,982	\$ 1,177,848	\$ 2,632,764	\$ 1,035,689	\$ 1,883,779	\$ 2,669,122	\$ 4,379,527

Source: Hanover Park Regional High School District Financial Reports.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
 UNAUDITED  
 (Modified Accrual Basis of Accounting)

	June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Restricted	\$ 5,121,753	\$ 5,146,461	\$ 4,438,349	\$ 3,491,324	\$ 4,166,304	\$ 5,172,166	\$ 4,182,462	\$ 4,652,229	\$ 5,791,362	\$ 8,541,017
Assigned	844,758	862,075	772,849	1,251,800	679,605	429,470	810,542	786,067	947,809	660,303
Unassigned	858,203	924,355	926,987	638,424	585,191	680,794	800,903	843,330	908,637	904,227
Total General Fund	\$ 6,824,714	\$ 6,932,891	\$ 6,138,185	\$ 5,381,548	\$ 5,431,100	\$ 6,282,430	\$ 5,793,907	\$ 6,281,626	\$ 7,647,808	\$ 10,105,547
Other Governmental Funds:										
Restricted	\$ 5,407,140	\$ 5,407,140	\$ 5,425,516	\$ 14,446,545	\$ 14,271,538	\$ 8,237,870	\$ 7,937,784	\$ 7,097,292	\$ 6,725,227	\$ 6,662,179
Committed	555,010	150,311	49,641	307,585	141,946				57,212	
Total Other Governmental Funds	\$ 5,962,150	\$ 5,557,451	\$ 5,475,157	\$ 14,754,130	\$ 14,413,484	\$ 8,237,870	\$ 7,937,784	\$ 7,097,292	\$ 6,782,439	\$ 6,662,179
Total All Governmental Funds	\$ 12,786,864	\$ 12,490,342	\$ 11,613,342	\$ 20,135,678	\$ 19,844,584	\$ 14,520,300	\$ 13,731,691	\$ 13,378,918	\$ 14,430,247	\$ 16,767,726

Source: Hanover Park Regional High School District Financial Reports.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

*(Modified Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues:</b>										
Tax Levy	\$ 27,727,252	\$ 28,163,631	\$ 28,631,854	\$ 29,149,047	\$ 31,105,944	\$ 31,859,893	\$ 33,522,327	\$ 34,415,799	\$ 35,228,423	\$ 36,169,147
Tuition from Individuals										
Interest Earnings	2,469	2,101	2,338	4,004	3,561	5,029	7,838	9,866	16,650	18,500
Miscellaneous	344,110	159,117	217,756	536,260	486,644	973,628	564,039	794,720	5,859	5,268
State Sources	3,279,641	3,267,759	3,738,566	3,500,846	3,964,510	4,661,622	4,933,835	5,545,498	904,300	672,974
Federal Sources	425,062	390,217	323,950	317,385	328,658	331,470	319,877	356,744	6,525,821	6,959,796
<b>Total Revenue</b>	<b>31,778,534</b>	<b>31,982,825</b>	<b>32,914,464</b>	<b>33,507,542</b>	<b>35,889,317</b>	<b>37,831,642</b>	<b>39,347,916</b>	<b>41,122,627</b>	<b>43,042,244</b>	<b>44,066,071</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular	8,505,773	8,530,317	8,873,841	8,928,323	9,260,553	8,914,967	9,218,032	9,248,537	9,352,857	9,385,209
Special Education	1,264,493	1,405,419	1,562,983	1,557,670	1,453,440	1,593,049	1,273,597	1,229,822	1,124,870	1,062,100
Other Special Instruction	125,049	124,793	129,723	83,267	72,067	22,166	24,586	24,741	25,904	27,343
Vocational	32,504	26,254								
Other Instruction	1,322,853	1,356,648	1,394,949	1,388,865	1,416,933	1,396,951	1,413,266	1,412,380	1,448,442	1,431,509
<b>Support Services:</b>										
Tuition	2,106,145	2,581,816	2,759,304	3,026,385	2,970,421	3,411,037	3,831,583	4,192,126	4,243,694	4,456,900
Student/Instruction-Related Services	2,796,406	2,849,528	2,776,857	2,719,504	2,862,123	2,915,661	3,287,571	3,663,619	4,186,521	3,998,436
General Administration Services	639,435	596,897	716,588	664,189	752,552	732,412	722,773	795,773	763,885	736,010
School Administration Services	892,738	937,681	1,010,316	1,106,968	1,063,928	1,022,066	974,136	1,005,853	1,008,106	1,043,201
Central Services	366,634	377,421	394,729	394,080	407,446	394,671	400,575	415,391	412,904	426,617
Administrative Information Technology	43,322	46,921	150,406	111,363	153,597	145,989	286,686	191,046	211,630	263,012
Plant Operations And Maintenance	2,368,870	2,387,932	2,369,055	2,290,273	2,257,080	2,192,206	2,327,849	2,368,685	2,328,650	2,199,899
Pupil Transportation	1,216,651	1,289,632	1,577,805	1,769,152	1,583,878	1,782,101	1,869,950	1,875,919	1,871,380	1,536,576
Unallocated Benefits	5,896,454	6,390,930	7,293,220	7,053,628	7,615,467	8,193,403	8,939,068	9,763,858	10,884,666	11,009,337



HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

Expenditures: (Cont'd)	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Capital Outlay	\$ 225,772	\$ 1,062,168	\$ 533,844	\$ 1,430,438	\$ 1,020,807	\$ 7,083,247	\$ 2,147,731	\$ 1,872,244	\$ 718,856	\$ 670,043
Debt Service:										
Principal	1,200,000	1,014,970	1,300,000	1,400,000	2,320,000	2,425,000	2,500,000	2,585,000	708,550	622,400
Interest and Other Charges	1,061,845	1,300,000	947,844	856,100	970,119	901,350	835,975	777,700	2,700,000	2,845,000
Total Expenditures	30,064,944	32,279,347	33,791,464	34,780,205	36,180,411	43,126,276	40,053,378	41,422,694	41,990,915	41,713,592
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1,713,590	(296,522)	(877,000)	(1,272,663)	(291,094)	(5,294,634)	(705,462)	(300,067)	1,051,329	2,352,479
Other Financing Sources/(Uses):										
School Refunding Bonds Issued			18,480,000							
School Bonds Defeased			(19,014,000)							
Bond Issuance Costs			(190,717)							
Bond Premiums			2,519,122							
Deferred Bond Interest			(1,794,405)							
Bond Proceeds	(64,718)			9,795,000						
SDA Grants Cancelled	647,590	51	74,428	298,411	199,624	94,766	976,854	48,975	260,426	45,765
Transfers In	(647,590)	(51)	(74,428)	(298,411)	(199,624)	(94,766)	(1,060,001)	(101,681)	(260,426)	(60,765)
Transfers Out										
Total Other Financing Sources/(Uses)	(64,718)			9,795,000		(29,650)	(83,147)	(52,706)		(15,000)
Net Change In Fund Balances	\$ 1,648,872	\$ (296,522)	\$ (877,000)	\$ 8,522,337	\$ (291,094)	\$ (5,324,284)	\$ (788,609)	\$ (352,773)	\$ 1,051,329	\$ 2,337,479
Debt Service As A Percentage Of Noncapital Expenditures	7.58%	7.42%	6.76%	6.76%	9.36%	9.23%	8.80%	8.50%	8.26%	8.45%

Source: Hanover Park Regional High School District Financial Reports.

HANOVER PARK 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,	Interest on Investments	Rentals - Use of Facilities	Athletic Fees	Tuition	Other	Total
2011	\$ 29,035	\$ 7,892	\$ 16,284		\$ 290,039	\$ 343,250
2012	2,152	4,710	16,245		130,064	153,171
2013	20,788	6,475	22,037	\$ 38,095	124,661	212,056
2014	13,111	6,475	25,860	70,620	415,978	532,044
2015	26,090	4,875	26,885	53,761	351,050	462,661
2016	27,611	3,435	8,801	41,226	363,550	444,623
2017	60,292	11,467	16,585		465,206	553,550
2018	28,938	5,713	8,977	1,850	727,587	773,065
2019	36,401	5,115	16,723	16,650	813,479	888,368
2020	24,912	619	10,095	18,500	620,888	675,014

Source: Hanover Park Regional High School District Financial Reports.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
UNAUDITED

**EAST HANOVER TOWNSHIP**

Year Ended Dec. 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax	
												Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2010	\$ 22,852,400	\$ 1,417,254,300	\$ 119,800	\$ 748,300	\$ 820,763,797	\$ 200,142,200	\$ 224,300	\$ 2,461,236,997	\$ 2,595,764	\$ 2,463,832,761	\$ 117,931,800	\$ .41	\$ 4,044,758,170
2011	22,432,600	1,418,273,800	119,800	748,300	820,963,397	200,566,400		2,462,236,197	2,037,625	2,464,273,822	117,931,800	.43	3,836,789,266
2012	21,921,200	1,418,233,400	119,800	748,300	821,059,097	200,816,300		2,462,029,997	2,045,837	2,464,075,834	117,849,500	.42	3,700,819,582
2013	20,842,200	1,423,277,600	748,300	119,800	817,689,997	201,216,300		2,463,026,097	2,045,837	2,465,071,934	118,392,700	.43	3,433,090,066
2014	20,748,400	1,424,081,700	748,300	119,800	884,469,197	202,322,900		2,531,622,197	2,045,837	2,533,668,034	117,817,300	.48	3,558,858,057
2015	21,366,100	1,426,212,000	748,300	119,800	882,190,797	202,322,900	320,900	2,532,091,797	1,974,647	2,534,066,444	117,909,300	.47	3,604,117,281
2016	20,188,000	1,434,708,400	748,300	119,800	880,470,597	202,072,900	153,100	2,537,760,797	1,974,647	2,539,735,444	117,250,700	.48	3,401,886,141
2017	19,877,800	1,440,661,700	748,300	119,800	879,706,097	200,693,600	153,100	2,541,092,297	1,974,647	2,543,066,944	117,639,400	.45	3,315,434,416
2018	20,196,800	1,444,642,100	748,300	119,800	875,268,277	199,799,700	153,000	2,540,059,877	7,669	2,540,067,546	118,090,800	.48	3,328,486,435
2019	20,128,100	1,448,660,200	748,300	119,800	872,269,477	195,927,500	153,100	2,537,138,377	7,669	2,537,146,046	117,049,100	.50	3,380,933,325

**FLORHAM PARK BOROUGH**

Year Ended Dec. 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax	
												Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2010	\$ 128,845,700	\$ 2,047,551,750	\$ 119,800	\$ 748,300	\$ 887,116,700	\$ 101,302,400	\$ 151,215,500	\$ 3,316,900,150	\$ 4,901,700	\$ 3,321,801,850	\$ 447,729,600	\$ .21	\$ 3,332,562,174
2011	118,379,400	2,051,700,450	119,800	748,300	867,113,600	101,302,400	151,215,500	3,290,579,450	4,582,780	3,295,162,230	448,697,200	.17	3,356,840,595
2012	110,392,500	2,031,401,150	119,800	748,300	890,441,900	97,324,800	151,215,500	3,281,643,950	4,576,711	3,286,220,661	448,739,900	.18	3,335,769,352
2013	95,485,900	2,024,445,400	748,300	119,800	890,390,400	97,324,800	157,415,500	3,265,930,100	4,257,410	3,270,187,510	457,858,600	.22	3,015,767,531
2014	98,799,800	1,985,991,000	748,300	119,800	882,320,700	96,354,600	168,609,300	3,232,943,500	3,854,835	3,236,798,335	446,779,800	.24	2,839,810,371
2015	95,113,200	2,003,842,000	748,300	119,800	883,268,500	94,644,600	175,484,100	3,253,220,500	4,080,033	3,257,300,533	447,962,000	.24	3,021,413,939
2016	98,191,900	2,014,682,600	748,300	119,800	903,530,300	92,180,200	175,484,100	3,284,937,200	4,079,867	3,289,017,067	446,298,000	.25	3,126,935,377
2017	96,791,400	2,035,336,200	748,300	119,800	894,116,700	88,344,300	193,577,400	3,309,034,100	4,107,211	3,313,141,311	401,517,100	.27	3,415,130,920
2018	64,953,700	2,050,951,700	748,300	119,800	929,394,900	88,344,300	245,944,100	3,380,456,800	3,974,458	3,384,431,258	413,888,900	.28	3,503,649,795
2019	67,831,000	2,060,266,800	748,300	119,800	972,198,500	88,344,300	248,969,900	3,438,478,600	4,002,145	3,442,480,745	413,893,900	.28	3,586,933,325

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.

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

<sup>b</sup> Tax rates are per \$100 of assessed value.

Source: Municipal Tax Assessors.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS  
UNAUDITED

**HANOVER TOWNSHIP**

Year Ended Dec. 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate <sup>b</sup>	Estimated	
													Actual (County)	Equalized Value)
2010	\$ 65,676,800	\$ 1,153,279,300	\$ 7,600	\$ 368,300	\$ 524,527,300	\$ 214,138,200	\$ 28,868,800	\$ 1,986,866,300	\$ 11,175,509	\$ 1,998,041,809	\$ 271,947,500	.49	\$ 4,166,464,286	\$ 4,166,464,286
2011	47,974,300	1,176,198,450	7,600	368,300	489,126,600	221,082,600	28,868,800	1,963,626,650	10,542,510	1,974,169,160	271,672,800	.61	4,115,149,057	4,115,149,057
2012 *	78,048,900	2,054,726,800	5,900	433,000	871,536,400	412,981,600	56,721,600	3,474,454,200	21,415,187	3,495,869,387	376,741,000	.35	3,957,980,829	3,957,980,829
2013	94,503,500	2,055,323,600	5,900	433,000	873,200,300	408,758,900	56,721,600	3,488,946,800		3,488,946,800	366,341,800	.32	3,889,698,033	3,889,698,033
2014	80,697,600	2,080,627,400	433,000	5,900	996,669,100	433,662,200	57,634,600	3,649,729,800		3,649,729,800	375,167,100	.31	3,701,001,450	3,701,001,450
2015	73,645,700	2,101,021,300	433,000	5,900	1,016,994,300	429,302,700	75,960,100	3,697,363,000		3,697,363,000	375,229,600	.33	3,946,715,598	3,946,715,598
2016	75,035,800	2,106,119,300	433,000	5,900	983,192,400	425,684,100	84,700,100	3,675,170,600		3,675,170,600	372,465,700	.36	4,093,380,765	4,093,380,765
2017	74,177,300	2,124,601,600	441,800	5,900	1,034,213,600	422,412,500	84,734,600	3,740,587,300		3,740,587,300	372,788,000	.37	4,242,471,702	4,242,471,702
2018	58,906,700	2,131,024,700	441,800	5,900	1,081,238,100	410,507,800	91,543,400	3,773,668,400		3,773,668,400	373,380,000	.36	4,338,309,152	4,338,309,152
2019	56,232,200	2,143,494,800	441,800	5,900	1,073,553,300	405,775,400	91,510,400	3,771,013,800		3,771,013,800	374,390,800	.37	4,225,423,719	4,225,423,719

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.

\* Revaluation of real property took effect in this year.

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

<sup>b</sup> Tax rates are per \$100 of assessed value.

Source: Municipal Tax Assessors.

**HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

**LAST TEN YEARS**

**UNAUDITED**

*(Rate per \$100 of Assessed Value)*

**EAST HANOVER TOWNSHIP**

Year Ended December 31,	Hanover Park Regional High School			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate			Overlapping Rates			
	Basic Rate <sup>a</sup>	General Obligation Debt <sup>b</sup>	Total Direct	East Hanover School	East Hanover Township	Morris County	
2010	\$ 0.38	\$ 0.03	\$ 0.41	\$ 0.72	\$ 0.56	\$ 0.38	\$ 2.07
2011	0.39	0.04	0.43	0.72	0.56	0.37	2.08
2012	0.39	0.03	0.42	0.72	0.57	0.37	2.08
2013	0.40	0.03	0.43	0.71	0.60	0.35	2.09
2014	0.43	0.05	0.48	0.66	0.61	0.35	2.09
2015	0.43	0.04	0.47	0.67	0.55	0.36	2.05
2016	0.44	0.04	0.48	0.66	0.63	0.34	2.11
2017	0.41	0.04	0.45	0.77	0.65	0.34	2.20
2018	0.44	0.04	0.48	0.76	0.69	0.34	2.27
2019	0.46	0.04	0.50	1.29	0.71	0.35	2.85

**FLORHAM PARK BOROUGH**

Year Ended December 31,	Hanover Park Regional High School			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate			Overlapping Rates			
	Basic Rate <sup>a</sup>	General Obligation Debt <sup>b</sup>	Total Direct	Florham Park School	Florham Park Borough	Morris County	
2010	\$ 0.19	\$ 0.02	\$ 0.21	\$ 0.46	\$ 0.35	\$ 0.23	\$ 1.25
2011	0.16	0.01	0.17	0.52	0.36	0.24	1.29
2012	0.17	0.01	0.18	0.53	0.38	0.25	1.34
2013	0.20	0.02	0.22	0.51	0.39	0.23	1.35
2014	0.21	0.03	0.24	0.52	0.40	0.22	1.38
2015	0.22	0.02	0.24	0.52	0.37	0.23	1.36
2016	0.23	0.02	0.25	0.51	0.41	0.24	1.41
2017	0.25	0.02	0.27	0.54	0.41	0.25	1.47
2018	0.25	0.03	0.28	0.55	0.42	0.27	1.51
2019	0.25	0.03	0.28	0.84	0.42	0.27	1.82

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
(Rate per \$100 of Assessed Value)

**HANOVER TOWNSHIP**

Year Ended December 31,	Hanover Park Regional High School			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate			Overlapping Rates			
	Basic Rate <sup>a</sup>	General Obligation Debt <sup>b</sup>	Total Direct	Hanover Township School	Hanover Township	Morris County	
2010	\$ 0.45	\$ 0.04	\$ 0.49	\$ 1.07	\$ 0.73	\$ 0.47	\$ 2.76
2011	0.56	0.05	0.61	1.02	0.76	0.49	2.88
2012	* 0.32	* 0.03	* 0.35	* 0.58	* 0.43	* 0.27	* 1.63
2013	0.30	0.02	0.32	0.62	0.44	0.28	1.66
2014	0.28	0.03	0.31	0.62	0.44	0.26	1.63
2015	0.30	0.03	0.33	0.60	0.43	0.27	1.63
2016	0.33	0.03	0.36	0.57	0.44	0.28	1.65
2017	0.34	0.03	0.37	0.66	0.45	0.28	1.76
2018	0.33	0.03	0.36	0.69	0.45	0.29	1.80
2019	0.34	0.03	0.37	1.07	0.46	0.29	2.19

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.

<sup>a</sup> The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

<sup>b</sup> Rates for debt service are based on each year's requirements.

\* Revaluation of real property became effective in this year.

Source: Municipal Tax Collectors and School Business Administrator.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

EAST HANOVER TOWNSHIP

	2020		2011			
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer		Taxable Assessed Value
Novartis		\$ 415,030,700	16.36%	Novartis Pharmaceuticals	\$ 340,399,200	13.82%
Mondelez Global, Inc.		36,987,600	1.46%	Nabisco Inc	72,591,200	2.86%
Mondelez Global, Inc.		25,000,000	0.99%	EH Route 10 Realty	33,218,700	1.31%
New Hanover, LLC		23,900,000	0.94%	New Hanover, LLC	34,917,000	1.38%
Givaudan Fragrances Corporation		21,400,000	0.84%	Givaudan Fragrances Corporation	21,400,000	0.84%
E H Route Ten Realty Corp		21,218,700	0.84%	Paradigm East Hanover, LLC	21,303,497	0.84%
Castle Ridge Plaza		18,500,000	0.73%	Givaudan Flavors Corporation	19,872,200	0.78%
11 Mt Pleasant JV LLC		17,024,777	0.67%	Eagle Rock Executive C/O Well Main	19,000,000	0.75%
Givaudan Flavors Corporation		16,000,000	0.63%	Castle Ridge Plaza	18,500,000	0.73%
Costco Wholesale Corp		13,920,000	0.55%	Eric Richard DR Company, LLC	15,500,000	0.61%
Total		\$ 608,981,777	24.00%		\$ 596,701,797	23.92%

Source: Municipal Tax Assessor.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

**FLORHAM PARK BOROUGH**

2020		2011			
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Sun Valley Plaza II, LLC	104,515,500	3.04%	300 Campus Drive LLC	\$ 108,017,200	3.25%
KBSII 300-600 Campus Drive, LLC	93,517,700	2.72%	100 Campus Drive, LLC	73,000,900	2.20%
BASF Corporation	68,000,000	1.98%	BASF Corporation	68,000,000	2.05%
RG-KCI, LLC	63,500,000	1.84%	Avalonbay Communities, Inc	63,369,900	1.91%
Avalonbay Communities, Inc	63,369,900	1.84%	Wells Reit II	60,000,000	1.81%
KBSII 100-200 Campus Drive, LLC	61,742,300	1.79%	Sun Valley Plaza, LLC	52,445,600	1.58%
Nelltower, Inc	52,511,000	1.53%	L.H. Florham Holding	43,000,000	1.29%
LIPT 140 Park Avenue, LLC	35,014,200	1.02%	100-200 Campus Drive, LLC	37,283,200	1.12%
Florham Park LW Hotel Associates	34,052,800	0.99%	Advance Realty Management	34,865,300	1.05%
Lifetime Fitness	33,900,000	0.98%	LFT Real Est & Lifetime Fitness	33,900,000	1.02%
<b>Total</b>	<b>\$ 610,123,400</b>	<b>17.72%</b>	<b>Total</b>	<b>\$ 573,882,100</b>	<b>17.28%</b>

Source: Municipal Tax Assessor.



HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

**HANOVER TOWNSHIP**

2020		2011	
Taxpayer	Taxable Assessed Value	Taxpayer	Taxable Assessed Value
	% of Total District Net Assessed Value		% of Total District Net Assessed Value
Bayer Healthcare LLC	\$ 155,670,300	67 Whippany Investors	\$ 64,962,500
US Real Estate Holdings	102,459,700	BREOF BNK3A Whippany	56,000,000
SFP ML I LLC (Metlife)	60,000,000	Sterling Apartments LLC	55,101,100
TR Sterling Hanover LLC	57,261,000	Interstate Realty Company	20,290,300
Interstate Realty Company LLC	50,290,300	Kraft Foods Global Inc	43,400,000
AVR Hanover Hotel LLC	45,000,000	LSAC Morris County LP	42,954,600
LSAC Morris County LP	42,954,600	Ravine Development Company LLC	38,945,800
Hanover 3201 Realty LLC (Wegmans)	40,142,600	Fan Pier Land Company	38,158,600
Kraft Foods Global Inc	32,000,000	HEI Hanover, LLC	35,950,000
Novartis Pharmaceuticals Corp	30,000,000	River Park Business Center LLC	34,590,400
<b>Total</b>	<b>\$ 615,778,500</b>	<b>Total</b>	<b>\$ 430,353,300</b>
	27.16%		21.54%

Note: A revaluation was effective in 2012

Source: Municipal Tax Assessor.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 27,727,252	\$ 27,727,252	100.00%	\$ - 0 -
2012	28,163,631	28,163,631	100.00%	- 0 -
2013	28,631,854	28,631,854	100.00%	- 0 -
2014	29,149,047	29,149,047	100.00%	- 0 -
2015	31,105,944	31,105,944	100.00%	- 0 -
2016	31,859,893	31,859,893	100.00%	- 0 -
2017	33,522,327	32,163,424	95.95%	1,358,903
2018	34,415,799	34,415,799	100.00%	- 0 -
2019	35,228,423	35,228,423	100.00%	- 0 -
2020	36,169,147	36,140,864	99.92%	28,283

<sup>a</sup> School taxes are collected by the Municipal Tax Collectors. 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.

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

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of District Personal Income <sup>a</sup>	District Per Capita <sup>a</sup>
	General Obligation Bonds	Capital Leases	Grant Anticipation Notes			
2011	\$ 26,114,000			\$ 26,114,000	0.92%	\$ 707.43
2012	24,814,000			24,814,000	0.84%	671.28
2013	22,980,000			22,980,000	0.77%	621.48
2014	31,375,000			31,375,000	1.00%	846.30
2015	29,055,000			29,055,000	0.89%	782.39
2016	26,630,000			26,630,000	0.79%	713.21
2017	24,130,000			24,130,000	0.69%	648.03
2018	21,545,000			21,545,000	0.59%	582.38
2019	18,845,000			18,845,000	0.52%	513.92
2020	16,000,000			16,000,000	0.44%	436.34

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

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

Source: Hanover Park Regional High School District Financial Reports.

HANOVER PARK 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		Net General Bonded Debt Outstanding	Percentage of Net Taxable Value <sup>a</sup> of Property	District Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2011	\$ 26,114,000	\$ - 0 -	\$ 26,114,000	1.01%	\$ 707.43
2012	24,814,000	- 0 -	24,814,000	0.96%	671.28
2013	22,980,000	- 0 -	22,980,000	0.75%	621.48
2014	31,375,000	- 0 -	31,375,000	1.02%	846.30
2015	29,055,000	- 0 -	29,055,000	0.93%	782.39
2016	26,630,000	- 0 -	26,630,000	0.84%	713.21
2017	24,130,000	- 0 -	24,130,000	0.76%	648.03
2018	21,545,000	- 0 -	21,545,000	0.67%	582.38
2019	18,845,000	- 0 -	18,845,000	0.58%	513.92
2020	16,000,000	- 0 -	16,000,000	0.49%	436.34

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

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

<sup>b</sup> Population data can be found on Exhibit J-14. This ratio is calculated using valuation data for the prior calendar year.

Source: Hanover Park Regional High School District Financial Reports.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
UNAUDITED  
AS OF DECEMBER 31, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
East Hanover Township	\$ 30,364,778	100.00%	\$ 30,364,778
Florham Park Borough	8,237,000	100.00%	8,237,000
Hanover Township	- 0 -	100.00%	- 0 -
Morris County General Obligation Debt (All Constituent Municipalities)	216,220,009	11.65%	<u>25,186,742</u>
Subtotal, Overlapping Debt			63,788,520
Hanover Park Regional School District Direct Debt			<u>17,000,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 80,788,520</u></u>

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

<sup>a</sup> 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 Morris County Board of Taxation; debt outstanding data provided by each governmental unit.

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 338,737,158	\$ 335,794,028	\$ 323,491,655	\$ 308,646,769	\$ 304,098,046	\$ 306,920,090	\$ 315,071,809	\$ 320,662,297	\$ 326,012,344	\$ 318,255,511
Total Net Debt Applicable to Limit	26,114,000	24,814,000	22,980,000	31,375,000	29,055,000	26,630,000	24,130,000	21,545,000	18,845,000	16,000,000
Legal Debt Margin	\$ 312,623,158	\$ 310,980,028	\$ 300,511,655	\$ 277,271,769	\$ 275,043,046	\$ 280,290,090	\$ 290,941,809	\$ 299,117,297	\$ 307,167,344	\$ 302,255,511

Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	7.71%	7.39%	7.10%	10.17%	9.55%	8.68%	7.66%	6.72%	5.78%	5.03%
--	-------	-------	-------	--------	-------	-------	-------	-------	-------	-------

Legal Debt Margin Calculation for Fiscal Year 2020

Equalized Valuation Basis	East Hanover Township		Florham Park Borough		Hanover Township		Total
	2017	2018	2017	2018	2017	2018	
2017	\$ 3,313,459,769	\$ 3,411,023,709	\$ 4,242,471,702	\$ 4,242,471,702	\$ 10,966,955,180	\$ 10,966,955,180	\$ 10,966,955,180
2018	3,368,779,810	3,507,061,728	4,171,182,049	4,171,182,049	11,047,023,587	11,047,023,587	11,047,023,587
2019	3,270,351,092	2,542,267,024	3,998,954,189	3,998,954,189	9,811,572,305	9,811,572,305	9,811,572,305
	\$ 9,952,590,671	\$ 9,460,352,461	\$ 12,412,607,940	\$ 12,412,607,940	\$ 31,825,551,072	\$ 31,825,551,072	\$ 31,825,551,072

Average Equalized Valuation of Taxable Property

Debt Limit (3% of average equalization value) <sup>a</sup>  
 Net Bonded School Debt - June 30, 2020

Legal Debt Margin

<sup>a</sup> Limit set by NJSIA 18A:24-19 for a regional school 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.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS  
UNAUDITED

**EAST HANOVER TOWNSHIP**

Year	Township Population <sup>a</sup>	Morris County Per Capita Personal Income <sup>b</sup>	Township Personal Income <sup>c</sup>	Township Unemployment Rate <sup>d</sup>
2011	11,197	\$ 76,727	\$ 859,112,219	7.10%
2012	11,200	79,765	893,368,000	7.40%
2013	11,191	80,805	904,288,755	6.40%
2014	11,159	84,260	940,257,340	5.20%
2015	11,148	88,219	983,465,412	4.10%
2016	11,123	90,853	1,010,557,919	4.00%
2017	11,103	93,555	1,038,741,165	3.60%
2018	11,028	98,842	1,090,029,576	3.30%
2019	10,921	98,842 *	1,079,453,482	2.70%
2020	10,921 **	98,842 *	1,079,453,482 ***	N/A

**FLORHAM PARK BOROUGH**

Year	Borough Population <sup>a</sup>	Morris County Per Capita Personal Income <sup>b</sup>	Borough Personal Income <sup>c</sup>	Borough Unemployment Rate <sup>d</sup>
2011	11,764	\$ 76,727	\$ 902,616,428	5.40%
2012	11,780	79,765	939,631,700	5.70%
2013	11,768	80,805	950,913,240	5.40%
2014	11,694	84,260	985,336,440	4.70%
2015	11,728	88,219	1,034,632,432	4.00%
2016	11,669	90,853	1,060,163,657	3.70%
2017	11,647	93,555	1,089,635,085	3.50%
2018	11,572	98,842	1,143,799,624	3.10%
2019	11,496	98,842 *	1,136,287,632	2.70%
2020	11,496 **	98,842 *	1,136,287,632 ***	N/A

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS  
UNAUDITED

**HANOVER TOWNSHIP**

Year	Township Population <sup>a</sup>	Morris County Per Capita Personal Income <sup>b</sup>	Township Personal Income <sup>c</sup>	Township Unemployment Rate <sup>d</sup>
2011	13,953	\$ 76,727	\$ 1,070,571,831	3.80%
2012	13,985	79,765	1,115,513,525	3.90%
2013	14,017	80,805	1,132,643,685	5.20%
2014	14,220	84,260	1,198,177,200	4.70%
2015	14,260	88,219	1,258,002,940	4.00%
2016	14,546	90,853	1,321,547,738	3.50%
2017	14,486	93,555	1,355,237,730	3.40%
2018	14,395	98,842	1,422,830,590	3.00%
2019	14,252	98,842 *	1,408,696,184	2.80%
2020	14,252 **	98,842 *	1,408,696,184 ***	N/A

\* - Latest Morris County per capita personal income available (2018) was used for calculation purposes.

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

\*\*\*- Latest population data (2019) and latest per capita personal income (2018) was used for calculations

N/A - Information is not available.

Sources:

<sup>a</sup> Population information provided by the NJ Department of Labor and Workforce Development.

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

<sup>c</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>d</sup> Unemployment data provided by the NJ Department of Labor and Workforce Development.



HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS - COUNTY OF MORRIS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

	2020		2011		Percentage of Total Employment
	Employer	Employees	Employer	Employees	
Atlantic Health Systems		6,140	N/A	4,990	N/A
U.S. Army Armament Research and Development		6,000	N/A	4,933	N/A
Novartis Corporation		4,900	U.S. Army Armament Research and Development	4,442	N/A
ADP		2,690	UPS	2,332	N/A
Bayer Healthcare, LLC		2,400	County of Morris	1,959	N/A
Barclays		1,800	ADP	1,924	N/A
Accenture		1,865	AT&T	1,550	N/A
Honeywell		1,704	St. Clare's Hospital	1,531	N/A
Allergan		1,627	BASF Corporation	1,400	N/A
St. Clare's Hospital		1,565	Avis Budget Group	1,378	N/A
<b>Total</b>		<b>30,691</b>		<b>26,439</b>	<b>N/A</b>

N/A - Total amount of employment is not available in order to do the percentage calculation.

Source: Morris County Treasurer's Office and Unemployment data provided by the NJ Department of Labor and Workforce Development.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Instruction:</b>										
Regular	110.6	110.6	111.3	117.6	118.4	116.1	116.2	116.4	113.2	113.2
Special Education	26.3	26.3	27.4	25.4	25.1	27.5	16.7	16.6	15.6	15.6
Basic Skills/Bilingual	1.4	1.4	1.4	1.4	1.2	0.4	0.4	0.4	0.4	0.4
Vocational	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Co-Curricular Athletics	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Support Services:</b>										
Student & Instruction										
Related Services	32.2	32.0	32.1	32.4	33.8	31.8	42.0	51.4	50.5	54.9
School Administration	8.6	8.6	9.1	10.2	9.7	9.7	9.3	9.3	8.9	8.9
General/Business										
Administration	10.3	9.5	10.5	10.5	10.5	10.1	11.5	12.0	10.5	10.5
Plant Operations										
and Maintenance	25.6	25.0	25.0	25.0	24.0	21.0	21.0	22.6	23.6	23.6
Pupil Transportation	37.0	37.0	37.0	40.0	40.0	41.0	42.0	43.4	45.4	45.4
<b>Total</b>	<u>254.4</u>	<u>252.8</u>	<u>255.8</u>	<u>264.5</u>	<u>264.7</u>	<u>259.6</u>	<u>261.1</u>	<u>274.1</u>	<u>270.1</u>	<u>274.5</u>

Source: Hanover Park Regional High School District Personnel Records.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>b</sup>	Percentage Change	Teaching Staff <sup>c</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>d</sup>	Average Daily Attendance (ADA) <sup>d</sup>	% Change Average Daily Enrollment	Student Attendance Percentage
						High School	School				
2011	1,431.0	27,577,327	19,271	-2.41%	123	1:11.6	1:11.6	1,429.1	1,360.1	-1.62%	95.17%
2012	1,508.0	28,902,209	19,166	-0.55%	122	1:12.4	1:12.4	1,482.1	1,413.5	3.71%	95.37%
2013	1,607.5	31,009,776	19,291	0.65%	129	1:12.5	1:12.5	1,531.2	1,455.9	3.31%	95.08%
2014	1,597.5	31,093,667	19,464	0.90%	136	1:11.8	1:11.8	1,574.3	1,499.1	2.81%	95.22%
2015	1,620.0	31,869,485	19,673	1.07%	136	1:11.9	1:11.9	1,599.4	1,526.4	1.59%	95.44%
2016	1,553.0	32,716,679	21,067	7.09%	134	1:11.4	1:11.4	1,527.5	1,454.6	-4.50%	95.23%
2017	1,512.5	34,569,672	22,856	8.49%	134	1:11.3	1:11.3	1,494.6	1,425.1	-2.15%	95.35%
2018	1,489.0	36,187,750	24,303	6.33%	135	1:11.0	1:11.0	1,491.0	1,421.0	-0.24%	95.31%
2019	1,461.5	37,863,509	25,907	6.60%	134	1:10.9	1:10.9	1,442.6	1,383.3	-3.25%	95.89%
2020	1,431.0	37,576,149	26,259	1.36%	130	1:11.0	1:11.0	1,415.5	1,375.2	-1.88%	97.15%

Note: Enrollment based on annual October District count.

- <sup>a</sup> Operating expenditures equal total expenditures less debt service and capital outlay.
- <sup>b</sup> Cost per pupil is calculated based upon enrollment and operating expenditures as presented and may not be the same as other cost per pupil calculations.
- <sup>c</sup> Teaching staff includes only full-time equivalents of certificated staff.
- <sup>d</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Source: Hanover Park Regional High School District records.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

District Buildings	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Hanover Park High School:</b>										
Square Feet	165,713	166,264	166,264	166,264	166,264	166,264	166,264	166,264	166,264	166,264
Capacity (Students)	1,204	1,204	1,201	1,204	1,204	1,204	1,204	1,204	1,204	1,204
Enrollment	805	823	889	864	868	824	822	840	822	806
<b>Whippany Park High School:</b>										
Square Feet	133,448	156,451	156,451	156,451	156,451	156,451	156,451	156,451	156,451	156,451
Capacity (Students)	908	908	908	908	908	908	908	908	908	908
Enrollment	626	652	685	701	720	692	691	648	640	626

Number of Schools at June 30, 2020:  
 High Schools = 2

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

Source: Hanover Park Regional High School District Facilities Office.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
UNAUDITED

Undistributed Expenditures - Required Maintenance for School Facilities (Account #11-000-261-XXX)

School Facilities*	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Hanover Park High School	\$ 271,125	\$ 337,521	\$ 343,011	\$ 293,545	\$ 270,700	\$ 291,529	\$ 277,720	\$ 319,275	\$ 285,063	\$ 335,163
Whippany Park High School	197,343	270,494	297,840	240,452	235,326	243,293	245,114	265,537	244,399	244,450
<b>Total School Facilities</b>	<b>\$ 468,468</b>	<b>\$ 608,015</b>	<b>\$ 640,851</b>	<b>\$ 533,997</b>	<b>\$ 506,026</b>	<b>\$ 534,822</b>	<b>\$ 522,834</b>	<b>\$ 584,812</b>	<b>\$ 529,462</b>	<b>\$ 579,613</b>

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

Source: Hanover Park Regional High School District records.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2020  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Package - New Jersey Schools Insurance Group		
Property	\$ 97,369,173	\$ 5,000
Comprehensive General liability	16,000,000	
Comprehensive Automobile Liability	16,000,000	
Blanket Crime	500,000	
Electronic Data Processing	2,000,000	5,000
Excess Policy		
Starstone/Markel		
Total Policy Limit	40,000,000	
Excess of Primary NJSIG Policy		
Fireman's Fund Ins. Co. Excess Policy		
Per Occurrence	50,000,000	
Aggregate	50,000,000	
Environmental Impairment Liability		
Ironshore Insurance		
Site Pollution & Environmental	2,000,000	50,000
Total Policy Aggregate	11,000,000	
Fungi or Legionella		
School Board Legal Liability		
New Jersey Schools Insurance Group		
Errors & Omissions Coverage A	16,000,000	5,000
Coverage B	100,000/300,000	5,000
Workers Compensation		
New Jersey Schools Insurance Group	Statutory	
Employers Liability	3,000,000	
Cyber Liability		
Beazley Insurance		
Per Incident Event	1,000,000	Varies
Policy Aggregate	\$10,000,000/\$2,500,000	
Public Official Bonds		
Board Secretary/Business Administrator	255,000	
Hartford Bonding Company		
Treasurer of School Money	255,000	
Travelers Insurance Company		

Source: Hanover Park Regional High School District records.

SINGLE AUDIT SECTION

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Independent Member  
BKR International



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  
Hanover Park Regional High School District  
County of Morris, 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 Hanover Park Regional High School District, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 14, 2020.

**Internal Control Over Financial Reporting**

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

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

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



The Honorable President and Members  
of the Board of Education  
Hanover Park Regional High 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 results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

December 14, 2020  
Mount Arlington, New Jersey

*Nisivoccia, LLP*

NISIVOCCIA, LLP

*Kathryn L. Mantell*

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Kathryn L. Mantell  
Licensed Public School Accountant #884  
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Report on Compliance For Each Major State Program;  
Report on Internal Control Over Compliance

Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Hanover Park Regional High School District  
County of Morris, New Jersey

**Report on Compliance for Each Major State Program**

We have audited the Hanover Park Regional High School District (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 the District's major state program for the fiscal year ended June 30, 2020. The District's major state program is 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 the District's major state program 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 the major state program. However, our audit does not provide a legal determination of the District's compliance.

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

### ***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 its major state program for the fiscal year ended June 30, 2020.

### **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 the major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

December 14, 2020  
Mount Arlington, New Jersey

*Nisivoccia, LLP*  
NISIVOCCIA, LLP

*Kathryn L. Mantell*  
\_\_\_\_\_  
Kathryn L. Mantell  
Licensed Public School Accountant #884  
Certified Public Accountant

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass Through Grantor Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2019		Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Cancel Prior Year Enc.	Balance June 30, 2020		Amounts Provided to Subrecipients
					Accounts Receivable	Unearned Revenue						Accounts Receivable	Unearned Revenue	
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
Special Education Cluster:														
I.D.E.A. Part B, Basic	84.027	IDEA 199020	7/1/19-9/30/20	\$ 283,165			\$ 108,013	\$ (262,341)				\$ (154,328)		
I.D.E.A. Part B, Basic	84.027	IDEA 199019	7/1/18-9/30/19	283,075	\$ (97,849)		97,849	(262,341)				(154,328)		
Total I.D.E.A. Part B, Basic					(97,849)		205,862							
Total Special Education Cluster					(97,849)		205,862	(262,341)				(154,328)		
Elementary and Secondary Education Act Grant:														
Title I	84.010	ESEA199020	7/1/19-9/30/20	34,048				(33,855)				(33,855)		
Title I	84.010	ESEA199019	7/1/18-9/30/19	48,505	(10,256)		10,256	(33,855)				(33,855)		
Total Title I					(10,256)		10,256	(14,925)			\$ 195	(8,153)		
Title II A	84.367 A	ESEA199020	7/1/19-9/30/20	23,812	(5,277)		5,301	(14,925)		\$ (24)		(8,153)		
Title II A	84.367 A	ESEA199019	7/1/18-9/30/19	20,414	(5,277)		11,878	(14,925)		(24)	195	(8,153)		
Total Title II A					(5,277)		11,878	(3,846)				(876)		
Title III	84.365 A	ESEA199020	7/1/19-9/30/20	12,654			2,970	(10,000)						
Title IV	84.424	ESEA199020	7/1/19-9/30/20	10,000	(2,898)		10,000	(10,000)						
Title IV	84.424	ESEA199019	7/1/18-9/30/19	11,910	(2,898)		2,898	(10,000)						
Total Title IV					(2,898)		12,898							
Total Elementary and Secondary Education Act Grant					(18,431)		38,002	(62,626)		(24)	195	(42,884)		
Total Special Revenue Fund					(116,280)		243,864	(324,967)		(24)	195	(197,212)		
Total U.S. Department of Education					(116,280)		243,864	(324,967)		(24)	195	(197,212)		
Total Federal Awards					(116,280)		\$ - 0 -	\$ 243,864	\$ (324,967)	\$ (24)	\$ 195	\$ (197,212)	\$ - 0 -	\$ - 0 -

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2019		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2020		Memo	
				(Accounts Receivable)	Due to Grantor				GAAP (Accounts Receivable)	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
NJ Department of Education:												
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 811,744			\$ 738,592	\$ (811,744)		\$ (73,152)	\$	(811,744)	
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	689,427	\$ (61,072)	61,072						(689,427)	
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	25,177		22,908	(25,177)			(2,269)		(25,177)	
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	25,177	(2,230)	2,230						(25,177)	
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	640,159	(56,707)	582,469	(640,159)			(57,690)		(640,159)	
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	640,159		56,707						(640,159)	
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	659,667	(631,642)	631,642	(659,667)			(659,667)		(659,667)	
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	631,642								(631,642)	
Non-Public Transportation	20-495-034-5120-014	7/1/19-6/30/20	11,008	(21,038)	21,038	(11,008)			(11,008)		(11,008)	
Non-Public Transportation	19-495-034-5120-014	7/1/18-6/30/19	21,038								(21,038)	
Homeless Tuition Reimbursement	20-495-034-5120-005	7/1/19-6/30/20	14,231		14,231	(14,231)					(14,231)	
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	934,244		890,228	(934,244)			(44,016)		(934,244)	
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18-6/30/19	865,510	(41,694)	41,694						(865,510)	
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/1/19-6/30/20	984,967		984,967	(984,967)					(984,967)	
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19-6/30/20	2,608,278		2,608,278	(2,608,278)					(2,608,278)	
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/19-6/30/20	46,750		46,750	(46,750)					(46,750)	
On-Behalf TPAF Long-Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	2,211		2,211	(2,211)					(2,211)	
<b>Total General Fund State Aid</b>				<b>(814,383)</b>	<b>6,705,017</b>	<b>(6,738,436)</b>			<b>(714,691)</b>		<b>(10,412,547)</b>	
									<b>(847,802)</b>			

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2019		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2020		Memo	
				(Accounts Receivable)	Due to Grantor				GAAP (Accounts Receivable)	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
NJ Department of Education: Debt Service Fund: Debt Service Aid	20-100-034-5120-075	7/1/19-6/30/20	\$ 234,462	\$	\$ 234,462	\$ 234,462	\$ (234,462)	\$ - 0 -	\$ (714,691)	\$ - 0 -	\$ (847,802)	\$ (234,462)
Total Debt Service Fund					234,462		(234,462)					(234,462)
Total NJ Department of Education					6,939,479	(6,972,898)	\$ - 0 -	\$ - 0 -	\$ (714,691)	\$ - 0 -	\$ (847,802)	(10,647,009)
Total State Awards					\$ 6,939,479	\$ (6,972,898)	\$ - 0 -	\$ - 0 -	\$ (714,691)	\$ - 0 -	\$ (847,802)	\$ (10,647,009)
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/1/19-6/30/20	(984,967)				984,967					
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19-6/30/20	(2,608,278)				2,608,278					
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/19-6/30/20	(46,750)				46,750					
On-Behalf TPAF Long-Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	(2,211)				2,211					
Subtotal - On-Behalf TPAF Pension System Contributions							3,642,206					
Total State Awards Subject to Single Audit Major Program Determination							\$ (3,330,692)					

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Hanover Park Regional High School District under programs of the federal and state governments for the fiscal year ended June 30, 2020. The information in these schedules is presented in accordance with the requirements of 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 elected not 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, special revenue and debt service funds 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 state aid payments for the current budget year, which is mandated pursuant to P.L. 2003, C.97. For GAAP purposes, the current year 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. Grant revenue in the capital projects fund is recognized on the budgetary basis in the fiscal year of award but is not recognized on the GAAP basis until expended and submitted for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$13,102) for the general fund, and (\$84,165) for the special revenue fund (of which \$416 applies to encumbrances of local grants). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

Note 5. Relationship to Basic Financial Statements

Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as reported below:

	Federal	State	Total
General Fund		\$ 6,725,334	\$ 6,725,334
Special Revenue Fund	\$ 240,386		240,386
Debt Service Fund		234,462	234,462
Total Awards	\$ 240,386	\$ 6,959,796	\$ 7,200,182

Note 6. Relationship to Federal and State Financial Reports

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

Note 7. 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 fiscal year ended June 30, 2020.



HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major state program 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 program for the District expresses an unmodified opinion on the major state program.
- 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 was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2020 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The District's program tested as a major state program for the current fiscal year consisted of the following state aid:

<u>Program</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	\$ 934,244	\$ 934,244

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

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 finding or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance or New Jersey's OMB Circular 15-08.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Status of Prior Year Findings:

There were no audit findings or questioned costs for the year ended June 30, 2019.