

**HANOVER PARK
REGIONAL HIGH SCHOOL DISTRICT**

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

**Annual Comprehensive
Financial Report**

of the

**Hanover Park
Regional High School District**

East Hanover, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
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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

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Business Administrator/Board Secretary
E-mail: Walbert@hpreg.org

HANOVER PARK HIGH SCHOOL
WHIPPANY PARK HIGH SCHOOL

November 29, 2023

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 Annual Comprehensive Financial Report of the Hanover Park Regional High School District (the "District") for the fiscal year ended June 30, 2023 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 Annual Comprehensive 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 2022-2023 fiscal year with an enrollment of 1,300 students, which is a decrease of 44 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 remain positive. The District maintains a viable Capital Reserve Fund for future capital projects while continuing to maintain a Maintenance Reserve Fund for required maintenance projects. The District has decided to maintain a 2% unassigned budgetary basis fund balance of the net budget to provide future funding. There does not appear to be any major commercial or residential projects coming on line within the next year in either East Hanover, Florham Park or Hanover Township.
3. MAJOR INITIATIVES: For a complete report on District objectives and major accomplishments during 2022-2023, please contact the Superintendent’s Office.

Students in the Class of 2023 at both of the District’s high schools were granted diplomas in June 2023.

	Regular Pupils	Special Education Pupils	Total Pupils
Grade 12 Enrollment 6/30/23	287	63	350
No. Students Graduating	287	50	337
No. Students On Track Continuing	- 0 -	13	13

A majority of graduating students plan to continue their education. Advanced education plans are summarized below for the Class of 2023.

	4-Year College	2-Year College	Armed Forces	Other Education	Total
Hanover Park	133	28	2	3	166
Whippany Park	123	23	3	9	158

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.

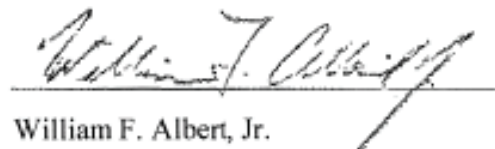
As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts 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, 2023.
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.

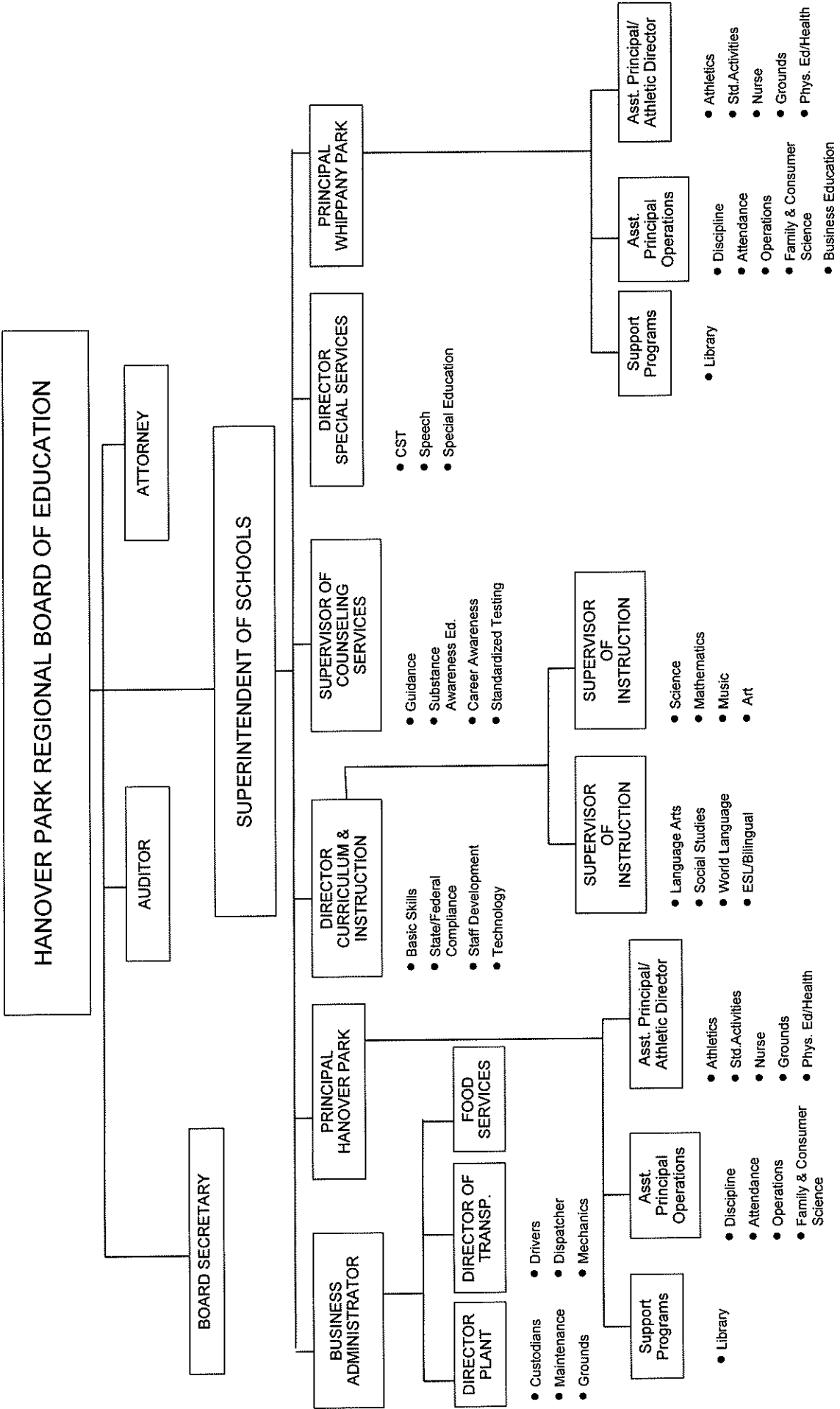
Respectfully submitted,



Maria Carrell
Superintendent



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



HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Donna Anello-Feldman - President	2025
Dr. Gerard Freda - Vice President	2024
Tim Donohue	2025
Deborah Davis	2026
Giuseppe Peluso	2026
Joanne Green Tobias	2026
Michael Lomio	2024
James Herbert	2024
Kristine Peterson	2025

<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, 2023

Audit Firm

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

Attorney

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 Audit of the Financial Statements

Opinions

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 Hanover Park Regional High School District (the “District”), in the County of Morris, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the “Office”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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-retirement 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 is the responsibility of management and, although not a part of the basic financial statements, are 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.

Supplementary 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 supplementary information 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 accompanying supplementary information 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2023 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 District's internal control over financial reporting and compliance.

November 29, 2023
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, 2023**

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, 2023. 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.
- *Notes to Basic Financial Statements*: Provide additional information essential to a full understanding of the district-wide and fund financial statements.

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

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

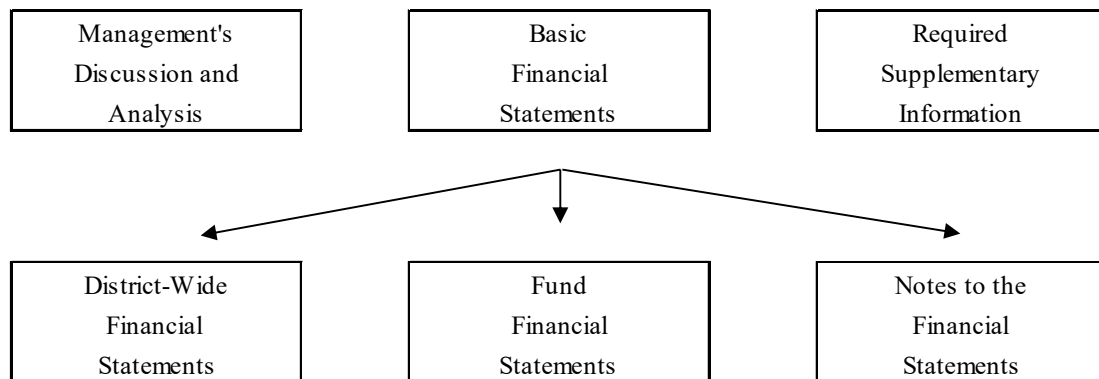


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents 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, 2023**

**Figure A-2
Major Features of the District-Wide and Fund Financial Statements**

		Fund Financial Statements	
	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary, such as special education and building maintenance	Activities the district operates similar to private businesses; food services and summer enrichment
Required Financial Statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenue, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net position • Statement of Revenue, Expenditures, and Changes in net position • Statement of Cash Flows
Accounting Basis and Measurement Focus	Accrual Accounting and Economic Resources focus	Modified Accrual Accounting and Current Financial Focus	Accrual Accounting and Economic Resources focus
Type of Asset/Liability Information	All Assets and Liabilities, both Financial and Capital, Short-Term and Long-Term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All Revenue and Expenses during the year, regardless of when Cash is Received or Paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All Revenue and Expenses during the year, regardless of when cash is received or paid

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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 liabilities) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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 \$52,606,212 on June 30, 2023, \$5,521,427 or 11.73% more than the year before (See Figure A-3). Net position from governmental activities increased \$5,500,332 and net position from business-type activities increased by \$21,095 (See Figure A-4). Net investment in capital assets increased \$3,372,420, restricted net position increased \$622,224 and unrestricted net position increased \$1,526,783.

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

	Governmental Activities		Business-Type Activities		Total School District		Change
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	
Assets:							
Current and Other Assets	\$ 66,830,626	\$ 22,402,376	\$ 138,489	\$ 129,849	\$ 66,969,115	\$ 22,532,225	
Capital Assets, Net	49,250,681	48,226,406	2,179	2,802	49,252,860	48,229,208	
Total Assets	116,081,307	70,628,782	140,668	132,651	116,221,975	70,761,433	64.24%
Deferred Outflows of Resources	2,114,304	1,600,088			2,114,304	1,600,088	32.14%
Liabilities:							
Other Liabilities	2,214,120	1,999,947	70,919	83,997	2,285,039	2,083,944	
Long-Term Liabilities Outstanding	61,168,468	17,837,080			61,168,468	17,837,080	
Total Liabilities	63,382,588	19,837,027	70,919	83,997	63,453,507	19,921,024	218.53%
Deferred Inflows of Resources	2,276,560	5,355,712			2,276,560	5,355,712	-57.49%
Net Position:							
Net Investment in Capital Assets	42,141,573	38,768,530	2,179	2,802	42,143,752	38,771,332	
Restricted	17,759,545	17,137,321			17,759,545	17,137,321	
Unrestricted/(Deficit)	(7,364,655)	(8,869,720)	67,570	45,852	(7,297,085)	(8,823,868)	
Total Net Position	\$ 52,536,463	\$ 47,036,131	\$ 69,749	\$ 48,654	\$ 52,606,212	\$ 47,084,785	11.73%

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	
Revenue:							
Program Revenue:							
Charges for Services	\$ 602,836	\$ 460,290	\$ 757,062	\$ 602,962	\$ 1,359,898	\$ 1,063,252	
Operating Grants & Contributions	7,608,806	8,886,751			7,608,806	8,886,751	
General Revenue:							
Property Taxes	38,116,269	37,493,651			38,116,269	37,493,651	
Unrestricted Federal & State Aid	957,192	1,312,281			957,192	1,312,281	
Other	2,149,768	340,951	2,458	37	2,152,226	340,988	
Total Revenue	49,434,871	48,493,924	759,520	602,999	50,194,391	49,096,923	2.24%
Expenses:							
Instruction	20,403,055	20,688,362			20,403,055	20,688,362	
Pupil & Instruction Services	11,676,951	11,467,811			11,676,951	11,467,811	
Administration and Business	3,922,855	3,991,113			3,922,855	3,991,113	
Maintenance & Operations	3,053,945	3,060,945			3,053,945	3,060,945	
Transportation	3,003,754	2,356,632			3,003,754	2,356,632	
Other	1,873,570	1,515,362	738,834	600,494	2,612,404	2,115,856	
Total Expenses	43,934,130	43,080,225	738,834	600,494	44,672,964	43,680,719	2.27%
Transfer	(409)	(18,098)	409	18,098			
Change in Net Position	\$ 5,500,332	\$ 5,395,601	\$ 21,095	\$ 20,603	\$ 5,521,427	\$ 5,416,204	1.94%

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

Financial Analysis of the District as a Whole

Governmental Activities

The financial position of the District increased by \$5,500,332 and remains strong. However, maintaining existing programs, developing new programs for regular education pupil enrollment and continued special programs and services for students with special needs 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>2022/23</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2021/22</u>
Instruction	\$ 20,403,055	\$ 20,688,362	\$ 15,057,769	\$ 14,612,013
Pupil & Instruction Services	11,676,951	11,467,811	9,945,154	9,581,897
Administration and Business	3,922,855	3,991,113	3,350,692	3,255,053
Maintenance & Operations	3,053,945	3,060,945	3,053,945	3,060,945
Transportation	3,003,754	2,356,632	2,441,358	1,707,914
Other	1,873,570	1,515,362	1,873,570	1,515,362
Total	<u>\$ 43,934,130</u>	<u>\$ 43,080,225</u>	<u>\$ 35,722,488</u>	<u>\$ 33,733,184</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

Business-Type Activities

- Net position from the District's business-type activities increased \$21,095 due primarily to increased daily sales. (Refer to Figure A-4).

Financial Analysis of the District's Funds

The District's General Fund financial position increased \$984,001 on the GAAP basis primarily due to unexpended budget appropriations. The District continues to see a rise in additional student needs and the associated expenditures. The District's Special Revenue Fund financial position increased \$90,183 due to an increase in fund raising for student activities. The District's Capital Projects Fund financial position increased \$43,591,776 due to the issuance of serial bonds for a new referendum project.

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

The District must continue to practice sound financial management 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 increased \$1,023,652, or 2.12%, over the course of the fiscal year.

Capital asset additions consisted of \$1,732,224 of construction in progress and \$696,474 of budgeted capital outlay expenditures.

Depreciation expense was \$1,404,423 from governmental activities and \$623 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, 2023**

Capital Assets and Long-Term Liabilities

Figure A-6

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	
Land	\$ 1,961,326	\$ 1,961,326			\$ 1,961,326	\$ 1,961,326	
Construction in Progress	11,529,831	9,797,607			11,529,831	9,797,607	
Site Imps.	671,371	753,327			671,371	753,327	
Buildings & Bldg. Imps.	33,172,558	34,142,025			33,172,558	34,142,025	
Machinery, Furniture and Equipment	1,915,595	1,572,121	\$ 2,179	\$ 2,802	1,917,774	1,574,923	
Total	\$49,250,681	\$48,226,406	\$ 2,179	\$ 2,802	\$49,252,860	\$48,229,208	2.12%

Long-Term Liabilities

The District's long-term liabilities increased \$43,331,388, or 242.93%, over the course of the fiscal year. At year-end, the District had \$51,269,000 in general obligation bonds outstanding – an increase of \$41,259,000 from last year – as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 8 to the financial statements.)

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percent Change
	2022/23	2021/22	
General Obligation Bonds (Financed with Property Taxes)	\$ 51,269,000	\$ 10,010,000	
Unamortized Bond Issuance Premium	581,337	775,116	
Net Pension Liability	8,411,836	6,251,448	
Financed Purchases Payable	130,000		
Compensated Absences Payable	776,295	800,516	
Total	\$ 61,168,468	\$ 17,837,080	242.93%

- The District issued School Bonds of \$44,349,000 and paid down \$3,090,000 during the fiscal year.
- Unamortized bond issuance premium decreased by \$193,779.
- Net Pension Liability increased by \$2,160,388.
- The District entered into a \$130,000 financed purchase agreement for security equipment.
- Compensated absences payable decreased by \$24,221.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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 5% of the District's original 2023 operating budget while local property taxes accounted for 95%. 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 labor agreement with the Hanover Park Regional Administrator's Association will expire on June 30, 2026.
- 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.
- The labor agreement with the Hanover Park Regional Education Association will expire on June 30, 2024.

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, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 63,090,036	\$ 124,165	\$ 63,214,201
Cash with Fiscal Agents	1,837		1,837
Receivable from Federal Government	294,721		294,721
Receivable from State Government	770,860		770,860
Tax Levy Receivable	310		310
Other Receivables	280		280
Inventories		14,324	14,324
Restricted Assets:			
Cash and Cash Equivalents	2,672,582		2,672,582
Capital Assets, Net:			
Site (Land) and Construction in Progress	13,491,157		13,491,157
Depreciable Site Improvements, Buildings and Building Improvements & Machinery, Furniture & Equipment	35,759,524	2,179	35,761,703
Total Assets	116,081,307	140,668	116,221,975
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Amount on Refunding	414,093		414,093
Deferred Outflows Related to Pensions	1,700,211		1,700,211
Total Deferred Outflows of Resources	2,114,304		2,114,304
LIABILITIES			
Current Liabilities:			
Interest Payable	1,837		1,837
Accrued Interest Payable	525,931		525,931
Accounts Payable	1,676,387	41,980	1,718,367
Unearned Revenue	9,965	28,939	38,904
Noncurrent Liabilities:			
Due Within One Year	4,692,382		4,692,382
Due Beyond One Year	56,476,086		56,476,086
Total Liabilities	63,382,588	70,919	63,453,507
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows Related to Pensions	2,276,560		2,276,560
Total Deferred Inflows of Resources	2,276,560		2,276,560

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023
(Continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
NET POSITION			
Net Investment in Capital Assets	\$ 42,141,573	\$ 2,179	\$ 42,143,752
Restricted for:			
Capital Projects	7,601,314		7,601,314
Excess Surplus	9,554,173		9,554,173
Maintenance Reserve	56,413		56,413
Unemployment Compensation	134,857		134,857
Scholarships	18,149		18,149
Student Activities	394,639		394,639
Unrestricted/(Deficit)	<u>(7,364,655)</u>	<u>67,570</u>	<u>(7,297,085)</u>
Total Net Position	<u>\$ 52,536,463</u>	<u>\$ 69,749</u>	<u>\$ 52,606,212</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, 2023

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	\$ 16,163,277		\$ 3,079,120		\$ (13,084,157)		\$ (13,084,157)
Special Education	2,066,768		1,954,822		(111,946)		(111,946)
Other Special Instruction	20,969		3,597		(17,372)		(17,372)
Other Instruction	2,152,041		307,747		(1,844,294)		(1,844,294)
Support Services:							
Tuition	3,950,507				(3,950,507)		(3,950,507)
Student & Instruction Related Services	7,726,444	\$ 602,836	1,128,961		(5,994,647)		(5,994,647)
General Administration Services	1,043,364		130,146		(913,218)		(913,218)
School Administration Services	1,692,987		282,175		(1,410,812)		(1,410,812)
Central Services	675,046		99,433		(575,613)		(575,613)
Administration Information Technology	511,458		60,409		(451,049)		(451,049)
Plant Operations and Maintenance	3,053,945				(3,053,945)		(3,053,945)
Pupil Transportation	3,003,754		562,396		(2,441,358)		(2,441,358)
Interest on Long-Term Liabilities	695,454				(695,454)		(695,454)
Capital Outlay	106,465				(106,465)		(106,465)
Unallocated Depreciation	1,071,651				(1,071,651)		(1,071,651)
Total Governmental Activities	43,934,130	602,836	7,608,806	\$ - 0 -	(35,722,488)	\$ - 0 -	(35,722,488)

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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	\$ 733,823	\$ 745,062		\$	11,239	\$ 11,239
Summer Enrichment	5,011	12,000			6,989	6,989
Total Business-Type Activities	738,834	757,062	\$ - 0 -	\$ - 0 -	18,228	18,228
Total Primary Government	\$ 44,672,964	\$ 1,359,898	\$ 7,608,806	\$ (35,722,488)	18,228	(35,704,260)

General Revenues and Transfers:

Taxes:						
Property Taxes, Levied for General Purposes, Net				34,952,171		34,952,171
Taxes Levied for Debt Service				3,164,098		3,164,098
Federal and State Aid not Restricted				957,192		957,192
Investment Earnings				749,303	2,458	751,761
Miscellaneous Income				1,400,465		1,400,465
Transfer				(409)	409	
Total General Revenues and Transfers				41,222,820	2,867	41,225,687
Change in Net Position				5,500,332	21,095	5,521,427
Net Position - Beginning				47,036,131	48,654	47,084,785
Net Position - Ending				\$ 52,536,463	\$ 69,749	\$ 52,606,212

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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 12,592,294		\$ 50,497,742		\$ 63,090,036
Cash with Fiscal Agents				\$ 1,837	1,837
Interfunds Receivable	308,610				308,610
Receivable from Federal Government		\$ 294,721			294,721
Receivable from State Government	740,272	30,588			770,860
Tax Levy Receivable	310				310
Other Receivables	280				280
Restricted Cash and Cash Equivalents	2,259,794	412,788			2,672,582
Total Assets	\$ 15,901,560	\$ 738,097	\$ 50,497,742	\$ 1,837	\$ 67,139,236

LIABILITIES AND FUND BALANCES:

Liabilities:					
Interest Payable				\$ 1,837	\$ 1,837
Accounts Payable	\$ 939,722	\$ 6,734			946,456
Interfunds Payable		308,610			308,610
Unearned Revenue		9,965			9,965
Total Liabilities	939,722	325,309		1,837	1,266,868
Fund Balances:					
Restricted for:					
Capital Reserve Account	2,068,524				2,068,524
Maintenance Reserve Account	56,413				56,413
Excess Surplus 2024-2025	4,773,378				4,773,378
Excess Surplus 2023-2024	4,780,795				4,780,795
Unemployment Compensation	134,857				134,857
Scholarships		18,149			18,149
Student Activities		394,639			394,639
Capital Projects			\$ 49,408,589		49,408,589

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
LIABILITIES AND FUND BALANCES:					
Fund Balances:					
Committed:			\$ 1,089,153		\$ 1,089,153
Capital Projects					
Assigned:	\$ 1,119,395				1,119,395
Year End Encumbrances	953,887				953,887
Subsequent Year's Expenditures	1,074,589				1,074,589
Unassigned					
Total Fund Balances	14,961,838	\$ 412,788	50,497,742		65,872,368
Total Liabilities and Fund Balances	\$ 15,901,560	\$ 738,097	\$ 50,497,742	\$ 1,837	\$ 67,139,236

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

Total Fund Balances (Above)	\$ 65,872,368
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	49,250,681
The Deferred Amount on Refunding is not reported as an expenditure in the governmental funds in the year of the expenditure.	414,093
Interest on long-term liability is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(525,931)
Long-term liabilities, including bonds payable, bond issuance premiums, financed purchases payable 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.	(61,168,468)

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	970,280
Deferred Inflows	(2,276,560)
Net Position of Governmental Activities (Exhibit A-1)	\$ 52,536,463

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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 34,952,171			\$ 3,164,098	\$ 38,116,269
Interest Earned on Maintenance Reserve Funds	2,118				2,118
Interest Earned on Capital Reserve Funds	58,319				58,319
Restricted Miscellaneous Revenue	5,158	\$ 602,836			607,994
Unrestricted Miscellaneous Revenue	1,400,465	722	\$ 683,708		2,084,895
Total - Local Sources	36,418,231	603,558	683,708	3,164,098	40,869,595
State Sources	9,830,271	30,588		252,252	10,113,111
Federal Sources		995,442			995,442
Total Revenue	46,248,502	1,629,588	683,708	3,416,350	51,978,148
EXPENDITURES:					
Current:					
Regular Instruction	10,247,713	708,950			10,956,663
Special Education Instruction	1,180,017	287,214			1,467,231
Other Special Instruction	13,795				13,795
Other Instruction	1,537,941				1,537,941
Support Services and Undistributed Costs:					
Tuition	3,950,507				3,950,507
Student & Instruction Related Services	4,956,934	512,653			5,469,587
General Administration Services	782,611				782,611
School Administration Services	1,126,826				1,126,826
Central Services	463,524				463,524
Administrative Information Technology	386,364				386,364
Plant Operations and Maintenance	2,884,587				2,884,587
Pupil Transportation	2,583,282				2,583,282

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd):					
Support Services and Undistributed Costs:					
Unallocated Benefits	\$ 14,055,760				\$ 14,055,760
Capital Outlay	932,939	\$ 30,588	\$ 1,732,224		2,695,751
Debt Service:					
Interest and Other Charges				\$ 326,350	326,350
Principal				3,090,000	3,090,000
Total Expenditures	45,102,800	\$ 1,539,405	1,732,224	3,416,350	51,790,779
Excess/(Deficiency) of Revenue over/(under) Expenditures	1,145,702	90,183	(1,048,516)		187,369
OTHER FINANCING SOURCES/(USES):					
Financed Purchases (Non-budgeted)	130,000				130,000
Bond Proceeds			44,349,000		44,349,000
Transfers	(291,701)		291,292		(409)
Total Other Financing Sources/(Uses)	(161,701)		44,640,292		44,478,591
Net Change in Fund Balances	984,001	90,183	43,591,776		44,665,960
Fund Balance - July 1	13,977,837	322,605	6,905,966		21,206,408
Fund Balance - June 30	\$ 14,961,838	\$ 412,788	\$ 50,497,742	\$ - 0 -	\$ 65,872,368

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, 2023

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)	\$ 44,665,960				
Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are different because:					
Capital outlays related to capital assets 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.	<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="padding-right: 10px;">Depreciation Expense</td> <td style="text-align: right;">\$ (1,404,423)</td> </tr> <tr> <td style="border-top: 1px solid black; padding-top: 5px;">Capital Asset Additions</td> <td style="border-top: 1px solid black; text-align: right; padding-top: 5px;">2,428,698</td> </tr> </table>	Depreciation Expense	\$ (1,404,423)	Capital Asset Additions	2,428,698
Depreciation Expense	\$ (1,404,423)				
Capital Asset Additions	2,428,698				
Financed Purchases entered into by the District are an other financing source in the Governmental Funds, but the acquisition increases Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.	1,024,275				
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 (+).	(130,000)				
In the Statement of Activities, interest on long-term liabilities in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due.	24,221				
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.	(424,852)				
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.	193,779				
Proceeds from debt issues are a financing source in the governmental funds, they are not revenue in the Statement of Activities; issuing debt increases long-term liabilities in the Statement of Net Position.	(138,031)				
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.	(44,349,000)				
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:	3,090,000				
Change in Net Pension Liability	(2,160,388)				
Change in Deferred Outflows	625,216				
Change in Deferred Inflows	3,079,152				
Change in Net Position of Governmental Activities (Exhibit A-2)	\$ 5,500,332				

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, 2023

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Fund</u>	<u>Major Fund Food Service</u>	<u>Total Enterprise Funds</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 33,890	\$ 90,275	\$ 124,165
Inventories		14,324	14,324
Total Current Assets	<u>33,890</u>	<u>104,599</u>	<u>138,489</u>
Non-Current Assets:			
Capital Assets:			
Depreciable Furniture, Machinery & Equipment		398,188	398,188
Less: Accumulated Depreciation		<u>(396,009)</u>	<u>(396,009)</u>
Total Non-Current Assets		<u>2,179</u>	<u>2,179</u>
Total Assets	<u>33,890</u>	<u>106,778</u>	<u>140,668</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Unearned Revenue	8,400	20,539	28,939
Accounts Payable - Vendors		<u>41,980</u>	<u>41,980</u>
Total Liabilities	<u>8,400</u>	<u>62,519</u>	<u>70,919</u>
<u>NET POSITION:</u>			
Investment in Capital Assets		2,179	2,179
Unrestricted	<u>25,490</u>	<u>42,080</u>	<u>67,570</u>
Total Net Position	<u>\$ 25,490</u>	<u>\$ 44,259</u>	<u>\$ 69,749</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, 2023

	Business-Type Activities - Enterprise Funds		
	Non-Major Fund	Major Fund Food Service	Total Enterprise Funds
Operating Revenue:			
Local Sources:			
Daily Sales - Non-Reimbursable Programs		\$ 703,282	\$ 703,282
Special Events		770	770
Free and Reduced Lunches Subsidized by District		41,010	41,010
Summer Enrichment Program Fees	\$ 12,000		12,000
Total Operating Revenue	12,000	745,062	757,062
Operating Expenses:			
Cost of Sales- Non-Reimbursable Programs		359,285	359,285
Salaries, Benefits & Payroll Taxes	5,011	264,264	269,275
Supplies, Insurance & Other Costs		38,117	38,117
Management Fee		40,071	40,071
Miscellaneous Expense		31,463	31,463
Depreciation Expense		623	623
Total Operating Expenses	5,011	733,823	738,834
Operating Income/(Loss)	6,989	11,239	18,228
Non-Operating Income:			
Interest Income		2,458	2,458
Total Non-Operating Income		2,458	2,458
Change in Net Position before Transfer	6,989	13,697	20,686
Transfer - General Fund		409	409
Change in Net Position	6,989	14,106	21,095
Net Position - Beginning of Year	18,501	30,153	48,654
Net Position - End of Year	\$ 25,490	\$ 44,259	\$ 69,749

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, 2023

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Fund</u>	<u>Major Fund Food Service</u>	<u>Total Enterprise Funds</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 8,400	\$ 705,413	\$ 713,813
Receipts from District		41,010	41,010
Payments by District for Free and Reduced Lunches		(41,010)	(41,010)
Payments to Food Service Vendor		(701,032)	(701,032)
Payments to Summer Enrichment Employees	(5,011)		(5,011)
Net Cash Provided by Operating Activities	<u>3,389</u>	<u>4,381</u>	<u>7,770</u>
Cash Flows from Investing Activities:			
Interest Income		2,458	2,458
Net Cash Provided by Investing Activities		<u>2,458</u>	<u>2,458</u>
Cash Flows from Noncapital Financing Activities:			
Transfer - General Fund		409	409
Net Cash Provided by Noncapital Financing Activities		<u>409</u>	<u>409</u>
Net Increase in Cash and Cash Equivalents	3,389	7,248	10,637
Cash and Cash Equivalents, July 1	<u>30,501</u>	<u>83,027</u>	<u>113,528</u>
Cash and Cash Equivalents, June 30	<u>\$ 33,890</u>	<u>\$ 90,275</u>	<u>\$ 124,165</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	\$ 6,989	\$ 11,239	\$ 18,228
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Depreciation		623	623
Changes in Assets and Liabilities:			
(Increase)/Decrease in Inventory		1,997	1,997
Increase/(Decrease) in Unearned Revenue	(3,600)	1,361	(2,239)
Increase/(Decrease) in Accounts Payable		(10,839)	(10,839)
Net Cash Provided by Operating Activities	<u>\$ 3,389</u>	<u>\$ 4,381</u>	<u>\$ 7,770</u>

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, 2023

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. 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, 2023

(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. Separate statements for each fund category – governmental and proprietary - 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, 2023
(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, lease assets or subscription 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 funds:

Enterprise Funds: 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.

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. 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, lease asset or subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under financed purchases 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, 2023
(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget for the fiscal year ended June 30, 2023 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 except for student activities and scholarships. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from 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, 2023
(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	\$ 46,273,459	\$ 1,636,748
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		(14,659)
Prior Year Encumbrances at year end		7,499
Prior Year State Aid Payments Recognized for GAAP Statements, not recognized for Budgetary Basis	168,874	
Current Year State Aid Payments recognized for Budgetary purposes, not recognized for GAAP Statements	<u>(193,831)</u>	
Total Revenues as reported on the Statement of Revenues, Expenditures & Changes in Fund Balances - Governmental Funds	<u>\$ 46,248,502</u>	<u>\$ 1,629,588</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	\$ 44,972,800	\$ 1,546,565
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		(14,659)
Prior Year Encumbrances at year end		7,499
Total Expenditures as Reported on the Statement of Revenue, Expenditures, & Changes in Fund Balances - Governmental Funds	<u>\$ 44,972,800</u>	<u>\$ 1,539,405</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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, 2023

(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, 2023.

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, 2023
(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. Lease Assets:

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Subscription Assets:

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. 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.

O. 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, 2023, the amount earned by these employees but not disbursed was \$481,748.

P. 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.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

P. Compensated Absences: (Cont'd)

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.

Q. Lease Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

R. Subscriptions Payable:

In the district-wide financial statements, subscriptions payable are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. 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.

T. Fund Balance Appropriated:

General Fund: Of the \$14,961,838 General Fund balance at June 30, 2023, \$2,073,282 is assigned fund balance of which \$1,119,395 is for year-end encumbrances and \$953,887 is for subsequent year's expenditures and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2024; \$2,068,524 is restricted in the capital reserve account; \$56,413 is restricted in the maintenance reserve account; \$134,857 is restricted for unemployment compensation; \$4,780,795 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, 2024; \$4,773,378 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, 2025; and \$1,074,589 is unassigned fund balance which is \$193,831 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, 2024.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2023 is \$412,788 and is restricted for student activities and scholarships.

Capital Projects Fund: Of the \$50,497,742 of Capital Projects Fund balance at June 30, 2023, \$49,408,589 is restricted and \$1,089,153 is committed.

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.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$193,831 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.

U. Deficit Net Position:

The District has a deficit in unrestricted net position of \$7,364,655 in governmental activities, which is primarily due to accruals for unamortized bond premiums and changes in PERS net pension liability and deferred inflows and outflows associated with PERS pension. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

V. 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, 2023 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, 2023 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, lease assets, net of accumulated amortization, and subscription assets, net of accumulated amortization 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.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

W. 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 a capital reserve, maintenance reserve, excess surplus, unemployment compensation insurance, scholarships, student activities, and the capital projects fund.

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 committed resources at June 30, 2023 in the capital projects fund.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for subsequent year's expenditures in the General Fund at June 30, 2023.

X. 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.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

Y. 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.

Z. 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.

AA. 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 in the section of this note on investments.

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.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

Deposits:

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

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

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

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

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

Investments:

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

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

Investments: (Cont'd)

- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4; or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.).
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); 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, 2023
(Continued)

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

Investments: (Cont'd)

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents						Total
	Restricted				Unrestricted		
	Capital Reserve	Maintenance Reserve	Unemployment Compensation	Scholarships			
Checking Accounts	\$2,068,524	\$ 56,413	\$ 134,857	\$ 18,149	\$369,757	\$63,027,059	\$65,674,759
Savings Accounts						187,142	187,142
Certificates of Deposit					24,882		24,882
	\$2,068,524	\$ 56,413	\$ 134,857	\$ 18,149	\$394,639	\$63,214,201	\$65,886,783

During the period ended June 30, 2023, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$65,886,783 and the bank balance was \$66,893,619.

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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance at July 1, 2022	\$ 1,985,205
Increased by:	
Transfer by Board Resolution June 2023	1,000,000
Interest Earnings	58,319
	3,043,524
Decreased by:	
Budgeted Withdrawal for Capital Projects	(975,000)
Ending Balance at June 30, 2023	\$ 2,068,524

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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. The withdrawal from the capital reserve account was for use in facilities projects, consistent with the District's 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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance at July 1, 2022	\$	54,295
Interest Earnings		2,118
Ending Balance at June 30, 2023	\$	56,413

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 1,961,326			\$ 1,961,326
Construction in Progress	9,797,607	\$ 1,732,224		11,529,831
Total Capital Assets not being Depreciated	<u>11,758,933</u>	<u>1,732,224</u>		<u>13,491,157</u>
Capital Assets being Depreciated:				
Site Improvements	3,041,346			3,041,346
Buildings and Building Improvements	54,319,490			54,319,490
Machinery and Equipment	7,329,709	696,474	\$ (1,394,418)	6,631,765
Total Capital Assets being Depreciated	<u>64,690,545</u>	<u>696,474</u>	<u>(1,394,418)</u>	<u>63,992,601</u>
Governmental Activities Capital Assets	<u>76,449,478</u>	<u>2,428,698</u>	<u>(1,394,418)</u>	<u>77,483,758</u>
Less Accumulated Depreciation for:				
Site Improvements	(2,288,019)	(81,956)		(2,369,975)
Buildings and Building Improvements	(20,177,465)	(969,467)		(21,146,932)
Machinery and Equipment	(5,757,588)	(353,000)	1,394,418	(4,716,170)
Total Accumulated Depreciation	<u>(28,223,072)</u>	<u>(1,404,423)</u>	<u>1,394,418</u>	<u>(28,233,077)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 48,226,406</u>	<u>\$ 1,024,275</u>	<u>\$ - 0 -</u>	<u>\$ 49,250,681</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 398,188			\$ 398,188
Less Accumulated Depreciation	(395,386)	\$ (623)		(396,009)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,802</u>	<u>\$ (623)</u>	<u>\$ - 0 -</u>	<u>\$ 2,179</u>
Total Governmental and Business-Type Activities	<u>\$ 48,229,208</u>	<u>\$ 1,023,652</u>	<u>\$ - 0 -</u>	<u>\$ 49,252,860</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

During the year ended June 30, 2023, the District had active construction projects totaling \$11,529,831 of which the District expended \$1,732,224 during the year and has \$5,025,959 in construction encumbrances at June 30, 2023.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$	21,422
Operations & Maintenance of Plant		18,376
Student Transportation		281,221
Central Services		11,753
Unallocated		1,071,651
		1,071,651
Total Depreciation	\$	1,404,423

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2023, the District transferred \$21,995 to the capital outlay accounts for equipment for which County Superintendent approval was not required.

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in the long-term liabilities reported in the district-wide financial statements:

	Balance 6/30/2022	Issued/ Accrued	Matured/ Retired	Balance 6/30/2023	Due within One Year
Serial Bonds Payable	\$ 10,010,000	\$ 44,349,000	\$ 3,090,000	\$ 51,269,000	\$ 4,344,000
Unamortized Bond Issuance Premium	775,116		193,779	581,337	193,779
Net Pension Liability	6,251,448	2,160,388		8,411,836	
Financed Purchases Payable		130,000		130,000	130,000
Compensated Absences Payable	800,516		24,221	776,295	24,603
	\$ 17,837,080	\$ 46,639,388	\$ 3,308,000	\$ 61,168,468	\$ 4,692,382

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 \$4,344,000 and the long-term portion is \$46,925,000.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

A. Bonds Payable: (Cont'd)

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.

On March 15, 2023, the District issued \$44,349,000 in school bonds which were authorized by voter referendum for the rehabilitation, renovation, alteration and improvement of Hanover Park and Whippany Park High Schools. The bonds mature in serial installments due March 15, 2024 through March 15, 2043 at interest rates ranging from 3.00% to 4.00% over the life of the issue.

Serial Bonds Outstanding as of June 30, 2023

<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
School Refunding Bonds of 2013	10/01/25	4.00%	\$ 5,720,000
School Bonds of 2014	02/01/24	2.50%	1,200,000
School Bonds of 2023	03/15/43	3.00-4.00%	44,349,000
			<u>\$ 51,269,000</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

A. Bonds Payable: (Cont'd)

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

Fiscal Year Ending June 30,	Bonds		Total
	Principal	Interest	
2024	\$ 4,344,000	\$ 1,784,220	\$ 6,128,220
2025	3,980,000	1,640,600	5,620,600
2026	3,895,000	1,503,650	5,398,650
2027	2,150,000	1,405,250	3,555,250
2028	2,150,000	1,340,750	3,490,750
Thereafter:			
2029-2033	10,900,000	5,627,000	16,527,000
2034-2038	11,850,000	3,653,000	15,503,000
2039-2043	12,000,000	1,434,000	13,434,000
	\$ 51,269,000	\$ 18,388,470	\$ 69,657,470

B. Bonds Authorized But Not Issued:

The Board had \$1,279 of bonds authorized but not issued at June 30, 2023.

C. Financed Purchases Payable:

The District has a financed purchase agreement for security equipment in the amount of \$130,000 as of June 30, 2023. The financed purchase agreement is for 3 months in length and will be liquidated by the General Fund. The following is a schedule of the future minimum financed purchase payments under the financed purchase agreement, and the present value of the net minimum financed purchase payments of June 30, 2023.

Fiscal Year Ending June 30,	Amount
2024	\$ 130,000
Total Minimum Financed Purchase Payments	130,000
Less: Amount Representing Interest	- 0 -
Present Value of Net Minimum Financed Purchase Payments	\$ 130,000

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 \$24,603 and the long-term portion is \$751,692.

The District had no liability at June 30, 2023 for compensated absences in its Food Service or Summer Enrichment Enterprise Funds.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

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, 2023 is \$-0- and the long-term portion is \$8,411,836. See Note 9 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 portion of \$387,558.

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the 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 annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

The following represents the membership tiers for PERS:

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 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.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A 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 includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

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 \$702,900 for the current fiscal year. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$17,699 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF).

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Special Funding Situation (Cont'd)

As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

At June 30, 2023, the District reported a liability of \$8,411,836 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.0557%, which was an increase of 0.003% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized an actual pension benefit in the amount of \$841,079. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$17,699 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

There was no state proportionate share of the net pension liability attributable to the District as of June 30, 2023.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2018	5.63		\$ 202,204
	2019	5.21		252,687
	2020	5.16		743,037
	2021	5.13		61,657
	2022	5.04	\$ 26,063	
				<u>26,063</u>
Difference Between Expected and Actual Experience	2018	5.63		7,701
	2019	5.21	19,316	
	2020	5.16	41,397	
	2021	5.13		20,726
	2022	5.04		25,113
				<u>60,713</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Pension Liabilities, Pension Expense, and Deferred Outflows and 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>
Net Difference Between Projected and Actual	2019	5.00	\$ 8,322	
Investment Earnings on Pension Plan Investments	2020	5.00	250,057	
	2021	5.00	(1,559,697)	
	2022	5.00	1,649,476	
			<u>348,158</u>	
Changes in Proportion	2018	5.63	82,677	
	2019	5.21		\$ 210,224
	2020	5.16		342,985
	2021	5.13		410,226
	2022	5.04	452,669	
			<u>535,346</u>	<u>963,435</u>
District Contribution Subsequent to the Measurement Date	2022	1.00	729,931	
			<u>\$ 1,700,211</u>	<u>\$ 2,276,560</u>

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 the pension benefit as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2023	\$ (721,559)
2024	(367,610)
2025	(179,276)
2026	391,113
2027	(859)
	<u>\$ (878,191)</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% 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-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) 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, 2022 are summarized in the table on the following page:

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2022 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:

	<u>June 30, 2022</u>		
	<u>1%</u>	<u>Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
District's proportionate share of the Net Pension Liability	\$ 10,806,745	\$ 8,411,836	\$ 6,373,672

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 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.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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 2022, the State's pension contribution was more 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2023, the State of New Jersey contributed \$4,761,207 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$1,607,985.

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, 2023, the State's proportionate share of the net pension liability associated with the District was \$59,747,978. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.116%, which was an increase of 0.0005% from its proportion measured as of June 30, 2021.

District's Proportionate Share of the Net Pension Liability	\$ - 0 -
State's Proportionate Share of the Net Pension Liability Associated with the District	59,747,978
Total	\$ 59,747,978

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$1,607,985 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 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	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			<u>3,013,097,864</u>	<u>19,441,140,477</u>
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.30		21,088,845.00
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
			<u>699,820,974</u>	<u>122,664,916</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			<u>1,172,371,073</u>	
			<u>\$ 4,885,289,911</u>	<u>\$ 19,563,805,393</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	\$ (14,678,515,482)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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	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-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. 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 7.00% as of June 30, 2022. 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 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments 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, 2022 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, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 70,055,774	\$ 59,747,978	\$ 51,064,955

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

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 \$37,421 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$50,865 for the year ended June 30, 2023.

NOTE 10. 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, 3rd Floor, Cranford, NJ 07016.

NOTE 11. 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 Annual Comprehensive 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.

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 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.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

Selected, summarized financial information for the Group as of June 30, 2023 is as follows:

Total Assets	\$ 429,049,188
Net Position	\$ 201,308,725
Total Revenue	\$ 160,069,780
Total Expenses	\$ 141,165,428
Change in Net Position	\$ 16,304,414
Members Dividends	\$ 2,599,938

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 Unemployment Compensation Restricted Fund Balance for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of the District's contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years:

Fiscal Year	District Contributions	Employee Contributions and Interest	Amount Reimbursed	Ending Balance
2022-2023	\$ - 0 -	\$ 76,671	\$ 112,397	\$ 134,857
2021-2022	- 0 -	103,191	86,140	170,583
2020-2021	- 0 -	78,826	56,390	153,532

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The District had the following interfund receivables and payables at June 30, 2023.

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 308,610	
Special Revenue Fund		\$ 308,610
	\$ 308,610	\$ 308,610

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 13. 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.

NOTE 14. 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.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 14. CONTINGENT LIABILITIES (Cont'd)

Encumbrances

At June 30, 2023, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 1,119,395	\$ 14,659	\$ 5,025,959	\$ 6,160,013

On the District's Governmental Funds Balance Sheet as of June 30, 2023, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$14,659 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. In the Capital Projects Fund, \$4,923,690 of encumbrances in is included in restricted fund balance and \$102,269 is included in committed 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, 2023, if any, is unknown and has not been recorded in the financial statements.

NOTE 15. ECONOMIC DEPENDENCY

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

NOTE 16. 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.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 16. TAX ABATEMENTS (Cont'd)

The Borough of Florham Park recognized revenue in the amount of \$459,704 from payment in lieu of taxes ("PILOT") agreements. The taxes which would have been paid on these properties for 2022 without the abatement would have been \$1,014,465 of which \$190,055 would have been for the regional high school tax.

NOTE 17. ACCOUNTS PAYABLE

The following accounts payable existed as of June 30, 2023:

	<u>Governmental Funds</u>			<u>District Contribution</u>		<u>Business-type</u>	
	<u>General</u>	<u>Special</u>	<u>Total</u>	<u>Subsequent</u>	<u>Total</u>	<u>Activities</u>	
	<u>Fund</u>	<u>Revenue</u>	<u>Governmental</u>	<u>to the</u>	<u>Governmental</u>	<u>Proprietary</u>	<u>Total</u>
		<u>Fund</u>	<u>Funds</u>	<u>Measurement</u>	<u>Activities</u>	<u>Funds</u>	
				<u>Date</u>			
Vendors	\$ 183,748	\$ 6,734	\$ 190,482		\$ 190,482	\$ 41,980	\$ 232,462
Payroll Deductions and Withholdings	274,226		274,226		274,226		274,226
Accrued Salaries and Wages	481,748		481,748		481,748		481,748
Due to the State of New Jersey				\$ 729,931	729,931		729,931
	<u>\$ 939,722</u>	<u>\$ 6,734</u>	<u>\$ 946,456</u>	<u>\$ 729,931</u>	<u>\$ 1,676,387</u>	<u>\$ 41,980</u>	<u>\$ 1,718,367</u>

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

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 Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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 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 annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	151,669
Active Plan Members	<u>213,148</u>
Total	<u><u>364,817</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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.

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

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-2021. 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-2021. 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-2021 for current disabled retirees. Future disabled retirees were based on the Pub-2010 “Safety” (PFRS), “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. 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.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Changes in the State’s Proportionate Share of the Total OPEB Liability Associated with the District

	<u>Total OPEB Liability</u>
Balance at June 30, 2021	\$ 69,352,873
Changes for Year:	
Service Cost	3,078,616
Interest Cost	1,561,110
Changes of Assumptions	(15,802,428)
Differences between Expected and Actual Experience	2,213,910
Gross Benefit Payments by the State	(1,546,326)
Contributions from Members	<u>49,607</u>
Net Changes	<u>(10,445,511)</u>
Balance at June 30, 2022	<u>\$ 58,907,362</u>

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, 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, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB Liability Attributable to the District	\$ 69,239,408	\$ 58,907,362	\$ 50,626,744

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, 2022, 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:

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 48,690,535	\$ 58,907,362	\$ 72,327,784

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

For the fiscal year ended June 30, 2023 the District recognized OPEB expense of \$1,878,055 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, 2022 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		\$ 3,058,533
	2018	9.51		2,918,711
	2019	9.29	\$ 412,078	
	2020	9.24	9,729,341	
	2021	9.24	53,954	
	2022	9.13		14,071,604
			10,195,373	20,048,848
Differences Between Expected and Actual Experience	2018	9.51		2,759,090
	2019	9.29		4,850,179
	2020	9.24	9,068,128	
	2021	9.24		10,375,830
	2022	9.13	1,449,173	
			10,517,301	17,985,099
Changes in Proportion	N/A	N/A	1,669,592	840,107
			\$ 22,382,266	\$ 38,874,054

N/A - Not Available

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
 (Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (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
2023	\$ (2,927,722)
2024	(2,927,722)
2025	(2,927,722)
2026	(2,530,285)
2027	(1,446,851)
Thereafter	(4,560,971)
	\$ (17,321,273)

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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the Net Pension Liability	0.0575238109%	0.0527891370%	0.0608193031%	0.0602127692%	0.0634886552%	0.0594925225%	0.0558532149%	0.0527704242%	0.0557393523%
District's proportionate share of the Net Pension Liability	\$ 10,770,031	\$ 11,850,103	\$ 18,012,933	\$ 14,016,570	\$ 12,500,000	\$ 10,719,650	\$ 9,108,199	\$ 6,251,448	\$ 8,411,836
District's Covered Employee Payroll	\$ 3,796,444	\$ 3,887,969	\$ 3,961,621	\$ 4,017,384	\$ 3,909,098	\$ 3,722,457	\$ 3,830,763	\$ 3,774,850	\$ 3,950,184
District's proportionate share of the Net Pension Liability as a percentage of its Covered Employee Payroll	283.69%	304.79%	454.69%	348.90%	319.77%	287.97%	237.76%	165.61%	212.95%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 474,218	\$ 453,845	\$ 543,864	\$ 566,478	\$ 634,762	\$ 581,486	\$ 611,007	\$ 618,003	\$ 702,900
Contributions in relation to the Contractually Required Contribution	(474,218)	(453,845)	(543,864)	(566,478)	(634,762)	(581,486)	(611,007)	(618,003)	(702,900)
Contribution Deficiency/(Excess)	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 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	\$ 3,774,850	\$ 3,950,184	\$ 4,111,633
Contributions as a percentage of Covered Employee Payroll	12.20%	11.46%	13.54%	14.49%	17.05%	15.18%	16.19%	15.64%	17.10%

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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
State's proportion of the Net Pension Liability attributable to the District	0.1206990792%	0.1188149302%	0.1185157526%	0.1195199449%	0.1176329769%	0.1186390035%	0.1189157773%	0.1153409310%	0.1158031876%
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	\$ 78,304,609	\$ 55,450,370	\$ 59,747,978
District's Covered Employee Payroll	\$ 12,008,103	\$ 12,004,910	\$ 12,070,586	\$ 12,398,615	\$ 12,680,670	\$ 12,495,852	\$ 12,892,190	\$ 13,199,603	\$ 13,697,508
State's proportionate share of the Net Pension Liability attributable to the District as a % of District's Covered Employee Payroll	537.22%	625.54%	772.39%	649.95%	590.15%	582.67%	607.38%	420.09%	436.20%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 3,471,229	\$ 4,585,294	\$ 7,005,090	\$ 5,582,497	\$ 4,362,652	\$ 4,294,521	\$ 4,869,314	\$ 1,304,772	\$ 1,607,985
Contributions in relation to the Contractually Required Contribution	(642,357)	(948,884)	(1,297,358)	(1,732,319)	(2,333,342)	(2,608,278)	(3,352,821)	(4,767,219)	(4,761,207)
Contribution Deficiency/(Excess)	\$ 2,828,872	\$ 3,636,410	\$ 5,707,732	\$ 3,850,178	\$ 2,029,310	\$ 1,686,243	\$ 1,516,493	\$ (3,462,447)	\$ (3,153,222)
District's Covered Employee Payroll	\$ 12,004,910	\$ 12,070,586	\$ 12,398,615	\$ 12,680,670	\$ 12,495,852	\$ 12,892,190	\$ 13,199,603	\$ 13,697,508	\$ 14,177,726
Contributions as a percentage of Covered Employee Payroll	5.35%	7.86%	10.46%	13.66%	18.67%	20.23%	25.40%	34.80%	33.58%

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability:						
Service Cost	\$ 2,670,677	\$ 2,208,352	\$ 2,001,965	\$ 2,036,479	\$ 3,533,798	\$ 3,078,616
Interest Cost	1,932,126	2,239,377	2,122,096	1,760,576	1,799,087	1,561,110
Changes in Benefit Terms					(73,818)	
Changes in Assumptions	(8,011,206)	(6,145,614)	729,391	14,267,675	68,422	(15,802,428)
Differences between Expected and Actual Experience		(4,394,636)	(8,031,192)	12,442,697	(12,711,584)	2,213,910
Member Contributions	52,051	49,493	44,514	41,215	45,994	49,607
Gross Benefit Payments	(1,413,567)	(1,432,020)	(1,501,677)	(1,359,799)	(1,417,176)	(1,546,326)
Net Change in Total OPEB Liability	(4,769,919)	(7,475,048)	(4,634,903)	29,188,843	(8,755,277)	(10,445,511)
Total OPEB Liability - Beginning	65,799,177	61,029,258	53,554,210	48,919,307	78,108,150	69,352,873
Total OPEB Liability - Ending	<u>\$ 61,029,258</u>	<u>\$ 53,554,210</u>	<u>\$ 48,919,307</u>	<u>\$ 78,108,150</u>	<u>\$ 69,352,873</u>	<u>\$ 58,907,362</u>
District's Covered Employee Payroll *	\$ 16,415,999	\$ 16,589,768	\$ 16,218,309	\$ 16,722,953	\$ 16,974,453	\$ 17,647,692
Total OPEB Liability as a Percentage of Covered Employee Payroll	372%	323%	302%	467%	409%	334%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2022 are based on the payroll on the June 30, 2016 - 2021 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, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 34,952,171		\$ 34,952,171	\$ 34,952,171	
Unrestricted Miscellaneous Revenues	100,000		100,000	1,400,465	\$ 1,300,465
Interest Earned on Maintenance Reserve	250		250	2,118	1,868
Interest Earned on Capital Reserve Funds	1,000		1,000	58,319	57,319
Other Restricted Miscellaneous Revenues				5,158	5,158
Total Revenues from Local Sources	35,053,421		35,053,421	36,418,231	1,364,810
Revenues from State Sources:					
Categorical Transportation Aid	640,159		640,159	640,159	
Extraordinary Aid	200,000		200,000	646,043	446,043
Categorical Special Education Aid	1,390,438		1,390,438	1,390,438	
Categorical Security Aid	25,177		25,177	25,177	
Non-Public Transportation Aid				45,516	45,516
State Reimbursement for Lead Testing of Drinking Water				3,150	3,150
TPAF Post Retirement Contributions (Non-Budgeted)				1,268,110	1,268,110
TPAF Pension Contributions (Non-Budgeted)				4,761,207	4,761,207
TPAF Non-Contributory Insurance (Non-Budgeted)				66,056	66,056
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,765	1,765
Reimbursed TPAF Social Security Contributions				1,007,607	1,007,607
Total Revenues from State Sources	2,255,774		2,255,774	9,855,228	7,599,454
Revenues from Federal Sources:					
Medicaid Reimbursement	14,059		14,059		(14,059)
Total Revenues from Federal Sources	14,059		14,059		(14,059)
TOTAL REVENUE	37,323,254		37,323,254	46,273,459	8,950,205

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 10,047,956	\$ (56,433)	\$ 9,991,523	\$ 9,625,069	\$ 366,454
Regular Programs - Home Instruction:					
Salaries of Teachers	35,000		35,000	20,900	14,100
Purchased Professional-Educational Services	36,128		36,128	16,860	19,268
Other Purchased Services (400-500 series)	1,050		1,050	174	876
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	4,400		4,400	3,149	1,251
Other Purchased Services (400-500 series)	256,957	(26,226)	230,731	162,828	67,903
General Supplies	399,533	2,675	402,208	348,843	53,365
Textbooks	102,347	(30,458)	71,889	58,305	13,584
Other Objects	12,385	1,012	13,397	11,585	1,812
Total Regular Programs - Instruction	<u>10,895,756</u>	<u>(109,430)</u>	<u>10,786,326</u>	<u>10,247,713</u>	<u>538,613</u>
Special Education - Instruction:					
Cognitive - Mild:					
Salaries of Teachers	65,886		65,886	65,336	550
Other Purchased Services (400-500 series)	475	35	510	268	242
General Supplies	3,039	(600)	2,439	2,239	200
Textbooks	195		195	195	
Other Objects	1,332	(400)	932	505	427
Total Cognitive -Mild	<u>70,927</u>	<u>(965)</u>	<u>69,962</u>	<u>68,543</u>	<u>1,419</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple Disabilities:					
Salaries of Teachers	\$ 70,521		\$ 70,521	\$ 68,481	\$ 2,040
Other Purchased Services (400-500 series)	475	(235)	240	210	30
General Supplies	20,090	1,600	21,690	21,064	626
Other Objects	800	(400)	400	76	324
Total Multiple Disabilities	91,886	965	92,851	89,831	3,020
Resource Room/Resource Center:					
Salaries of Teachers	1,087,821		1,087,821	1,005,182	82,639
Other Purchased Services (400-500 series)	500		500	98	402
General Supplies	1,650	(1,250)	400	400	400
Other Objects		270	270		270
Total Resource Room/Resource Center	1,089,971	(980)	1,088,991	1,005,280	83,711
Home Instruction:					
Salaries of Teachers	9,000	3,892	12,892	12,892	
Purchased Professional-Educational Services	9,440	(3,892)	5,548	3,440	2,108
Other Purchased Services (400-500 series)	1,000	(599)	401	31	370
Total Home Instruction	19,440	(599)	18,841	16,363	2,478
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,272,224	(1,579)	1,270,645	1,180,017	90,628
Bilingual Education - Instruction:					
Salaries of Teachers	27,404		27,404	13,735	13,669
Other Purchased Services (400-500 series)		1,099	1,099	60	1,039
General Supplies	500	(500)			
Total Bilingual Education - Instruction	27,904	599	28,503	13,795	14,708

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Ccurricular & Extracurricular Actvts. - Inst.:					
Salaries	\$ 254,341		\$ 254,341	\$ 249,698	\$ 4,643
Purchased Services (300-500 series)	10,306	\$ (425)	9,881	3,251	6,630
Supplies and Materials	13,037	(1,175)	11,862	8,651	3,211
Other Objects	11,810	(1,588)	10,222	6,345	3,877
Total School-Spon. Ccurricular & Extracurricular Actvts. - Inst.	<u>289,494</u>	<u>(3,188)</u>	<u>286,306</u>	<u>267,945</u>	<u>18,361</u>
School-Sponsored Athletics - Instruction:					
Salaries	937,955		937,955	925,464	12,491
Purchased Services (300-500 series)	209,543	12,085	221,628	199,150	22,478
Supplies and Materials	92,283	3,479	95,762	85,778	9,984
Other Objects	52,237	11,487	63,724	59,604	4,120
Total School-Sponsored Athletics - Instruction	<u>1,292,018</u>	<u>27,051</u>	<u>1,319,069</u>	<u>1,269,996</u>	<u>49,073</u>
TOTAL INSTRUCTION	<u>13,777,396</u>	<u>(86,547)</u>	<u>13,690,849</u>	<u>12,979,466</u>	<u>711,383</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	254,939	27,428	282,367	144,242	138,125
Tuition to County Voc. School Dist.-Regular	961,606	148,094	1,109,700	1,078,944	30,756
Tuition to County Voc. School Dist.-Special	86,203	(66,310)	19,893	19,893	
Tuition to CSSD & Reg. Day Schools	7,750		7,750		7,750
Tuition to Priv. Sch. for the Handicap. W/I State	3,862,092	(333,972)	3,528,120	2,707,428	820,692
Total Undistributed Expenditures - Instruction	<u>5,172,590</u>	<u>(224,760)</u>	<u>4,947,830</u>	<u>3,950,507</u>	<u>997,323</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expend. - Attendance & Social Work:					
Salaries	\$ 197,821		\$ 197,821	\$ 195,545	\$ 2,276
Supplies and Materials	900	\$ 166	1,066	956	110
Total Undist. Expend. - Attendance and Social Work	<u>198,721</u>	<u>166</u>	<u>198,887</u>	<u>196,501</u>	<u>2,386</u>
Undistributed Expenditures - Health Services:					
Salaries	178,557	1,670	180,227	180,226	1
Purchased Professional and Technical Services	245,479	(70,373)	175,106	49,311	125,795
Other Purchased Services (400-500 series)	1,070	2,110	3,180	3,048	132
Supplies and Materials	7,151	(1)	7,150	6,347	803
Other Objects	350	50	400	397	3
Total Undist. Expenditures - Health Services	<u>432,607</u>	<u>(66,544)</u>	<u>366,063</u>	<u>239,329</u>	<u>126,734</u>
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	143,032		143,032	138,306	4,726
Purchased Professional - Educational Services	91,292	(3,766)	87,526	60,646	26,880
Supplies and Materials	580		580	300	280
Other Objects	1,308		1,308	718	590
Total Undist. Expend. - Speech, OT, PT, Related Svcs	<u>236,212</u>	<u>(3,766)</u>	<u>232,446</u>	<u>199,970</u>	<u>32,476</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.:					
Salaries	\$ 1,566,771		\$ 1,566,771	\$ 1,284,215	\$ 282,556
Purchased Professional - Educational Services	607,213	\$ 33,429	640,642	325,341	315,301
Supplies and Materials	33,046		33,046	27,048	5,998
Other Objects	3,000		3,000	200	2,800
Total Undist. Expend. - Other Supp. Srvs. Students - Extra. Serv.	2,210,030	33,429	2,243,459	1,636,804	606,655
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	1,092,971	2,657	1,095,628	1,095,627	1
Salaries of Secretarial and Clerical Assistants	181,869		181,869	181,868	1
Other Purchased Prof. and Tech. Services	350		350		350
Other Purchased Services (400-500 series)	46,387	(2,742)	43,645	41,112	2,533
Supplies and Materials	1,519	(256)	1,263	990	273
Other Objects	2,825	(149)	2,676	2,377	299
Total Undist Expend. - Guidance	1,325,921	(490)	1,325,431	1,321,974	3,457
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	531,714	(77,501)	454,213	444,405	9,808
Salaries of Secretarial and Clerical Assistants	124,236		124,236	117,467	6,769
Unused Vacation Payment to Terminated/Retired Staff	1,616	6,963	8,579	6,030	2,549
Purchased Professional - Educational Services	2,000		2,000	150	1,850
Other Purchased Services (400-500 series)	34,407	(418)	33,989	22,048	11,941
Supplies and Materials	15,028	(1,678)	13,350	7,535	5,815
Other Objects	2,000		2,000	602	1,398
Total Undist Expend. - Child Study Team	711,001	(72,634)	638,367	598,237	40,130

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	\$ 342,415	\$ (101,895)	\$ 240,520	\$ 235,764	\$ 4,756
Salaries of Secretarial and Clerical Assistants	65,202	(7,568)	57,634	57,633	1
Unused Vacation Payment to Terminated/Retired Staff		17,806	17,806	17,805	1
Other Purchased Services (400-500 series)	17,592		17,592	17,329	263
Supplies and Materials	500		500		500
Total Undist. Expend.-Improv. of Inst. Serv.	425,709	(91,657)	334,052	328,531	5,521
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	180,690	1,010	181,700	180,745	955
Salaries of Technology Coordinators	51,047		51,047	50,924	123
Other Purchased Services (400-500 series)	16,904	(1,110)	15,794	13,278	2,516
Supplies and Materials	36,088	(580)	35,508	33,427	2,081
Other Objects	145		145	130	15
Total Undist Expend-Edu. Media Serv./Sch. Library	284,874	(680)	284,194	278,504	5,690
Undist.Expend.-Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	168,652	(47,187)	121,465	119,929	1,536
Salaries of Secretarial and Clerical Assistants	32,115	(3,728)	28,387	28,386	1
Unused Vacation Payment to Terminated/Retired Staff		8,770	8,770	8,769	1
Other Purchased Services (400-500 series)	4,500	(3,500)	1,000		1,000
Supplies and Materials	500		500		500
Other Objects	500		500		500
Total Undist.Expend.-Instructional Staff Training Services	206,267	(45,645)	160,622	157,084	3,538

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	\$ 421,568	\$ 75,406	\$ 496,974	\$ 496,973	\$ 1
Legal Services	82,858	(7,556)	75,302	59,050	16,252
Audit Fees	49,000		49,000	49,000	
Architectural/Engineering Services	12,483	(5,682)	6,801	6,300	501
Other Purchased Professional Services	3,500	(855)	2,645	2,645	
Communications / Telephone	89,594	(10,309)	79,285	78,136	1,149
BOE Other Purchased Services	5,000	1,783	6,783	6,657	126
Other Purch. Serv. (400-500 series other than 530 & 585)	60,178	53,048	113,226	54,609	58,617
General Supplies	8,000	1,089	9,089	8,002	1,087
Judgments Against The School District	90		90		90
Miscellaneous Expenditures	6,000	2,010	8,010	8,010	
BOE Membership Dues and Fees	13,229		13,229	13,229	
Total Undist. Expend.-Support Serv.-Gen. Admin.	751,500	108,934	860,434	782,611	77,823
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	714,744	129,800	844,544	844,542	2
Salaries of Secretarial and Clerical Assistants	244,377	(7,075)	237,302	232,970	4,332
Unused Vacation Payment to Terminated/Retired Staff		5,510	5,510	5,509	1
Purchased Professional and Technical Services		139	139		139
Other Purchased Services (400-500 series)	16,211	3,529	19,740	14,394	5,346
Supplies and Materials	18,870	(1,763)	17,107	14,577	2,530
Other Objects	26,706	(1,347)	25,359	14,834	10,525
Total Undist. Expend.-Support Serv.-School Adm.	1,020,908	128,793	1,149,701	1,126,826	22,875

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 382,303		\$ 382,303	\$ 379,696	\$ 2,607
Purchased Technical Services	58,448	\$ 1,031	59,479	49,210	10,269
Miscellaneous Purchased Services (400-500 series other than 594)	34,549	(2,772)	31,777	16,944	14,833
Supplies and Materials	10,883	4,502	15,385	14,725	660
Other Objects	3,400		3,400	2,949	451
Total Undist. Expend. - Central Services	489,583	2,761	492,344	463,524	28,820
Undist. Expend. - Admin. Info. Technology:					
Salaries	229,304	1,375	230,679	230,679	
Other Purchased Services (400-500 series)	116,847	25,599	142,446	142,437	9
Supplies and Materials	25,500	(9,480)	16,020	13,248	2,772
Total Undist. Expend. - Admin. Info. Technology	371,651	17,494	389,145	386,364	2,781
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	321,925		321,925	296,997	24,928
Cleaning, Repair, and Maintenance Services	371,081	285,747	656,828	372,821	284,007
General Supplies	86,743	7,974	94,717	88,503	6,214
Other Objects	2,428		2,428	1,428	1,000
Total Undist. Expend.- Required Maint. for School Facilities	782,177	293,721	1,075,898	759,749	316,149

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 843,299	\$ (34,234)	\$ 809,065	\$ 674,559	\$ 134,506
Unused Vacation Payment to Terminated/Retired Staff		4,234	4,234	4,234	
Purchased Professional and Technical Services	76,000	1,562	77,562	72,126	5,436
Cleaning, Repair, and Maintenance Services	43,800	(5,061)	38,739	29,049	9,690
Other Purchased Property Services	65,671	17,427	83,098	73,097	10,001
Insurance	200,000	(10,257)	189,743	175,993	13,750
Miscellaneous Purchased Services	40,702	(10,000)	30,702	3,324	27,378
General Supplies	93,407	(39,049)	54,358	49,962	4,396
Energy (Natural Gas)	235,000	20,000	255,000	233,939	21,061
Energy (Electricity)	386,562	(29,989)	356,573	328,868	27,705
Other Objects	525		525		525
Total Undist. Expend.-Custodial Services	1,984,966	(85,367)	1,899,599	1,645,151	254,448
Care and Upkeep of Grounds:					
Salaries	238,311		238,311	219,646	18,665
Purchased Professional and Technical Services	7,580		7,580		7,580
Cleaning, Repair, and Maintenance Services	86,674	16,900	103,574	91,652	11,922
General Supplies	89,405	(32,717)	56,688	49,968	6,720
Total Care And Upkeep Of Grounds	421,970	(15,817)	406,153	361,266	44,887
Security:					
Purchased Professional and Technical Services	117,445		117,445	81,044	36,401
Cleaning, Repair, and Maintenance Services	2,000	1,900	3,900	1,610	2,290
General Supplies	2,000	52,364	54,364	35,767	18,597
Total Security	121,445	54,264	175,709	118,421	57,288
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	3,310,558	246,801	3,557,359	2,884,587	672,772

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.:					
Salaries of Non-Instructional Aides	\$ 56,000		\$ 56,000	\$ 33,318	\$ 22,682
Sal. for Pupil Trans. (Bet. Home and Sch)-Reg.	938,791	\$ 1,938	940,729	647,712	293,017
Sal. for Pupil Trans. (Bet. Home and Sch)-Spl. Ed.	240,800	(73,938)	166,862	156,153	10,709
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	184,829	(606)	184,223	144,250	39,973
Sal. For Pupil Trans. (Bet. Home & Sch) Non Public	36,600	(6,295)	30,305	21,012	9,293
Management Fee - ESC&CTSA Transportation Program	1,200	853	2,053	2,053	
Other Purchased Professional and Technical Services	3,761		3,761	3,178	583
Cleaning, Repair, and Maint. Services	16,603		16,603	15,011	1,592
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	65,000	18,861	83,861	83,350	511
Contr Serv.-Aid in Lieu of Payments-Choice Stud.	3,000	(3,000)			
Contract. Serv.(Spl. Ed. Students)-Vendors	31,927	(6,392)	25,535	19,351	6,184
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts	57,500	(57,500)			
Contract. Serv.(Reg. Students)-ESCs & CTSA	246,675	75,000	321,675	320,018	1,657
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA	465,243	417,000	882,243	778,080	104,163
Misc. Purchased Serv. - Transportation	91,250	(9,893)	81,357	79,942	1,415
General Supplies	810	763	1,573	1,232	341
Transportation Supplies	358,226	(763)	357,463	275,122	82,341
Other Objects	5,000		5,000	3,500	1,500
Total Undist. Expend.-Student Trans. Serv.	2,803,215	356,028	3,159,243	2,583,282	575,961

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 550,602	\$ 55	\$ 550,657	\$ 550,301	\$ 356
Other Retirement Contributions - PERS	700,000	2,900	702,900	702,900	
Other Retirement Contributions - Regular		37,421	37,421	37,421	
Workers Compensation	189,500	33,080	222,580	221,100	1,480
Health Benefits	6,065,000	(468,952)	5,596,048	5,371,459	224,589
Tuition Reimbursement	25,100	7,100	32,200	29,736	2,464
Other Employee Benefits	28,315	(3,740)	24,575	22,482	2,093
Unused Sick Payment to Terminated/Retired Staff	4,000	11,616	15,616	15,616	
TOTAL UNALLOCATED BENEFITS	7,562,517	(380,520)	7,181,997	6,951,015	230,982
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				1,268,110	(1,268,110)
TPAF Pension Contributions (Non-Budgeted)				4,761,207	(4,761,207)
TPAF Non-Contributory Insurance (Non-Budgeted)				66,056	(66,056)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,765	(1,765)
Reimbursed TPAF Social Security Contributions				1,007,607	(1,007,607)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				7,104,745	(7,104,745)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	7,562,517	(380,520)	7,181,997	14,055,760	(6,873,763)
TOTAL UNDISTRIBUTED EXPENDITURES	27,513,864	7,710	27,521,574	31,190,395	(3,668,821)
TOTAL GENERAL CURRENT EXPENSE	41,291,260	(78,837)	41,212,423	44,169,861	(2,957,438)

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Grades 9-12	\$ 4,998	\$ 8,952	\$ 4,998	\$ 4,735	\$ 263
School-Sponsored and Other Instructional Programs				8,951	1
Undistributed:					
Undist. Expend. - Supp Serv. - Related & Extraord.	7,000	3,814	10,814	10,521	293
Undistributed Expenditures - Central Services		2,539	2,539	2,539	
Undistributed Expenditures - Admin. Info. Tech.	30,000		30,000		30,000
Undist. Expend. - Required Maint for School Fac.	18,915	3,078	21,993	6,495	15,498
Undist. Expend. - Custodial Services	6,000		6,000		6,000
Undist. Expend. - Care and Upkeep of Grounds	50,000	3,612	53,612		53,612
School Buses - Regular	449,193		449,193	446,652	2,541
School Buses - Special	216,581		216,581	216,581	
Total Equipment	782,687	21,995	804,682	696,474	108,208
Facilities Acquisition and Construction Serv.:					
Assessment for Debt Service on SDA Funding	106,465		106,465	106,465	
Total Facilities Acquisition and Const. Serv.	106,465		106,465	106,465	
Assets Acquired Under Financed Purchases (Non-Budgeted):					
Regular Programs - Equipment				130,000	(130,000)
Total Assets Acquired Under Financed Purchases (Non-Budgeted)				130,000	(130,000)
TOTAL CAPITAL OUTLAY	889,152	21,995	911,147	932,939	(21,792)
TOTAL EXPENDITURES	42,180,412	(56,842)	42,123,570	45,102,800	(2,979,230)

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ (4,857,158)	\$ 56,842	\$ (4,800,316)	\$ 1,170,659	\$ 5,970,975
Other Financing Sources/(Uses):					
Transfer from Capital Projects Fund - Interest Earnings				683,708	683,708
Financed Purchases (Non-budgeted)				130,000	130,000
Transfers to Cover Deficit (Enterprise Fund)	(975,000)	(56,842)	(56,842)	(409)	56,433
Capital Reserve - Transfer to Capital Projects Fund	(975,000)		(975,000)	(975,000)	
Total Other Financing Sources/(Uses)	<u>(975,000)</u>	<u>(56,842)</u>	<u>(1,031,842)</u>	<u>(161,701)</u>	<u>870,141</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(5,832,158)		(5,832,158)	1,008,958	6,841,116
Fund Balance, July 1	14,146,711		14,146,711	14,146,711	
Fund Balance, June 30	<u>\$ 8,314,553</u>	<u>\$ -0-</u>	<u>\$ 8,314,553</u>	<u>\$ 15,155,669</u>	<u>\$ 6,841,116</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2024-2025	\$			4,773,378	
Excess Surplus - Restricted For 2023-2024				4,780,795	
Capital Reserve				2,068,524	
Maintenance Reserve				56,413	
Unemployment Compensation				134,857	
Assigned Fund Balance:					
Year End Encumbrances				1,119,395	
Designated for Subsequent Year's Expenditures				953,887	
Unassigned Fund Balance				1,268,420	
				15,155,669	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(193,831)	
Fund Balance per Governmental Funds (GAAP)				\$ 14,961,838	

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources	\$ 277,845	\$ 329,287	\$ 607,132	\$ 603,558	\$ (3,574)
State Sources		30,588	30,588	30,588	
Federal Sources	299,196	1,333,612	1,632,808	1,002,602	(630,206)
Total Revenue	577,041	1,693,487	2,270,528	1,636,748	(633,780)
EXPENDITURES:					
Instruction:					
Salaries		32,500	32,500		32,500
Purchased Professional and Technical Services		16,907	16,907	9,556	7,351
Other Purchased Services	226,390	661,724	888,114	660,323	227,791
General Supplies	312,653	101,459	414,112	107,593	306,519
Total Instruction	539,043	812,590	1,351,633	777,472	574,161
Support Services:					
Salaries of Other Professional Staff		147,082	147,082	147,082	
Personal Services - Employee Benefits		2,486	2,486		2,486
Purchased Professional and Technical Services	12,603	37,624	50,227	20,152	30,075
Other Purchased Services	12,395	26,448	38,843	18,480	20,363
Supplies and Materials	13,000	33,833	46,833	40,138	6,695
Scholarships Awarded		14,022	14,022	14,022	
Student Activities		498,631	498,631	498,631	
Total Support Services	37,998	760,126	798,124	738,505	59,619
Facilities Acquisition and Construction Services:					
Instructional Equipment		30,588	30,588	30,588	
Total Facilities Acquisition and Construction Services		30,588	30,588	30,588	
Total Expenditures	577,041	1,603,304	2,180,345	1,546,565	633,780
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ - 0 -	\$ 90,183	\$ 90,183	\$ 90,183	\$ - 0 -

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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	\$ 46,273,459	\$ 1,636,748
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		(14,659)
Prior Year Encumbrances at year end		7,499
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Basis	168,874	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(193,831)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 46,248,502</u>	<u>\$ 1,629,588</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 45,102,800	\$ 1,546,565
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		(14,659)
Prior Year Encumbrances at year end		7,499
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 45,102,800</u>	<u>\$ 1,539,405</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, 2023 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 COMPARISION SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

The General Fund budgetary revenue differs from GAAP revenue due to a difference in 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, 2023

	IDEA Part B Basic	Elementary and Secondary Education Act		
	Title I	Title IIA	Title IV	Title IV
REVENUE:				
Local Sources				
State Sources				
Federal Sources	\$ 287,214	\$ 29,950	\$ 16,923	\$ 10,000
Total Revenue	<u>287,214</u>	<u>29,950</u>	<u>16,923</u>	<u>10,000</u>
EXPENDITURES:				
Instruction:				
Purchased Professional & Technical Services	287,214	450		
Other Purchased Services		18,000		
General Supplies				
Total Instruction	<u>287,214</u>	<u>18,450</u>		
Support Services:				
Salaries of Other Professional Staff		1,500	5,150	
Purchased Professional & Technical Services			11,773	
Other Purchased Services		10,000		10,000
Supplies and Materials				
Total Support Services		<u>11,500</u>	<u>16,923</u>	<u>10,000</u>
Facilities Acquisition:				
Instructional Equipment				
Total Facilities Acquisition				
Total Expenditures	<u>\$ 287,214</u>	<u>\$ 29,950</u>	<u>\$ 16,923</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, 2023

	COVID-19 - American Rescue Plan			
	COVID-19 - CRRSA Learning Acceleration	Mental Health	Accelerated Learning Coach & Educator Support	Evidence Based Summer Learning and Enrichment
REVENUE:				Evidence Based Comprehensive Beyond the School Day
Local Sources				
State Sources				
Federal Sources	\$ 18,971	\$ 11,471	\$ 69,347	\$ 28,005
Total Revenue	18,971	11,471	69,347	28,005
EXPENDITURES:				
Instruction:				
Purchased Professional and Technical Services	9,556		9,134	
Other Purchased Services			60,213	25,000
General Supplies				
Total Instruction	9,556		69,347	25,000
Support Services:				
Salaries of Other Professional Staff		8,980		
Purchased Professional & Technical Services	2,378	1,324		3,005
Other Purchased Services		1,167		
Supplies and Materials				
Total Support Services	2,378	11,471		3,005
Facilities Acquisition:				
Instructional Equipment				
Total Facilities Acquisition				
Total Expenditures	\$ 18,971	\$ 11,471	\$ 69,347	\$ 28,005

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ACRSERS	NJDCA Local Recreation Improvement Grant	Local Grants	Student Activities	Scholarships	Totals
REVENUE:						
Local Sources			\$ 722	\$ 591,038	\$ 11,798	\$ 603,558
State Sources	\$ 515,129	\$ 30,588				30,588
Federal Sources						1,002,602
Total Revenue	515,129	30,588	722	591,038	11,798	1,636,748
EXPENDITURES:						
Instruction:						
Purchased Professional and Technical Services						9,556
Other Purchased Services	363,525		722			660,323
General Supplies						107,593
Total Instruction	363,525		722			777,472
Support Services:						
Salaries of Other Professional Staff	147,082					147,082
Purchased Professional & Technical Services	4,522					20,152
Other Purchased Services						18,480
Supplies and Materials						40,138
Scholarships Awarded					14,022	14,022
Student Activities				498,631		498,631
Total Support Services	151,604			498,631	14,022	738,505
Facilities Acquisition:						
Instructional Equipment		30,588				30,588
Total Facilities Acquisition		30,588				30,588
Total Expenditures	\$ 515,129	\$ 30,588	\$ 722	\$ 498,631	\$ 14,022	\$ 1,546,565

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, 2023

Revenue and Other Financing Sources:	
Bond Proceeds	\$ 44,349,000
Transfer from Capital Reserve	975,000
Interest Income	<u>683,708</u>
Total Revenue and Other Financing Sources	<u>46,007,708</u>
Expenditures:	
Other Purchased Professional Technical Services	496,868
Construction Services	1,233,856
Other Objects	<u>1,500</u>
Total Expenditures	<u>1,732,224</u>
Excess of Revenue and Other Financing Sources Over Expenditures	44,275,484
Other Financing Sources/(Uses):	
Transfer Out - General Fund - Interest Earnings	<u>(683,708)</u>
Total Other Financing Sources/(Uses)	<u>(683,708)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	43,591,776
Fund Balance - Beginning	<u>6,905,966</u>
Fund Balance - Ending	<u><u>\$ 50,497,742</u></u>
<u>Recapitulation of Fund Balance:</u>	
Restricted	\$ 44,484,899
Restricted - Year End Encumbrances	4,923,690
Committed	986,884
Committed - Year End Encumbrances	<u>102,269</u>
Fund Balance per Governmental Funds (GAAP Basis)	<u><u>\$ 50,497,742</u></u>

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, 2023

	Prior Periods	Current Year	Total	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
Total Revenue and Other Financing Sources	29,812,805		29,812,805	29,812,805
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
Total Expenditures	27,350,575		27,350,575	29,812,805
Excess of Revenue & Other Financing Sources Over Expenditures	\$ 2,462,230	\$ - 0 -	\$ 2,462,230	\$ - 0 -

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, 2023

	Prior Periods	Current Year	Total	Authorized Cost
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
Total Revenues and Other Financing Sources	16,397,547		16,397,547	16,397,547
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
Total Expenditures	13,452,637		13,452,637	16,397,547
Excess of Revenue & Other Financing Sources Over Expenditures	\$ 2,944,910	\$ - 0 -	\$ 2,944,910	\$ - 0 -

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 OF PROJECT 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, 2023

	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	1,042,516	\$ 14,117	1,056,633	1,056,633
Construction Services	8,257,301	734,669	8,991,970	9,088,090
General Supplies	80,773		80,773	100,000
Other Objects	41,407		41,407	50,721
Total Expenditures	9,421,997	748,786	10,170,783	10,295,444
Excess/(Deficit) of Revenue over Expenditures	873,003	(748,786)	124,217	
Other Financing Sources:				
Cancellation of Prior Year Accounts Payable	1,433		1,433	
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 874,436	\$ (748,786)	\$ 125,650	\$ - 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		99%
		Original Target Completion Date		October 2015
		Revised Target Completion Date		June 2024

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS
WHIPPANY PARK HIGH SCHOOL PAVING PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Transfer from Capital Outlay	\$ 1,000,000		\$ 1,000,000	\$ 1,000,000
Total Revenues and Other Financing Sources	1,000,000		1,000,000	1,000,000
Expenditures:				
Other Purchased Professional Technical Services	53,856		53,856	85,000
Construction Services	321,754		321,754	915,000
Total Expenditures	375,610		375,610	1,000,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 624,390	\$ - 0 -	\$ 624,390	\$ - 0 -

Additional Project Information:

Project Number	1990-070-21-2000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,000,000
% Completion	38%
Original Target Completion Date	June 2024

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS
INSTALLATION OF FIRE ALARM SYSTEM - WHIPPANY PARK
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:			
Transfer from Capital Reserve	\$ 975,000	\$ 975,000	\$ 975,000
Total Revenues and Other Financing Sources	975,000	975,000	975,000
Expenditures:			
Other Purchased Professional Technical Services	48,241	48,241	58,508
Construction Services	461,996	461,996	876,645
Other Objects			39,847
Total Expenditures	510,237	510,237	975,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 464,763	\$ 464,763	\$ -0-

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	\$ 975,000
% Completion	52%
Original Target Completion Date	January 2024

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS
REHABILITATION, RENOVATIONS, ALTERATIONS AND IMPROVEMENTS TO HANOVER PARK AND WHIPPANY PARK HIGH SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:			
Bond Proceeds	\$ 44,349,000	\$ 44,349,000	\$ 44,349,000
Total Revenue and Other Financing Sources	44,349,000	44,349,000	44,349,000
Expenditures:			
Other Purchased Professional Technical Services	434,510	434,510	4,371,660
Construction Services	37,191	37,191	39,242,854
Other Objects	1,500	1,500	734,486
Total Expenditures	473,201	473,201	44,349,000
Excess of Revenue & Other Financing Sources Over Expenditures	\$ 43,875,799	\$ 43,875,799	\$ - 0 -

Additional Project Information:

Project Numbers	1990-070-22-1000;
Grant Date	1990-050-22-1000;
Bond Authorization Date	1990-050-22-2000
Bonds Authorized	N/A
Bonds Issued	12/13/2022
Original Authorized Cost	\$ 44,349,835
% Completion	\$ 44,349,000
Original Target Completion Date	\$ 44,349,000
	1%
	October 2025

PROPRIETARY FUNDS

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Non-Major Fund Summer Enrichment</u>	<u>Major Fund Food Service</u>	<u>Total Enterprise Funds</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 33,890	\$ 90,275	\$ 124,165
Inventories		14,324	14,324
Total Current Assets	<u>33,890</u>	<u>104,599</u>	<u>138,489</u>
Non-Current Assets:			
Capital Assets:			
Depreciable Furniture, Machinery & Equipment		398,188	398,188
Less: Accumulated Depreciation		<u>(396,009)</u>	<u>(396,009)</u>
Total Non-Current Assets		<u>2,179</u>	<u>2,179</u>
Total Assets	<u>33,890</u>	<u>106,778</u>	<u>140,668</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Unearned Revenue	8,400	20,539	28,939
Accounts Payable - Vendors		<u>41,980</u>	<u>41,980</u>
Total Liabilities	<u>8,400</u>	<u>62,519</u>	<u>70,919</u>
<u>NET POSITION:</u>			
Investment in Capital Assets		2,179	2,179
Unrestricted	<u>25,490</u>	<u>42,080</u>	<u>67,570</u>
Total Net Position	<u>\$ 25,490</u>	<u>\$ 44,259</u>	<u>\$ 69,749</u>

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, 2023

	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		\$ 703,282	\$ 703,282
Special Events		770	770
Free and Reduced Lunches Subsidized by District		41,010	41,010
Summer Enrichment Program Fees	\$ 12,000		12,000
Total Operating Revenue	<u>12,000</u>	<u>745,062</u>	<u>757,062</u>
Operating Expenses:			
Cost of Sales- Non-Reimbursable Programs		359,285	359,285
Salaries, Benefits & Payroll Taxes	5,011	264,264	269,275
Supplies and Materials		38,117	38,117
Management Fee		40,071	40,071
Miscellaneous Expense		31,463	31,463
Depreciation Expense		623	623
Total Operating Expenses	<u>5,011</u>	<u>733,823</u>	<u>738,834</u>
Operating Income/(Loss)	<u>6,989</u>	<u>11,239</u>	<u>18,228</u>
Non-Operating Income:			
Interest Income		2,458	2,458
Total Non-Operating Income		<u>2,458</u>	<u>2,458</u>
Change in Net Position before Transfer	6,989	13,697	20,686
Transfer - General Fund		409	409
Change in Net Position	6,989	14,106	21,095
Net Position - Beginning of Year	<u>18,501</u>	<u>30,153</u>	<u>48,654</u>
Net Position - End of Year	<u>\$ 25,490</u>	<u>\$ 44,259</u>	<u>\$ 69,749</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Non-Major Fund <u>Summer Enrichment</u>	Major Fund <u>Food Service</u>	Total Enterprise Funds
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 8,400	\$ 705,413	\$ 713,813
Receipts from District		41,010	41,010
Payments by District for Free and Reduced Lunches		(41,010)	(41,010)
Payments to Food Service Vendor		(701,032)	(701,032)
Payments to Summer Enrichment Employees	(5,011)		(5,011)
Net Cash Provided by Operating Activities	<u>3,389</u>	<u>4,381</u>	<u>7,770</u>
Cash Flows from Investing Activities:			
Interest Income		2,458	2,458
Net Cash Provided by Investing Activities		<u>2,458</u>	<u>2,458</u>
Net Cash from Noncapital Financing Activities:			
Transfer - General Fund		409	409
Net Cash Provided by Noncapital Financing Activities		<u>409</u>	<u>409</u>
Net Increase in Cash and Cash Equivalents	3,389	7,248	10,637
Cash and Cash Equivalents, July 1	<u>30,501</u>	<u>83,027</u>	<u>113,528</u>
Cash and Cash Equivalents, June 30	<u>\$ 33,890</u>	<u>\$ 90,275</u>	<u>\$ 124,165</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	\$ 6,989	\$ 11,239	\$ 18,228
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Depreciation		623	623
Changes in Assets and Liabilities:			
(Increase)/Decrease in Inventory		1,997	1,997
Increase/(Decrease) in Unearned Revenue	(3,600)	1,361	(2,239)
Increase/(Decrease) in Accounts Payable		(10,839)	(10,839)
Net Cash Provided by Operating Activities	<u>\$ 3,389</u>	<u>\$ 4,381</u>	<u>\$ 7,770</u>

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Balance June 30, 2022	Matured	Balance June 30, 2023
			Date	Outstanding June 30, 2023	Interest Rate	Issued			
School Refunding Bonds	3/14/13	\$ 18,480,000	10/1/23	\$ 1,940,000	4.00%				
			10/1/24	1,935,000	4.00%				
			10/1/25	1,845,000	4.00%	\$ 7,660,000	\$ 1,940,000	\$ 5,720,000	
School Bonds, Series 2014	1/14/14	9,795,000	2/1/24	1,200,000	2.50%	2,350,000	1,150,000	1,200,000	
School Bonds, Series 2023	3/15/23	44,349,000	3/15/24	1,204,000	3.00%				
			3/15/25	2,045,000	3.00%				
			3/15/26	2,050,000	3.00%				
			3/15/27	2,150,000	3.00%				
			3/15/28	2,150,000	3.00%				
			3/15/29	2,150,000	3.50%				
			3/15/30	2,150,000	3.50%				
			3/15/31	2,150,000	3.50%				
			3/15/32	2,200,000	3.50%				
			3/15/33	2,250,000	3.50%				
			3/15/34	2,300,000	3.50%				
			3/15/35	2,350,000	3.50%				
			3/15/36	2,400,000	3.50%				
3/15/37	2,400,000	3.50%							
3/15/38	2,400,000	3.75%							
3/15/39	2,400,000	3.75%							
3/15/40	2,400,000	4.00%							
3/15/41	2,400,000	4.00%							
3/15/42	2,400,000	4.00%							
3/15/43	2,400,000	4.00%							
				\$ 44,349,000				\$ 44,349,000	
								\$ 10,010,000	
								\$ 44,349,000	
								\$ 3,090,000	
								\$ 51,269,000	

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2022</u>	<u>Issued</u>	<u>Balance June 30, 2023</u>
Security Equipment	0.00%	\$ 130,000	_____	\$ 130,000	\$ 130,000
			<u>\$ - 0 -</u>	<u>\$ 130,000</u>	<u>\$ 130,000</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,164,098		\$ 3,164,098	\$ 3,164,098	
State Sources:					
Debt Service State Aid Support	252,252		252,252	252,252	
Total Revenues	<u>3,416,350</u>		<u>3,416,350</u>	<u>3,416,350</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	326,350		326,350	326,350	
Redemption of Principal	3,090,000		3,090,000	3,090,000	
Total Regular Debt Service	<u>3,416,350</u>		<u>3,416,350</u>	<u>3,416,350</u>	
Total Expenditures	<u>3,416,350</u>		<u>3,416,350</u>	<u>3,416,350</u>	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Fund Balance, July 1					
Fund Balance, June 30	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

STATISTICAL SECTION
(UNAUDITED)

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

Contents

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

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
Net Investment in Capital Assets	\$ 14,243,092	\$ 17,320,212	\$ 25,279,530	\$ 28,303,100	\$ 30,898,483	\$ 32,647,525	\$ 34,496,166	\$ 36,250,700	\$ 38,768,530	\$ 42,141,573
Restricted	17,937,869	18,437,842	13,410,036	12,120,246	11,749,521	12,573,801	15,613,943	16,484,110	17,137,321	17,759,545
Unrestricted (Deficit)	(10,161,263)	(12,543,062)	(12,829,026)	(13,501,743)	(13,873,891)	(13,768,988)	(13,869,606)	(11,094,280)	(8,869,720)	(7,364,655)
Total Governmental Activities Net Position	\$ 22,019,698	\$ 23,214,992	\$ 25,860,540	\$ 26,921,603	\$ 28,774,113	\$ 31,452,338	\$ 36,240,503	\$ 41,640,530	\$ 47,036,131	\$ 52,536,463
Business-Type Activities:										
Investment in Capital Assets	\$ 33,220	\$ 25,638	\$ 18,389	\$ 11,140	\$ 8,805	\$ 5,766	\$ 4,270	\$ 3,536	\$ 2,802	\$ 2,179
Unrestricted	34,180	24,316	18,781	656	34,260	28,196	31,801	24,515	45,852	67,570
Total Business-Type Activities Net Position	\$ 67,400	\$ 49,954	\$ 37,170	\$ 11,796	\$ 43,065	\$ 33,962	\$ 36,071	\$ 28,051	\$ 48,654	\$ 69,749
District-Wide:										
Net Investment in Capital Assets	\$ 14,276,312	\$ 17,345,850	\$ 25,297,919	\$ 28,314,240	\$ 30,907,288	\$ 32,653,291	\$ 34,500,436	\$ 36,254,236	\$ 38,771,332	\$ 42,143,752
Restricted	17,937,869	18,437,842	13,410,036	12,120,246	11,749,521	12,573,801	15,613,943	16,484,110	17,137,321	17,759,545
Unrestricted (Deficit)	(10,127,083)	(12,518,746)	(12,810,245)	(13,501,087)	(13,839,631)	(13,740,792)	(13,837,805)	(11,069,765)	(8,823,868)	(7,297,085)
Total District-Wide Net Position	\$ 22,087,098	\$ 23,264,946	\$ 25,897,710	\$ 26,933,399	\$ 28,817,178	\$ 31,486,300	\$ 36,276,574	\$ 41,668,581	\$ 47,084,785	\$ 52,606,212

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 12,376,960	\$ 14,466,950	\$ 14,743,726	\$ 17,101,592	\$ 17,177,855	\$ 16,493,189	\$ 15,994,563	\$ 17,055,178	\$ 16,310,775	\$ 16,163,277
Special Education	2,182,874	2,351,424	2,651,199	2,393,442	2,331,871	2,006,974	1,833,035	1,934,473	2,126,130	2,066,768
Other Special Instruction	113,467	80,199	36,577	46,320	47,121	46,492	46,391	46,129	42,614	20,969
Other Instruction	1,792,087	2,019,398	2,097,579	2,317,701	2,391,972	2,334,672	2,236,493	2,139,343	2,208,843	2,152,041
Support Services:										
Tuition	3,026,385	2,970,421	3,411,037	3,831,583	4,192,126	4,243,694	4,456,900	3,900,814	3,768,077	3,950,507
Student & Instruction Related Services	3,704,389	4,351,320	4,595,140	5,795,009	5,971,107	6,901,532	6,586,606	7,181,361	7,699,734	7,726,444
General Administration Services	849,878	1,018,917	1,035,800	1,103,341	1,240,375	1,150,639	1,053,905	1,134,269	1,105,474	1,043,364
School Administration Services	1,542,429	1,700,501	1,691,586	1,806,720	1,864,273	1,782,775	1,783,319	1,810,157	1,747,366	1,692,987
Central Services	584,467	706,504	710,431	829,242	1,480,983	825,874	821,460	843,675	684,646	675,046
Administration Information Technology	112,261	153,597	145,989	293,046	193,340	209,375	266,632	287,531	453,627	511,458
Plant Operations And Maintenance	2,776,076	3,361,032	2,992,791	3,383,351	3,401,157	3,219,826	2,733,500	2,690,572	3,060,945	3,053,945
Pupil Transportation	2,353,110	2,391,889	2,788,823	3,209,866	3,230,215	2,855,927	2,244,244	1,943,389	2,356,632	3,003,754
Interest On Long-Term Liabilities	857,584	897,147	826,164	764,227	705,648	629,365	539,869	443,069	343,289	695,454
Capital Outlay					418,597	106,465	106,465	106,465	106,465	106,465
Unallocated Depreciation	1,059,355	1,053,596	1,066,012	1,033,998	1,033,955	1,031,965	1,051,513	1,053,499	1,065,608	1,071,651
Total Governmental Activities Expenses	33,331,322	37,522,895	38,792,854	43,911,438	45,680,595	43,838,764	41,754,895	42,569,924	43,080,225	43,934,130
Business-Type activities:										
Food Service	614,964	565,789	548,625	551,217	466,636	426,115	307,893	42,077	594,480	733,823
Summer Enrichment		5,155	1,920	1,615	4,521	14,151	9,070	200	6,014	5,011
Total Business-Type Activities Expense	614,964	570,944	550,545	552,832	471,157	440,266	316,963	42,277	600,494	738,834
Total District-Wide Expenses	33,946,286	38,093,839	39,343,399	44,464,270	46,151,752	44,279,030	42,071,858	42,612,201	43,680,719	44,672,964

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues:										
Governmental Activities:										
Operating Grants and Contributions	\$ 3,368,274	\$ 6,486,666	\$ 7,693,517	\$ 10,190,340	\$ 11,531,282	\$ 9,480,989	\$ 8,364,241	\$ 9,280,610	\$ 8,886,751	\$ 7,608,806
Capital Grants and Contributions	15,310	241,500	35,606			16,650	18,500	340,102	460,290	602,836
Charges for Services										
Total Governmental Activities	3,383,584	6,728,166	7,729,123	10,190,340	11,531,282	9,497,639	8,382,741	9,620,712	9,347,041	8,211,642
Business-Type Activities:										
Charges for Services:										
Food Service	555,536	525,618	516,706	425,180	452,660	418,685	287,151		602,962	745,062
Summer Enrichment		5,155	2,301	1,890	14,650	12,451	16,900	7,800		12,000
Total Business Type Activities	555,536	530,773	519,007	427,070	467,310	431,136	304,051	7,800	602,962	757,062
Total District-Wide Program Revenues	3,939,120	7,258,939	8,248,130	10,617,410	11,998,592	9,928,775	8,686,792	9,628,512	9,950,003	8,968,704
Net (Expense)/Revenue:										
Governmental Activities	(29,947,738)	(30,794,729)	(31,063,731)	(33,721,098)	(34,149,313)	(34,341,125)	(33,372,154)	(32,949,212)	(33,733,184)	(35,722,488)
Business-Type Activities	(59,428)	(40,171)	(31,538)	(125,762)	(3,847)	(9,130)	(12,912)	(34,477)	2,468	18,228
Total District-Wide Net (Expense)/Revenue	(30,007,166)	(30,834,900)	(31,095,269)	(33,846,860)	(34,153,160)	(34,350,255)	(33,385,066)	(32,983,689)	(33,730,716)	(35,704,260)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for										
General Purposes, Net	26,892,947	27,834,200	28,946,490	30,390,920	31,276,813	32,046,873	32,936,210	33,594,935	34,266,834	34,952,171
Taxes Levied for Debt Service	2,256,100	3,271,744	2,913,403	3,131,407	3,138,986	3,181,550	3,232,937	3,241,312	3,226,817	3,164,098
Unrestricted Grants and Contributions	435,164	403,516	904,287	776,577	841,490	888,668	919,267	1,117,255	1,312,281	957,192
Investment Earnings	11,707	21,463	27,611	7,838	9,866	5,859	5,268	1,495	8,328	749,303
Miscellaneous Income	528,040	459,100	947,138	558,566	787,374	896,400	670,890	419,260	332,623	1,400,465
Transfers				(83,147)	(52,706)		(15,000)	(26,451)	(18,098)	(409)

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Other Item - SDA Grants Cancelled			\$ (29,650)							
Other Item -								\$ 1,433		
Cancellation of Prior Year Accounts Payable										
Total Governmental Activities	\$ 30,123,958	\$ 31,990,023	\$ 33,709,279	\$ 34,782,161	\$ 36,001,823	\$ 37,019,350	\$ 37,749,572	\$ 38,349,239	\$ 39,128,785	\$ 41,222,820
Business-Type Activities:										
Investment Earnings	190	130	133	92	51	27	21	6	37	2,458
Transfers				83,147	17,619		15,000	26,451	18,098	409
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	190	22,725	18,754	100,388	35,116	27	15,021	26,457	18,135	2,867
Total District-Wide General Revenues and Other Changes in Net Position	30,124,148	32,012,748	33,728,033	34,882,549	36,036,939	37,019,377	37,764,593	38,375,696	39,146,920	41,225,687
Change in Net Position:										
Governmental Activities	176,220	1,195,294	2,645,548	1,061,063	1,852,510	2,678,225	4,377,418	5,400,027	5,395,601	5,500,332
Business-Type Activities	(59,238)	(17,446)	(12,784)	(25,374)	31,269	(9,103)	2,109	(8,020)	20,603	21,095
Total District-Wide Change in Net Position	\$ 116,982	\$ 1,177,848	\$ 2,632,764	\$ 1,035,689	\$ 1,883,779	\$ 2,669,122	\$ 4,379,527	\$ 5,392,007	\$ 5,416,204	\$ 5,521,427

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Restricted	\$ 3,491,324	\$ 4,166,304	\$ 5,172,166	\$ 4,182,462	\$ 4,652,229	\$ 5,791,362	\$ 11,142,954	\$ 9,517,408	\$ 10,533,140	\$ 11,813,967
Assigned	1,251,800	679,605	429,470	810,542	786,067	947,809	660,303	947,029	1,316,146	2,073,282
Unassigned	638,424	585,191	680,794	800,903	843,330	908,637	(1,566,614)	1,826,514	2,128,551	1,074,589
Total General Fund	\$ 5,381,548	\$ 5,431,100	\$ 6,282,430	\$ 5,793,907	\$ 6,281,626	\$ 7,647,808	\$ 10,236,643	\$ 12,290,951	\$ 13,977,837	\$ 14,961,838
Other Governmental Funds:										
Restricted	\$ 14,446,545	\$ 14,271,538	\$ 8,237,870	\$ 7,937,784	\$ 7,097,292	\$ 6,725,227	\$ 6,941,830	\$ 6,966,702	\$ 6,604,181	\$ 49,821,377
Committed	307,585	141,946				57,212		964,994	624,390	1,089,153
Total Other Governmental Funds	\$ 14,754,130	\$ 14,413,484	\$ 8,237,870	\$ 7,937,784	\$ 7,097,292	\$ 6,782,439	\$ 6,941,830	\$ 7,931,696	\$ 7,228,571	\$ 50,910,530
Total All Governmental Funds	\$ 20,135,678	\$ 19,844,584	\$ 14,520,300	\$ 13,731,691	\$ 13,378,918	\$ 14,430,247	\$ 17,178,473	\$ 20,222,647	\$ 21,206,408	\$ 65,872,368

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Tax Levy	\$ 29,149,047	\$ 31,105,944	\$ 31,859,893	\$ 33,522,327	\$ 34,415,799	\$ 35,228,423	\$ 36,169,147	\$ 36,836,247	\$ 37,493,651	\$ 38,116,269
Tuition from Individuals						16,650	18,500		12,857	
Interest Earnings	4,004	3,561	5,029	7,838	9,866	5,859	5,268	1,042	3,506	60,437
Miscellaneous	536,260	486,644	973,628	564,039	794,720	904,300	672,974	789,542	799,234	2,692,889
State Sources	3,500,846	3,964,510	4,661,622	4,933,835	5,545,498	6,525,821	6,959,796	8,083,708	9,978,242	10,113,111
Federal Sources	317,385	328,658	331,470	319,877	356,744	361,191	240,386	458,684	893,193	995,442
Total Revenue	33,507,542	35,889,317	37,831,642	39,347,916	41,122,627	43,042,244	44,066,071	46,169,223	49,180,683	51,978,148
Expenditures:										
Instruction:										
Regular	8,928,323	9,260,553	8,914,967	9,218,032	9,248,537	9,352,857	9,385,209	10,236,532	10,471,879	10,956,663
Special Education	1,557,670	1,453,440	1,593,049	1,273,597	1,229,822	1,124,870	1,062,100	1,213,926	1,518,342	1,467,231
Other Special Instruction	83,267	72,067	22,166	24,586	24,741	25,904	27,343	26,681	26,575	13,795
Other Instruction	1,388,865	1,416,933	1,396,951	1,413,266	1,412,380	1,448,442	1,431,509	1,330,218	1,522,050	1,537,941
Support Services:										
Tuition	3,026,385	2,970,421	3,411,037	3,831,583	4,192,126	4,243,694	4,456,900	3,900,814	3,768,077	3,950,307
Student/Instruction-Related Services	2,719,504	2,862,123	2,915,661	3,287,571	3,663,619	4,186,521	3,998,436	4,462,485	5,307,639	5,469,587
General Administration Services	664,189	752,552	732,412	722,773	795,773	763,885	736,010	793,509	810,473	782,611
School Administration Services	1,106,968	1,063,928	1,022,066	974,136	1,005,853	1,008,106	1,043,201	1,056,203	1,109,887	1,126,826
Central Services	394,080	407,446	394,671	400,575	415,391	412,904	426,617	435,106	444,290	463,524
Administrative Information Technology	111,363	153,597	145,989	286,686	191,046	211,630	263,012	286,791	348,274	386,364
Plant Operations And Maintenance	2,290,273	2,257,080	2,192,206	2,327,849	2,368,685	2,328,650	2,199,899	2,233,499	2,682,667	2,884,587
Pupil Transportation	1,769,152	1,583,878	1,782,101	1,869,950	1,875,919	1,871,380	1,536,576	1,351,849	1,879,445	2,583,282
Unallocated Benefits	7,053,628	7,615,467	8,193,403	8,939,068	9,763,858	10,884,666	11,009,337	11,845,289	13,587,145	14,055,760

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenditures: (Cont'd)										
Capital Outlay	\$ 1,430,438	\$ 1,020,807	\$ 7,083,247	\$ 2,147,731	\$ 1,872,244	\$ 718,856	\$ 670,043	\$ 455,529	\$ 1,228,281	\$ 2,695,751
Debt Service:										
Principal	1,400,000	2,320,000	2,425,000	2,500,000	2,585,000	708,550	622,400	526,600	428,800	326,350
Interest and Other Charges	856,100	970,119	901,350	835,975	777,700	2,700,000	2,845,000	2,945,000	3,045,000	3,090,000
Total Expenditures	34,780,205	36,180,411	43,126,276	40,053,378	41,422,694	41,990,915	41,713,592	43,100,031	48,178,824	51,790,779
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,272,663)	(291,094)	(5,294,634)	(705,462)	(300,067)	1,051,329	2,352,479	3,069,192	1,001,859	187,369
Other Financing Sources/(Uses):										
Bond Proceeds	9,795,000									44,349,000
Financed Purchases (Non-budgeted)			(29,650)							130,000
SIDA Grants Cancelled										
Cancellation of Prior Year Accounts Payable								1,433		
Transfers In	298,411	199,624	94,766	976,854	48,975	260,426	45,765			
Transfers Out	(298,411)	(199,624)	(94,766)	(1,060,001)	(101,681)	(260,426)	(60,765)	(26,451)	(18,098)	(409)
Total Other Financing Sources/(Uses)	9,795,000		(29,650)	(83,147)	(52,706)		(15,000)	(25,018)	(18,098)	44,478,591
Net Change In Fund Balances	\$ 8,522,337	\$ (291,094)	\$ (5,324,284)	\$ (788,609)	\$ (352,773)	\$ 1,051,329	\$ 2,337,479	\$ 3,044,174	\$ 983,761	\$ 44,665,960
Debt Service As A Percentage Of Noncapital Expenditures	6.76%	9.36%	9.23%	8.80%	8.50%	8.26%	8.45%	8.14%	7.40%	6.96%

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
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
2021	73,670				343,767	417,437
2022	98,666	6,407	2,916	12,857	228,784	349,630
2023	876,031	1,362	11,194		577,473	1,466,060

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 ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated	
													Actual (County)	Equalized Value)
2013	\$ 20,842,200	\$ 1,423,277,600			\$ 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	\$ 3,433,090,066
2014	20,748,400	1,424,081,700			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	3,558,858,057
2015	21,366,100	1,426,212,000			882,190,797	202,322,900		2,532,091,797	1,974,647	2,534,066,444	117,909,300	.47	3,604,117,281	3,604,117,281
2016	20,188,000	1,434,708,400			880,470,597	202,072,900	\$ 320,900	2,537,760,797	1,974,647	2,539,735,444	117,250,700	.48	3,401,886,141	3,401,886,141
2017	19,877,800	1,440,661,700			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	3,315,434,416
2018	20,196,800	1,444,642,100			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	3,328,486,435
2019	20,128,100	1,448,660,200			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	3,380,933,325
2020	20,798,600	1,452,283,400			867,249,677	192,928,500		2,533,260,177	7,669	2,533,267,846	118,597,700	.47	3,281,161,384	3,281,161,384
2021	45,596,600	1,456,093,400			820,642,400	192,928,500		2,515,260,900	7,669	2,515,268,569	118,314,800	.47	3,418,222,673	3,418,222,673
2022	40,920,100	1,458,839,000			822,001,700	204,943,500		2,526,704,300	7,669	2,526,711,969	118,539,900	.43	3,445,279,655	3,445,279,655

FLORHAM PARK BOROUGH

Year Ended Dec. 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated	
													Actual (County)	Equalized Value)
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	\$ 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	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	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	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	3,415,130,920
2018	64,933,700	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	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	3,586,933,719	3,586,933,719
2020	82,509,400	2,070,552,600	748,300	119,800	985,194,200	85,544,300	272,985,400	3,497,654,000	4,089,215	3,501,743,215	411,064,300	.31	3,622,796,572	3,622,796,572
2021	99,798,400	2,148,372,800	748,300	10,800	971,753,600	85,544,300	279,709,700	3,585,937,900	4,168,259	3,590,106,159	418,186,200	.31	3,704,718,662	3,704,718,662
2022	81,616,800	2,221,513,000	748,300	10,800	968,786,300	85,544,300	279,709,700	3,637,929,200	4,102,053	3,642,031,253	403,919,300	.30	3,796,565,280	3,796,565,280

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when ordered by the County Board of Taxation.

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

^b Tax rates are per \$100 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 ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
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
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	.31	3,649,729,800	375,167,100	.31	3,701,001,450
2015	73,645,700	2,101,021,300	433,000	5,900	1,016,994,300	429,302,700	73,960,100	3,697,363,000	.33	3,697,363,000	375,229,600	.33	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	.36	3,675,170,600	372,465,700	.36	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	.37	3,740,587,300	372,788,000	.37	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	.36	3,773,668,400	373,380,000	.36	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	.37	3,771,013,800	374,390,800	.37	4,225,423,719
2020	60,419,100	2,158,648,600	441,800	5,900	1,169,370,000	387,703,900	91,510,400	3,868,099,700	.36	3,868,099,700	374,996,700	.36	4,156,836,963
2021	58,453,000	2,165,221,600	441,800	5,900	1,173,554,700	389,012,500	91,510,400	3,878,199,900	.38	3,878,199,900	373,708,100	.38	4,252,138,066
2022	71,670,700	2,168,654,800	441,800	5,900	1,125,754,800	387,594,400	91,510,400	3,845,632,800	.42	3,845,632,800	373,204,300	.42	4,660,569,378

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when ordered by the County Board of Taxation.

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

^b Tax rates are per \$100 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			East Hanover School	East Hanover Township	Morris County	
	Basic Rate ^a	General Obligation Debt ^b	Total Direct				
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
2020	0.43	0.04	0.47	0.75	0.83	0.34	2.39
2021	0.43	0.04	0.47	0.75	0.70	0.35	2.27
2022	0.39	0.04	0.43	0.79	0.77	0.35	2.35

FLORHAM PARK BOROUGH

Year Ended December 31,	Hanover Park Regional High School			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate			Florham Park School	Florham Park Borough	Morris County	
	Basic Rate ^a	General Obligation Debt ^b	Total Direct				
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
2020	0.28	0.03	0.31	0.56	0.43	0.27	1.57
2021	0.28	0.03	0.31	0.56	0.41	0.27	1.54
2022	0.28	0.02	0.30	0.57	0.45	0.27	1.58

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 ^a	General Obligation Debt ^b	Total Direct	Hanover Township School	Hanover Township	Morris County	
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
2020	0.33	0.03	0.36	0.71	0.47	0.28	1.81
2021	0.35	0.03	0.38	0.69	0.46	0.27	1.80
2022	0.39	0.03	0.42	0.65	0.49	0.31	1.86

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

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

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

Source: Municipal Tax Collectors and School Business Administrator.

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

EAST HANOVER TOWNSHIP

	2023			2014		
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Novartis		\$ 347,070,670	13.74%	Novartis Pharmaceuticals	\$ 340,399,200	13.44%
Mondelez Global, LLC		36,967,100	1.46%	Nabisco Inc	72,591,200	2.87%
R&O East Hanover LLC		28,724,000	1.14%	EH Route 10 Realty	33,218,700	1.31%
Givaudan Fragrances Corporation		21,400,000	0.85%	New Hanover, LLC	34,917,000	1.38%
E H Route Ten Realty Corp		21,218,700	0.84%	Givaudan Fragrances Corporation	21,400,000	0.84%
New Hanover LLC		20,500,000	0.81%	Paradigm East Hanover, LLC	21,303,497	0.84%
Castle Ridge Plaza LLC		18,500,000	0.73%	Givaudan Flavors Corporation	19,872,200	0.78%
Givaudan Flavors Corporation		16,000,000	0.63%	Eagle Rock Executive C/O Well Main	19,000,000	0.75%
Costco Wholesale Corp		13,920,000	0.55%	Castle Ridge Plaza	18,500,000	0.73%
Eric Richard D.R. Company LLC		13,880,000	0.55%	Eric Richard DR Company, LLC	15,500,000	0.61%
Total		\$ 538,180,470	21.30%		\$ 596,701,797	23.55%

Source: Municipal Tax Assessor.

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

FLORHAM PARK BOROUGH

	2023			2014		
	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	\$ 111,239,800	3.05%	300 Campus Drive LLC	\$ 108,017,200	3.34%	
KBSII 300-600 Campus Drive, LLC	93,517,700	2.57%	100 Campus Drive, LLC	73,000,900	2.26%	
BASF Corporation	50,000,000	1.37%	BASF Corporation	68,000,000	2.10%	
RG-KCI, LLC	63,500,000	1.74%	Avalonbay Communities, Inc	63,369,900	1.96%	
Avalonbay Communities, Inc	63,369,900	1.74%	Wells Reit II	60,000,000	1.85%	
KBSII 100-200 Campus Drive, LLC	61,742,300	1.70%	Sun Valley Plaza, LLC	52,445,600	1.62%	
Welltower, Inc	52,511,000	1.44%	L.H. Florham Holding	43,000,000	1.33%	
LIPT 140 Park Avenue, LLC	35,014,200	0.96%	100-200 Campus Drive, LLC	37,283,200	1.15%	
KBII 190-200 Campus Drive, LLC	34,052,800	0.93%	Advance Realty Management	34,865,300	1.08%	
LIPT 170 Park Avenue, LLC	30,992,600	0.85%	LFT Real Est & Lifetime Fitness	33,900,000	1.05%	
Total	\$ 595,940,300	16.36%	Total	\$ 573,882,100	17.73%	

Source: Municipal Tax Assessor.

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

HANOVER TOWNSHIP

	2023		2014			
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer		Taxable Assessed Value
Bayer Healthcare LLC		\$ 155,670,300	4.05%	67 Whippany Investors	\$ 64,962,500	1.78%
US Real Estate Holdings		102,459,700	2.66%	BREOF BNK3A Whippany	56,000,000	1.53%
TR Sterling Hanover LLC		57,261,000	1.49%	Sterling Apartments LLC	55,101,100	1.51%
SFP ML I LLC (Metlife)		54,465,900	1.42%	Interstate Realty Company	20,290,300	0.56%
LSAC Morris County LP		42,954,600	1.12%	Kraft Foods Global Inc	43,400,000	1.19%
AVR Hanover Hotel LLC		37,260,100	0.97%	LSAC Morris County LP	42,954,600	1.18%
Interstate Realty Company LLC		35,000,000	0.91%	Ravine Development Company LLC	38,945,800	1.07%
Agree Eastern LLC		31,224,400	0.81%	Fan Pier Land Company	38,158,600	1.05%
Novartis Pharmaceuticals Corp		30,000,000	0.78%	HEI Hanover, LLC	35,950,000	0.99%
Woodmont Realty Group		27,065,500	0.70%	River Park Business Center LLC	34,590,400	0.95%
Total		\$ 573,361,500	14.91%	Total	\$ 430,353,300	11.79%

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 ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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
2021	36,836,247	36,836,247	100.00%	- 0 -
2022	37,493,651	37,493,651	100.00%	- 0 -
2023	38,116,269	38,115,959	100.00%	310

^a 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 ^a	District Per Capita ^a
	General Obligation Bonds	Financed Purchases			
2014	\$ 31,375,000		\$ 31,375,000	1.00%	\$ 844.23
2015	29,055,000		29,055,000	0.88%	780.46
2016	26,630,000		26,630,000	0.78%	711.54
2017	24,130,000		24,130,000	0.69%	646.45
2018	21,545,000		21,545,000	0.60%	581.03
2019	18,845,000		18,845,000	0.52%	513.04
2020	16,000,000		16,000,000	0.42%	434.02
2021	13,055,000		13,055,000	0.31%	335.75
2022	10,010,000		10,010,000	0.24%	256.07
2023	51,269,000	\$ 130,000	51,399,000	3.26%	1,314.86

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

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

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			Percentage of Net Taxable Value ^a of Property	District Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 31,375,000	\$ - 0 -	\$ 31,375,000	1.02%	\$ 844.23
2015	29,055,000	- 0 -	29,055,000	0.93%	780.46
2016	26,630,000	- 0 -	26,630,000	0.84%	711.54
2017	24,130,000	- 0 -	24,130,000	0.76%	646.45
2018	21,545,000	- 0 -	21,545,000	0.67%	581.03
2019	18,845,000	- 0 -	18,845,000	0.58%	513.04
2020	16,000,000	- 0 -	16,000,000	0.49%	434.02
2021	13,055,000	- 0 -	13,055,000	0.40%	335.75
2022	10,010,000	- 0 -	10,010,000	0.30%	256.07
2023	51,269,000	- 0 -	51,269,000	1.54%	1,311.53

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

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

^b 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, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
East Hanover Township	\$ 36,024,297	100.00%	\$ 36,024,297
Florham Park Borough	5,477,000	100.00%	5,477,000
Hanover Township	- 0 -	100.00%	- 0 -
Morris County General Obligation Debt (All Constituent Municipalities)	253,387,955	9.91%	<u>25,120,921</u>
Subtotal, Overlapping Debt			66,622,218
Hanover Park Regional School District Direct Debt			<u>8,070,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 74,692,218</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.

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

Sources: Assessed value data used to estimate applicable percentages provided by the 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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 308,646,769	\$ 304,098,046	\$ 306,920,090	\$ 315,071,809	\$ 320,662,297	\$ 326,012,344	\$ 318,255,511	\$ 330,688,683	\$ 338,060,070	\$ 354,256,972
Total Net Debt Applicable to Limit	31,375,000	29,055,000	26,630,000	24,130,000	21,545,000	18,845,000	16,000,000	13,055,000	10,010,000	51,269,000
Legal Debt Margin	\$ 277,271,769	\$ 275,043,046	\$ 280,290,090	\$ 290,941,809	\$ 299,117,297	\$ 307,167,344	\$ 302,255,511	\$ 317,633,683	\$ 328,050,070	\$ 302,987,972

Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	10.17%	9.55%	8.68%	7.66%	6.72%	5.78%	5.03%	3.95%	2.96%	14.47%
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Legal Debt Margin Calculation for Fiscal Year 2023

Equalized Valuation Basis	East Hanover			Florham Park		Total
	Township	Borough	Township	Borough	Township	
2020	\$ 3,427,493,136	\$ 3,594,711,202	\$ 4,188,068,103	\$ 4,188,068,103	\$ 11,210,272,441	
2021	3,414,226,822	3,723,715,369	4,646,220,079	4,646,220,079	11,784,162,270	
2022	3,518,596,714	3,851,290,705	5,061,375,099	5,061,375,099	12,431,262,518	
	\$ 10,360,316,672	\$ 11,169,717,276	\$ 13,895,663,281	\$ 13,895,663,281	\$ 35,425,697,229	

Average Equalized Valuation of Taxable Property

Debt Limit (3% of Average Equalization Value) ^a

Net Bonded School Debt - June 30, 2023

Legal Debt Margin

^a 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 ^a	Morris County Per Capita Personal Income ^b	Township Personal Income ^c	Township Unemployment Rate ^d
2014	11,160	\$ 84,287	\$ 940,642,920	5.20%
2015	11,150	88,298	984,522,700	4.10%
2016	11,124	91,252	1,015,087,248	4.00%
2017	11,104	93,544	1,038,712,576	3.60%
2018	11,028	97,244	1,072,406,832	3.30%
2019	10,913	99,140	1,081,914,820	2.70%
2020	10,868	102,227	1,111,003,036	9.20%
2021	11,094	107,767	1,195,567,098	5.20%
2022	11,120	107,767 *	1,198,369,040	3.10%
2023	11,120 **	107,767 *	1,198,369,040 ***	N/A

FLORHAM PARK BOROUGH

Year	Borough Population ^a	Morris County Per Capita Personal Income ^b	Borough Personal Income ^c	Borough Unemployment Rate ^d
2014	11,781	\$ 84,287	\$ 992,985,147	4.70%
2015	11,815	88,298	1,043,240,870	4.00%
2016	11,755	91,252	1,072,667,260	3.70%
2017	11,734	93,544	1,097,645,296	3.50%
2018	11,657	97,244	1,133,573,308	3.10%
2019	11,575	99,140	1,147,545,500	2.70%
2020	11,824	102,227	1,208,732,048	7.30%
2021	13,149	107,767	1,417,028,283	5.00%
2022	13,325	107,767 *	1,435,995,275	3.10%
2023	13,325 **	107,767 *	1,435,995,275 ***	N/A

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

HANOVER TOWNSHIP

Year	Township Population ^a	Morris County Per Capita Personal Income ^b	Township Personal Income ^c	Township Unemployment Rate ^d
2014	14,223	\$ 84,287	\$ 1,198,814,001	4.70%
2015	14,263	88,298	1,259,394,374	4.00%
2016	14,547	91,252	1,327,442,844	3.50%
2017	14,489	93,544	1,355,359,016	3.40%
2018	14,396	97,244	1,399,924,624	3.00%
2019	14,244	99,140	1,412,150,160	2.80%
2020	14,173	102,227	1,448,863,271	7.70%
2021	14,640	107,767	1,577,708,880	4.90%
2022	14,646	107,767 *	1,578,355,482	3.00%
2023	14,646 **	107,767 *	1,578,355,482 ***	N/A

* - Latest Morris County per capita personal income available (2021) was used for calculation purposes.

** - Latest population data available (2022) was used for calculation purposes.

***- Latest population data (2022) and latest per capita personal income (2021) was used for calculations

N/A - Information is not available.

Sources:

- ^a Population information provided by the NJ Department of Labor and Workforce Development.
- ^b Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- ^c Personal income has been estimated based upon the municipal population and per capita personal income presented.
- ^d 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

	2013		2014		Percentage of Total Employment	
	Employer	Employees	Employment	Employer		Employees
Atlantic Health Systems		10,552	3.93%	U.S. Army Armament Research and Develop	5841	2.13%
Novartis Corporation		6,500	2.42%	Novartis Corporation	5035	1.84%
Picatinny Arsenal		6,000	2.23%	Atlantic Health System	4463	1.63%
Barclays		3,374	1.26%	Automatic Data Processing	2060	0.75%
Automatic Data Processing		2,400	0.89%	Bayer Healthcare, LLC	1900	0.69%
Accenture		2,344	0.87%	County of Morris	1674	0.61%
Pricewaterhouse Coopers		2,095	0.78%	Wyndham Worldwide Corporation	1653	0.60%
Cigna		1,686	0.63%	St. Claire's	1642	0.60%
Deloitte & Touche		1,646	0.61%	BASF Corporation	1500	0.55%
Saint Clare's Health		1,473	0.55%	Accenture	1480	0.54%
Total		38,070	14.17%		27,248	9.94%
Total County Labor Force		268,713			274,179	

Source: Morris County Treasurer's Office and employment 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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction:										
Regular	117.6	118.4	116.1	116.2	116.4	113.2	113.2	111.2	109.3	110.6
Special Education	25.4	25.1	27.5	16.7	16.6	15.6	15.6	12.6	18.2	17.2
Basic Skills/Bilingual	1.4	1.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.2
Vocational	0.0	0.0	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
Support Services:										
Student & Instruction										
Related Services	32.4	33.8	31.8	42.0	51.4	50.5	54.9	54.1	53.6	60.6
School Administration	10.2	9.7	9.7	9.3	9.3	8.9	8.9	9.3	9.3	9.3
General/Business										
Administration	10.5	10.5	10.1	11.5	12.0	10.5	10.5	11.5	12.5	12.5
Plant Operations										
and Maintenance	25.0	24.0	21.0	21.0	22.6	23.6	23.6	18.6	11.6	19.1
Pupil Transportation	40.0	40.0	41.0	42.0	43.4	45.4	45.4	40.4	35.4	36.4
Total	<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>	<u>260.1</u>	<u>252.3</u>	<u>267.9</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 ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change Average Daily Enrollment	Student Attendance Percentage
						High School	School				
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%
2021	1,431.0	39,172,902	27,374	4.25%	128	1:11.2	1:11.2	1,393.3	1,344.9	-1.57%	96.53%
2022	1,344.0	43,476,743	32,349	18.17%	128	1:11.2	1:11.2	1,347.3	1,257.2	-3.30%	93.31%
2023	1,300.0	45,678,678	35,137	8.62%	129	1:10.0	1:10.0	1,203.2	1,137.9	-10.70%	94.58%

Note: Enrollment based on annual October District count.

- ^a Operating expenditures equal total expenditures less debt service and capital outlay.
- ^b 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.
- ^c Teaching staff includes only full-time equivalents of certificated staff.
- ^d 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Hanover Park High School:										
Square Feet	166,264	166,264	166,264	166,264	166,264	166,264	166,264	166,264	166,264	166,264
Capacity (Students)	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204
Enrollment	864	868	824	822	840	822	806	785	736	714
Whippany Park High School:										
Square Feet	156,451	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	701	720	692	691	648	640	626	607	609	586

Number of Schools at June 30, 2023:
 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-XXXX)

School Facilities*	Project # (s)	Fiscal Year Ended June 30,									
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Hanover Park High School	N/A	\$ 293,545	\$ 270,700	\$ 291,529	\$ 277,720	\$ 319,275	\$ 285,063	\$ 335,163	\$ 272,748	\$ 358,312	\$ 415,581
Whippany Park High School	N/A	240,452	235,326	243,293	245,114	265,537	244,399	244,450	278,238	305,219	344,168
Total School Facilities		\$ 533,997	\$ 506,026	\$ 534,822	\$ 522,834	\$ 584,812	\$ 529,462	\$ 579,613	\$ 550,986	\$ 663,531	\$ 759,749

* 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, 2023
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Package - New Jersey Schools Insurance Group:		
Blanket Buildigns & Contents	\$ 500,000,000	\$5,000
Blanket Extra Expense	50,000,000	\$5,000
Blanket Valuable Papers & Records	10,000,000	\$5,000
Demolition and Increased Cost of Const.	25,000,000	
Loss Of Business Income/Tuition	50,000	
Limited Builders Risk	10,000,000	
Fire Department Service Charge	10,000	
Arson Reward	10,000	
Pollutat Clean-up and Removal	250,000	
Sublimits: Flood Zones (SFHA)	25,000,000	
All Flood Zones Per Occurance		\$500,000/\$10,000
Accounts Receivable	250,000	
Electronic Data Processing		\$1,000
Blanket	2,000,000	
Computer Virus	250,000	
Per Building	500,000	
Boiler & Machinery		\$25,000
Combined	100,000,000	
Extra Expense/Service Interruption	10,000	
Data Restoration/Hazardous Substances/Ordinance	1,000,000	
Dishonesty	500,000	
Theft	50,000	
Conterfeit	25,000	
Forgery/Computer Fraud	250,000	
Injury	16,000,000	\$1,000/\$100
Aggregate	26,500,000	
Terrorism	1,000,000	
School Board Legal Liability		
Errors & Omissions Coverage A	16,000,000	\$10,000
Coverage B	100,000/300,000	\$10,000

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Automobile Coverage		\$ 1,000
Combined Single Limit Bodily Injury/Property	\$ 16,000,000	
Private Passenger Auto	1,000,000	
Personal Injury	250,000	
Medical	10,000	
Terrorism	1,000,000	
Workers Compensation		
New Jersey Schools Insurance Group	Statutory	
Employers Liability	3,000,000	
Environmental Impairment Liability		
Per Pollution Condition	1,000,000	\$50,000
Total Policy Aggregate	11,000,000	
Excess Policy		
Total Policy Limit	30,000,000	
Excess of Primary NJSIG Policy		
Cyber Liability		
Per Incident Event	2,000,000	Varies
Policy Aggregate	\$10,000,000/\$2,500,000	
NJ CAP Program	25,000,000	
Public Official Bonds		
Board Secretary/Business Administrator	275,000	
Treasurer of School Money	275,000	

Source: Hanover Park Regional High School District records.

SINGLE AUDIT SECTION



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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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 29, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

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

Report on 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.

November 29, 2023
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant



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Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

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 Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Hanover Park Regional High School District (the District's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

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

A *material weakness in internal control over compliance* is a deficiency, or a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

November 29, 2023
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, 2023

Assistance Listing Number	Federal Grantor/Pass Through Grantor Program/Cluster Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2022		Cash Received	Budgetary Expenditures	Balance June 30, 2023		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:												
		IDEA 199023	7/1/22-9/30/23	\$ 287,214		\$ (15,440)	\$ 244,351	\$ (287,214)	\$ (42,863)			
84.027		IDEA 199022	7/1/21-9/30/22	280,488			15,440					
						(15,440)	259,791	(287,214)	(42,863)			
Total Special Education Cluster												
Elementary and Secondary Education Act Grant:												
		ESEA199023	7/1/22-9/30/23	31,152			24,887	(23,450)		\$ 1,437		
84.010		ESEA199022	7/1/21-9/30/22	31,510		(3,386)	9,886	(6,500)				
						(3,386)	34,773	(29,950)		1,437		
Total Title I												
		ESEA199023	7/1/22-9/30/23	32,835		(7,794)	8,734	(16,923)	(8,189)			
84.367A		ESEA199022	7/1/21-9/30/22	30,988		(7,794)	7,794	(16,923)	(8,189)			
						(7,794)	16,528	(16,923)	(8,189)			
Total Title II A												
		ESEA199022	7/1/22-9/30/23	10,138			10,000	(10,000)				
84.424						(11,180)	61,301	(56,873)	(8,189)	1,437		
Total Elementary and Secondary Education Act Grant												
Education Stabilization Fund:												
COVID 19 - CRRSA:												
ESSER II												
		S425D210027	3/13/20-9/30/23	97,546			18,971	(18,971)				
84.425D		S425D210027	3/13/20-9/30/23	25,000		(1,593)	9,364	(11,934)	(4,163)			
										2,277		
84.425D		S425D210027	3/13/20-9/30/23	45,000			12,971	(11,471)				
COVID 19 - American Rescue Plan:												
Accelerated Learning Coach and Educator Support												
		S425U210027	3/13/20-9/30/24	219,227		(1,755)	1,755					
84.425U		S425U210027	3/13/20-9/30/24	106,502		(36,289)	105,636	(69,347)				
84.425U		S425U210027	3/13/20-9/30/24	40,000		(3,386)	7,044	(3,658)				
84.425U		S425U210027	3/13/20-9/30/24	40,000			28,005	(28,005)				
						(43,023)	183,746	(143,386)	(4,163)	2,277		
Total Education Stabilization Fund												
Total U.S. Department of Education												
U.S. Department of Treasury												
Passed-through State Department of Education:												
COVID 19 - ACSERS												
		N/A	7/1/22-6/30/23	515,129			260,964	(515,129)	(254,165)			
21.027		N/A	7/1/21-6/30/22	231,422		(107,108)	107,108					
						(107,108)	368,072	(515,129)	(254,165)			
Total U.S. Department of Treasury												
Total Special Revenue Fund												
						(176,751)	872,910	(1,002,602)	(309,380)	3,714		
Total Federal Awards												
						\$(176,751)	\$ 872,910	\$(1,002,602)	\$(309,380)	\$ 3,714	\$ - 0 -	
N/A - Not available												

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, 2023

State Grantor/Program Title	Project Number	Grant Period	Award Amount	Balance June 30, 2022		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2023		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	23-495-034-5120-089	7/1/22-6/30/23	\$ 1,390,438			\$ 1,259,339	\$ (1,390,438)		\$ (131,099)	\$ (1,390,438)		
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	1,139,346	\$ (106,615)		106,615				(1,139,346)		
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	25,177			22,803	(25,177)		(2,374)	(25,177)		
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	25,177	(2,356)		2,356				(25,177)		
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	640,159	(59,903)		579,801	(640,159)		(60,358)	(640,159)		
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	640,159	(59,903)		59,903				(640,159)		
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	646,043			827,649	(646,043)		(646,043)	(646,043)		
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	827,649	(827,649)						(827,649)		
Non-Public Transportation	23-495-034-5120-014	7/1/22-6/30/23	45,516			40,037	(45,516)		(45,516)	(45,516)		
Non-Public Transportation	22-495-034-5120-014	7/1/21-6/30/22	40,037	(40,037)						(40,037)		
Homeless Tuition Reimbursement	22-495-034-5120-005	7/1/21-6/30/22	14,497	(14,497)		14,497				(14,497)		
Securing Our Children's Future Bond Act	20E00261	7/1/20-6/30/23	95,155	(95,155)		95,155				(95,155)		
State Reimbursement for Lead Testing of Drinking Water	23-495-034-5120-104	7/1/22-6/30/23	3,150			3,150	(3,150)			(3,150)		
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	1,007,607			958,894	(1,007,607)		(48,713)	(1,007,607)		
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	973,614	(47,173)		47,173				(973,614)		
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	1,268,110			1,268,110	(1,268,110)			(1,268,110)		
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	4,761,207			4,761,207	(4,761,207)			(4,761,207)		
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	66,056			66,056	(66,056)			(66,056)		
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	1,765			1,765	(1,765)			(1,765)		
Total General Fund State Aid				(1,193,385)		10,114,510	(9,855,228)		(934,103)	(14,316,865)		
Special Revenue Fund:												
NJ Department of Community Affairs:												
NJDCA Local Recreation Improvement Grant	N/A	7/1/22-6/30/23	30,588				(30,588)		(30,588)	(30,588)		
Total Special Revenue Fund							(30,588)		(30,588)	(30,588)		

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2022		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2023		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	23-100-034-5120-075	7/1/22-6/30/23	\$ 252,252			\$ 252,252	\$ (252,252)					\$ (252,252)
Total Debt Service Fund						252,252	(252,252)					(252,252)
Total NJ Department of Education						10,366,762	(10,138,068)	\$ - 0 -	\$ (770,860)	\$ - 0 -	\$ (964,691)	(14,599,705)
Total State Awards						\$ (1,193,385)	\$ (10,138,068)	\$ - 0 -	\$ (770,860)	\$ - 0 -	\$ (964,691)	\$ (14,599,705)
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	(1,268,110)				1,268,110					
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	(4,761,207)				4,761,207					
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	(66,056)				66,056					
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	(1,765)				1,765					
Subtotal - On-Behalf TPAF Pension System Contributions							6,097,138					
Total State Awards Subject to Single Audit Major Program Determination							\$ (4,040,930)					

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, 2023

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, 2023. 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 (\$24,957) for the general fund, and (\$7,160) for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

Note 4. Relationship to Basic Financial Statements (Cont'd)

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		\$ 9,830,271	\$ 9,830,271
Special Revenue Fund	\$ 995,442	30,588	1,026,030
Debt Service Fund		252,252	252,252
Total Awards	\$ 995,442	\$ 10,113,111	\$ 11,108,553

Note 5. 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 6. 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, 2023.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the District's financial statements.
- 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 federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJ OMB 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on the major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

Program	Assistance Listing/ State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027	7/1/22-9/30/23	\$ 287,214	\$ 287,214
Education Stabilization Fund:				
COVID 19 - CRRSA:				
ESSER II	84.425D	3/13/20-9/30/23	97,546	18,971
Learning Acceleration	84.425D	3/13/20-9/30/23	25,000	11,934
Mental Health	84.425D	3/13/20-9/30/23	45,000	11,471
COVID 19 - American Rescue Plan:				
Accelerated Learning Coach and Educator Support	84.425U	3/13/20-9/30/24	106,502	69,347
Evidence Based Summer Learning and Enrichment	84.425U	3/13/20-9/30/24	40,000	3,658
Evidence Based Comprehensive Beyond the School Day	84.425U	3/13/20-9/30/24	40,000	28,005
<u>State:</u>				
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	1,390,438	1,390,438
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	25,177	25,177
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	1,007,607	1,007,607

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

Summary of Auditors' Results: (Cont'd)

- The threshold used for distinguishing between federal and state Type A and Type B state programs was \$750,000.
- The District was not determined to be a "low-risk" auditee for state and federal 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:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

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, 2023

Status of Prior Year Findings:

There were no audit findings or questioned costs for the year ended June 30, 2022.