

**HANOVER PARK
REGIONAL HIGH SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

**Comprehensive Annual
Financial Report**

of the

**Hanover Park
Regional High School District**

East Hanover, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

**Hanover Park Regional High School
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

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

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

HANOVER PARK HIGH SCHOOL
 WHIPPANY PARK HIGH SCHOOL

November 17, 2015

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

Dear Honorable President and Board Members:

The Comprehensive Annual Financial Report of the Hanover Park Regional High School District (the "District") for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and New Jersey's OMB Circulars 04-04 and 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 2014-2015 fiscal year with an enrollment of 1,599 students, which is an increase of 25 students from the previous year's enrollment.

The Honorable President and Members
of the Board of Education
Hanover Park Regional High School District
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November 17, 2015

2. ECONOMIC CONDITION AND OUTLOOK: East Hanover's immediate future is looking bright. They saw a significant uptick in building permits. The Land Use Board has approved new home applications. Hanover Township is looking positive as well. Their Planning Board has approved new construction applications as well.
3. MAJOR INITIATIVES: For a complete report on District objectives and major accomplishments during 2014-2015, please contact the Superintendent's Office.

Students in the Class of 2015 at both of the District's high schools were granted diplomas in June 2015.

	<u>Regular Pupils</u>	<u>Special Education Pupils</u>	<u>Total Pupils</u>
Grade 12 Enrollment 6/30/15	389	70	459*
No. Students Graduating	383	53	436
No. Students Passing HSPA- LAL	377	34	411
No. Students Passing HSPA - Math	382	29	411
No. Students Denied a Diploma	- 0 -	16	16

* Includes 19 out of district students

A majority of graduating students plan to continue their education. Advanced education plans are summarized below for the Class of 2015.

	<u>4-Year College</u>	<u>2-Year College</u>	<u>Armed Forces</u>	<u>Other Education</u>	<u>Total</u>
Hanover Park	167	26	1	5	199
Whippany Park	150	12	1	5	168

The Honorable President and Members
of the Board of Education
Hanover Park Regional High School District
Page 3
November 17, 2015

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.

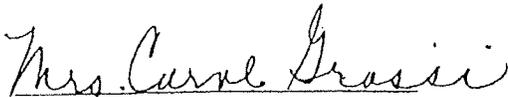
As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts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

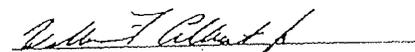
5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated 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, 2015.
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. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents, and fidelity bonds. The Board oversees Risk Management for the District. A schedule of insurance coverage is found on Exhibit J-20.

The Honorable President and Members
of the Board of Education
Hanover Park Regional High School District
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November 17, 2015

9. 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 the Single Audit Act Amendments of 1996 and the related OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.
10. 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,


Carol Grossi
Superintendent

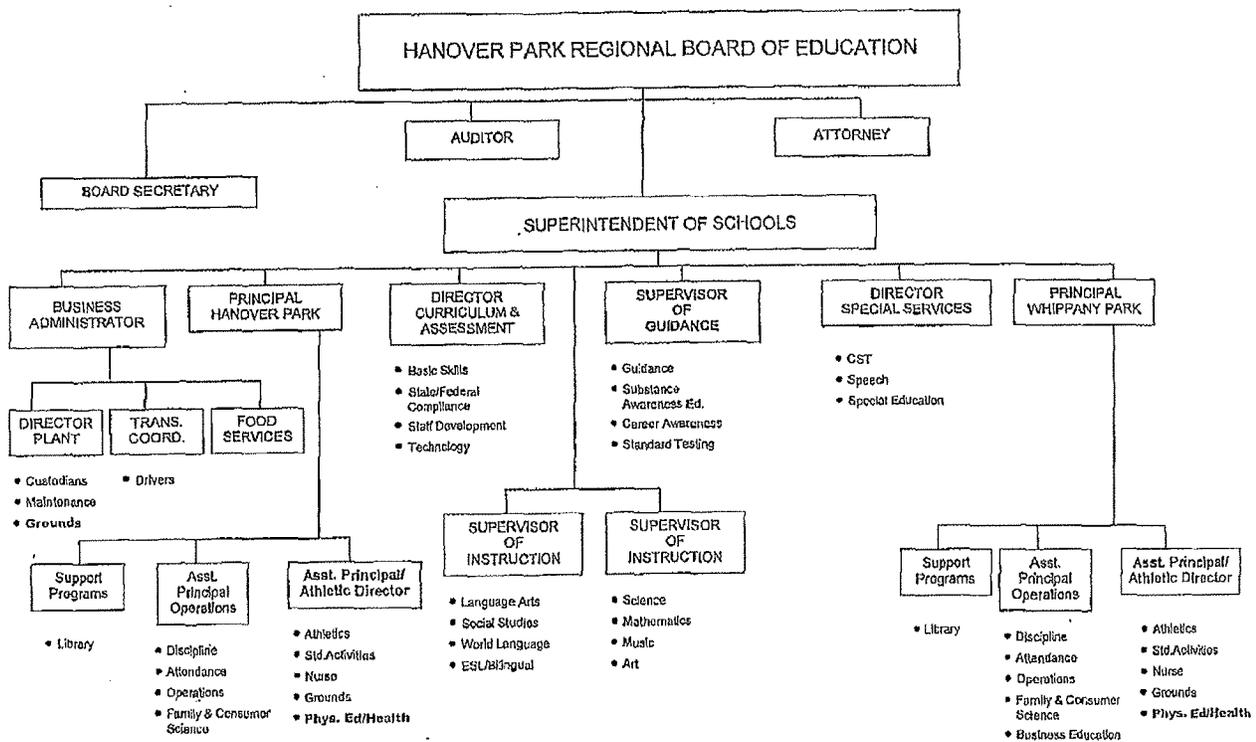

William F. Albert, Jr.
Business Administrator/Board Secretary

POLICY

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT

ADMINISTRATION
1110/page 1 of 1
Organizational Chart

1110 ORGANIZATIONAL CHART



Revised: 6/22/13
Board Approved:



HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2015

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Debra Davis - President		2017
James Herbert - Vice President		2015
Anne Coiley		2015
Ernest Eveland		2016
Gerard Freda		2016
Richard Ford		2017
Glen Johnstone		2016
Michael Lomio		2015
Joan Seery		2017
<u>Other Officers</u>	<u>Title</u>	
Carol Grossi	Superintendent of Schools	
William F. Albert, Jr.	Board Secretary/Business Administrator	
Patricia Mackenzie	Treasurer	
Maria Carrell	Director of Curriculum, Instruction and Assessment	

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
Consultants and Advisors
Fiscal Year Ended June 30, 2015

Audit Firm

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

and

Lawrence Business Park
11 Lawrence Road
Newton, New Jersey 07860

Attorney

Anthony P. Sciarrillo, Esq.
Lindabury, McCormick & Estabrook, P.C.
53 Cardinal Drive
P.O. Box 2369
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



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

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

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Hanover Park Regional High School District (the "District") in the County of Morris, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Hanover Park Regional High School District, in the County of Morris, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 10 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the fiscal year ended June 30, 2015. Our opinions are not modified with respect to this matter. The implementation resulted in the restatement of certain balances on the Statement of Net Position and the ending balance for Net Position for the Governmental Activities as of June 30, 2014 as detailed in Note 18 to the basic financial statements.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey’s Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

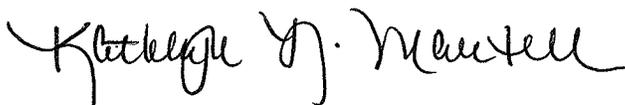
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2015 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance



NISIVOCCIA, LLP

November 17, 2015
Mount Arlington, New Jersey



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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

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, 2015. 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.

Financial Highlights

- The District's financial position increased \$1,177,848 on a district-wide basis over the course of the year.
- The net position from the District's governmental-type activities increased \$1,195,294.
- The net position from the District's business-type activity – food services – decreased \$17,446.
- Overall revenue was \$39,249,092.
- Overall expenses were \$38,093,839.

Overview of the Financial Statements

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

Figure A-1

Organization of Hanover Park Regional School District's Financial Report

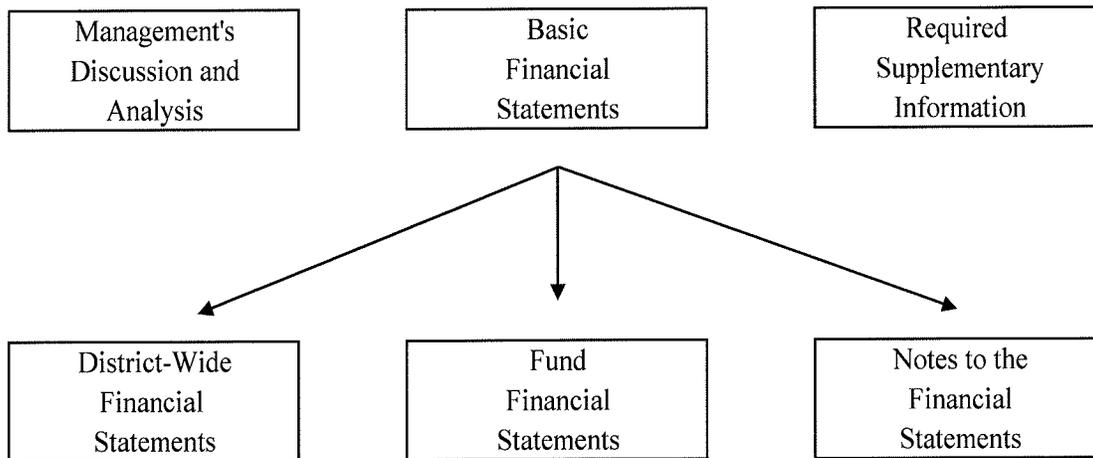


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents 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, 2015
(UNAUDITED)**

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

District-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

Fund Financial Statements

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

Notes to the Basic Financial Statements

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

Financial Analysis of the District as a Whole

Net Position. The District's combined net position was \$23,264,946 on June 30, 2015, \$1,177,848 or 5.33% more than the year before (See Figure A-3). Net position from governmental activities increased \$1,195,294 and net position from business-type activities decreased by \$17,446 (See Figure A-4). Net investment in capital assets increased \$1,551,197, restricted net position increased \$499,973 and unrestricted net position decreased \$873,322.

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2014/15	2013/14*	2014/15	2013/14	2014/15	2013/14*	
Assets:							
Current and Other Assets	\$ 20,110,799	\$ 20,725,002	\$ 120,131	\$ 209,843	\$ 20,230,930	\$ 20,934,845	-3.36%
Capital Assets, Net	44,856,871	45,618,092	25,638	33,220	44,882,509	45,651,312	-1.68%
Total Assets	64,967,670	66,343,094	145,769	243,063	65,113,439	66,586,157	-2.21%
Deferred Outflows of Resources	2,038,151	1,656,372			2,038,151	1,656,372	23.05%
Liabilities:							
Long-Term Debt							
Outstanding	40,490,622	42,787,284			40,490,622	42,787,284	-5.37%
Other Liabilities	2,658,372	3,192,483	95,815	175,663	2,754,187	3,368,146	-18.23%
Total Liabilities	43,148,994	45,979,767	95,815	175,663	43,244,809	46,155,430	-6.31%
Deferred Inflows of Resources	641,835				641,835		100.00%
Net Position:							
Net Investment in							
Capital Assets	15,801,871	14,243,092	25,638	33,220	15,827,509	14,276,312	10.87%
Restricted	18,437,842	17,937,869			18,437,842	17,937,869	2.79%
Unrestricted/(Deficit)	(11,024,721)	(10,161,263)	24,316	34,180	(11,000,405)	(10,127,083)	-8.62%
Total Net Position	\$ 23,214,992	\$ 22,019,698	\$ 49,954	\$ 67,400	\$ 23,264,946	\$ 22,087,098	5.33%

* Restated

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

Financial Analysis of the District as a Whole

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	
Revenue:							
Program Revenue:							
Charges for Services			\$ 530,773	\$ 555,536	\$ 530,773	\$ 555,536	-4.46%
Operating Grants & Contributions	\$ 6,486,666	\$ 3,368,274			6,486,666	3,368,274	92.58%
Capital Grants & Contributions	241,500	15,310			241,500	15,310	1477.40%
General Revenue:							
Property Taxes	31,105,944	29,149,047			31,105,944	29,149,047	6.71%
Unrestricted Federal & State Aid	403,516	435,164			403,516	435,164	-7.27%
Other	480,563	539,747	130	190	480,693	539,937	-10.97%
Total Revenue	<u>38,718,189</u>	<u>33,507,542</u>	<u>530,903</u>	<u>555,726</u>	<u>39,249,092</u>	<u>34,063,268</u>	15.22%
Expenses:							
Instruction	18,917,971	16,465,388			18,917,971	16,465,388	14.90%
Pupil & Instruction Services	7,321,741	6,730,774			7,321,741	6,730,774	8.78%
Administration and Business	3,579,519	3,089,035			3,579,519	3,089,035	15.88%
Maintenance & Operations	3,361,032	2,776,076			3,361,032	2,776,076	21.07%
Transportation	2,391,889	2,353,110			2,391,889	2,353,110	1.65%
Other	1,950,743	1,916,939	570,944	614,964	2,521,687	2,531,903	-0.40%
Total Expenses	<u>37,522,895</u>	<u>33,331,322</u>	<u>570,944</u>	<u>614,964</u>	<u>38,093,839</u>	<u>33,946,286</u>	12.22%
Special Item			22,595		22,595		100.00%
Change in Net Position	<u>\$ 1,195,294</u>	<u>\$ 176,220</u>	<u>\$ (17,446)</u>	<u>\$ (59,238)</u>	<u>\$ 1,177,848</u>	<u>\$ 116,982</u>	

Changes in net position. The District's combined net position increased by \$1,177,848 or 5.33%. Net investment in capital assets increased \$1,551,197 due to a \$2,320,000 reduction in debt from current year maturities and \$919,451 in capital additions from governmental activities offset by \$1,279,789 in depreciation (\$1,272,207 from governmental activities and \$7,582 from business-type activities) and an adjustment to construction in progress of \$408,465.

Restricted net position increased by \$499,973 due to increases in current year excess surplus of \$773,711, prior year excess surplus designated for subsequent year's expenditures of \$6,700 and maintenance reserve of \$102 offset by decreases in the capital reserve of \$105,533, capital projects of \$156,632 and debt service of \$18,375.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

Financial Analysis of the District as a Whole

Unrestricted net position decreased \$873,322 primarily as a result of decreases in year-end encumbrances of \$253,261, committed capital projects of \$165,639, fund balance designated for subsequent year's expenditures of \$318,934, deferred interest on bond refundings of \$138,031 and unassigned fund balance of \$53,233 and increases in compensated absences of \$32,811 and investment gains in pensions of \$641,835 offset by increases in changes in pension assumptions of \$338,668 and changes in proportion in pensions of \$181,142 and decreases in unamortized bond premiums of \$193,779, accrued bond interest payable of \$17,224 and the change in net pension liability of \$9,473. The net position of the business-type activities decreased \$17,446 as a result of an increase in the cost of sales and payroll costs. (See Figure A-4).

Revenue Sources. The District's total revenue for the 2014-2015 fiscal school year was \$39,249,092. (See Figure A-4). Property taxes accounted for most of the District's revenue, with local taxes representing \$31,105,944, or 79.25% of total revenue. (See Figure A-5). Another 18.18% came from state and federal aid and the remaining 2.57% came from charges for services and miscellaneous sources. Hanover Park Regional High School District basically conducts its operations from the revenues it receives from its local taxpayers.

Figure A-5

Sources of Revenue for Fiscal Year 2015 and 2014

Sources of Income	2015	Percentage	2014	Percentage
State Formula Aid	\$ 822,576	2.10%	\$ 1,103,045	3.24%
Property Taxes	31,105,944	79.25%	29,149,047	85.58%
Federal and State Categorical Grants	6,309,106	16.08%	2,715,703	7.97%
Charges for Services	530,773	1.35%	555,536	1.63%
Other	480,693	1.22%	539,937	1.58%
	<u>\$ 39,249,092</u>	<u>100.00%</u>	<u>\$ 34,063,268</u>	<u>100.00%</u>

The total cost of all programs and services was \$38,093,839. The District's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (75.16%). (See Figure A-6). The District's administration and business activities accounted for 9.40% of total expenses. Hanover Park High School has a very unique physical plant that, while greatly appreciated in the fall and spring, creates many difficulties in the winter and in inclement weather all year round. The age and the layout of Hanover Park High School contributes to higher maintenance costs (8.82%) than those of the standard high school plant. Hanover Park also boasts the only high school in New Jersey with seven bridges on its campus. It is important to note that other expenses for the year (6.62%) include \$897,147 of interest on long-term debt, \$1,053,596 of unallocated depreciation, and \$570,944 of expenses from its business-type activities.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

**Figure A-6
Expenses for Fiscal Year 2015 and 2014**

Expense Category	2015	Percentage	2014	Percentage
Instruction	\$ 18,917,971	49.66%	\$ 16,465,388	48.51%
Pupil & Instruction Services	7,321,741	19.22%	6,730,774	19.83%
Administration and Business	3,579,519	9.40%	3,089,035	9.10%
Maintenance & Operations	3,361,032	8.82%	2,776,076	8.18%
Transportation	2,391,889	6.28%	2,353,110	6.93%
Other	2,521,687	6.62%	2,531,903	7.45%
	<u>\$ 38,093,839</u>	<u>100.00%</u>	<u>\$ 33,946,286</u>	<u>100.00%</u>

Governmental Activities

The financial position of the District increased by \$1,195,294 and remains stable. Maintaining existing programs, developing new programs for regular education pupil enrollment and continued special programs and services disabled pupils places great demands on the District's resources. Limited veteran employee retirements and increased employee health benefit contributions have been surpassed by the increase in health benefits costs and the costs associated with training new teachers.

Careful management of expenses remains essential for the District to sustain its financial health. The 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-7 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:

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

Governmental Activities

Figure A-7

Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2014/15	2013/14	2014/15	2013/14
Instruction	\$ 18,917,971	\$ 16,465,388	\$ 14,918,454	\$ 14,425,895
Pupil & Instruction Services	7,321,741	6,730,774	6,263,493	6,123,539
Administration and Business	3,579,519	3,089,035	3,004,223	2,839,878
Maintenance & Operations	3,361,032	2,776,076	2,783,880	2,613,091
Transportation	2,391,889	2,353,110	1,873,936	2,028,396
Other	1,950,743	1,916,939	1,950,743	1,916,939
Total	<u>\$ 37,522,895</u>	<u>\$ 33,331,322</u>	<u>\$ 30,794,729</u>	<u>\$ 29,947,738</u>

- The cost of all governmental activities this year was \$37,522,895.
- The federal and state governments subsidized certain programs with grants and contributions (\$6,309,106).
- Most of the District's costs were financed by \$31,105,944 of District taxes.
- A portion of governmental activities was financed with \$822,576 in State Aid based on the SFRAPAY formula.
- The remaining \$480,563 of the District's funding came from \$459,100 in miscellaneous revenue and \$21,463 in investment earnings.

Business-Type Activities

- Net position from the District's business-type activities (food service program) decreased \$17,446 primarily as a result of an increase in the cost of sales and payroll costs. (Refer to Figure A-4).

Financial Analysis of the District's Funds

The District's financial position remains positive. The District continues to see a rise in additional student needs and the associated expenditures. Difficult economic times continue to have an effect on the District's revenue.

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

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 Asset and Debt Administration

The District's capital assets decreased \$768,803, or 1.68%, over the course of the fiscal year.

Figure A-8

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	
Land	\$ 1,961,326	\$ 1,961,326			\$ 1,961,326	\$ 1,961,326	0.00%
Construction in Progress	1,466,222	1,782,857			1,466,222	1,782,857	-17.76%
Site Imps.	971,106	434,589			971,106	434,589	123.45%
Buildings & Bldg. Imps.	39,127,853	40,116,192			39,127,853	40,116,192	-2.46%
Machinery, Furniture and Equipment	1,330,364	1,323,128	\$ 25,638	\$ 33,220	1,356,002	1,356,348	-0.03%
Total	\$44,856,871	\$45,618,092	\$ 25,638	\$ 33,220	\$44,882,509	\$45,651,312	-1.68%

The District expended \$919,451 for various capital assets and construction projects. This increase was offset by \$1,279,789 in depreciation (\$1,272,207 from its governmental and \$7,582 from its business-type activities) and \$408,465 of construction in progress which was not capitalized. Construction in progress includes roof replacement at Whippany Park High School, and installation of telecommunications and paging system at Hanover Park and Whippany Park High Schools.

Long-Term Debt

The District's long-term debt decreased \$2,296,662, or 5.37%, over the course of the fiscal year. At year-end, the District had \$29,055,000 in general obligation bonds outstanding – a decrease of \$2,320,000 from last year – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 9 to the financial statements.)

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

Long-Term Debt

Figure A-9

Outstanding Long-Term Debt

	Total School District		Percent Change
	2014/15	2013/14*	
General Obligation Bonds (Financed with Property Taxes)	\$ 29,055,000	\$ 31,375,000	-7.39%
Net Pension Liability	10,770,031	10,779,504	-0.09%
Other Long-Term Debt	665,591	632,780	5.19%
Total	\$ 40,490,622	\$ 42,787,284	-5.37%

* Restated

- The District paid down \$2,320,000 of its School Bonds during the fiscal year.
- Net Pension Liability decreased \$9,473.
- Compensated absences payable increased by \$32,811.

Factors Bearing on the District's Future

At the time these financial statement were prepared an audited, the District was aware of five existing circumstances that could significantly affect its financial health in the future:

- The labor agreement with the Hanover Park Regional Education Association has expired on June 30, 2015. The District is currently in mediation.
- The labor agreement with the Hanover Park Regional Administrators' Association will expire on June 30, 2017.

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

Exhibit A-1

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 17,813,502	\$ 89,786	\$ 17,903,288
Cash with Fiscal Agents	1,837		1,837
Internal Balances	(1,599)	1,599	
Receivable from Federal Government	18,235		18,235
Receivable from State Government	494,481		494,481
Other Receivables	10,228	22,595	32,823
Inventories		6,151	6,151
Restricted Assets - Cash and Cash Equivalents:			
Capital Reserve Account	1,723,801		1,723,801
Maintenance Reserve Account	50,314		50,314
Capital Assets:			
Site (Land) and Construction in Progress	3,427,548		3,427,548
Depreciable Site Improvements, Buildings and Building Improvements & Machinery, Furniture & Equipment	41,429,323	25,638	41,454,961
Total Assets	64,967,670	145,769	65,113,439
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Amount on Refunding	1,518,341		1,518,341
Changes in Assumptions - Pensions	338,668		338,668
Changes in Proportion - Pensions	181,142		181,142
Total Deferred Outflows of Resources	2,038,151		2,038,151
LIABILITIES			
Current Liabilities:			
Interest Payable	1,837		1,837
Accrued Interest Payable	260,588		260,588
Payable to State Government	9,835		9,835
Accounts Payable - Vendors	250,220	93,514	343,734
Unamortized Bond Issuance Premium	2,131,569		2,131,569
Unearned Revenue	4,323	2,301	6,624
Noncurrent Liabilities:			
Due Within One Year	2,450,122		2,450,122
Due Beyond One Year	38,040,500		38,040,500
Total Liabilities	43,148,994	95,815	43,244,809
DEFERRED INFLOWS OF RESOURCES:			
Investment Gains - Pensions	641,835		641,835
Total Deferred Inflows of Resources	641,835		641,835
NET POSITION			
Net Investment in Capital Assets	15,801,871	25,638	15,827,509
Restricted for:			
Capital Projects	15,995,338		15,995,338
Debt Service	1		1
Other Purposes	2,442,503		2,442,503
Unrestricted/(Deficit)	(11,024,721)	24,316	(11,000,405)
Total Net Position	\$ 23,214,992	\$ 49,954	\$ 23,264,946

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, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Governmental Activities:						
Instruction:						
Regular	\$ 14,466,950		\$ 2,635,236		\$ (11,831,714)	\$ (11,831,714)
Special Education	2,351,424		1,050,939		(1,300,485)	(1,300,485)
Other Special Instruction	80,199		4,144		(76,055)	(76,055)
Other Instruction	2,019,398		309,198		(1,710,200)	(1,710,200)
Support Services:						
Tuition	2,970,421		285,054		(2,685,367)	(2,685,367)
Student & Instruction Related Services	4,351,320		773,194		(3,578,126)	(3,578,126)
General Administration Services	1,018,917		137,227		(881,690)	(881,690)
School Administration Services	1,700,501		309,943		(1,390,558)	(1,390,558)
Central Services	706,504		128,126		(578,378)	(578,378)
Administration Information Technology	153,597				(153,597)	(153,597)
Plant Operations and Maintenance	3,361,032		335,652	\$ 241,500	(2,783,880)	(2,783,880)
Pupil Transportation	2,391,889		517,953		(1,873,936)	(1,873,936)
Interest on Long-Term Debt	897,147				(897,147)	(897,147)
Unallocated Depreciation	1,053,596				(1,053,596)	(1,053,596)
Total Governmental Activities	37,522,895	\$ - 0 -	6,486,666	241,500	(30,794,729)	\$ - 0 -

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Functions/Programs</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Business-Type Activities:							
Food Service	\$ 565,789	\$ 525,618				\$ (40,171)	\$ (40,171)
Summer Enrichment	5,155	5,155					
Total Business-Type Activities	<u>570,944</u>	<u>530,773</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>(40,171)</u>	<u>(40,171)</u>
Total Primary Government	<u>\$ 38,093,839</u>	<u>\$ 530,773</u>	<u>\$ 6,486,666</u>	<u>\$ 241,500</u>	<u>\$ (30,794,729)</u>	<u>(40,171)</u>	<u>(30,834,900)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				27,834,200			27,834,200
Taxes Levied for Debt Service				3,271,744			3,271,744
Federal and State Aid not Restricted				403,516			403,516
Investment Earnings				21,463	130		21,593
Miscellaneous Income				459,100			459,100
Special Item - Food Service Management Contractor Contribution					22,595		22,595
Total General Revenue				<u>31,990,023</u>	<u>22,725</u>		<u>32,012,748</u>
Change in Net Position				<u>1,195,294</u>	<u>(17,446)</u>		<u>1,177,848</u>
Net Position - Beginning (Restated)				<u>22,019,698</u>	<u>67,400</u>		<u>22,087,098</u>
Net Position - Ending				<u>\$ 23,214,992</u>	<u>\$ 49,954</u>		<u>\$ 23,264,946</u>

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, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 3,314,484	\$ 12,350	\$ 14,486,667	\$ 1	\$ 17,813,502
Cash with Fiscal Agents				1,837	1,837
Interfunds Receivable	14,137				14,137
Receivable from Federal Government		18,235			18,235
Receivable from State Government	405,429		89,052		494,481
Other Receivables	9,228	1,000			10,228
Restricted Cash and Cash Equivalents	1,774,115				1,774,115
Total Assets	\$ 5,517,393	\$ 31,585	\$ 14,575,719	\$ 1,838	\$ 20,126,535
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Interest Payable				\$ 1,837	\$ 1,837
Accounts Payable - Vendors	\$ 84,694	\$ 3,290	\$ 162,236		250,220
Intergovernmental Payable - State		9,835			9,835
Interfunds Payable	1,599	14,137			15,736
Unearned Revenue		4,323			4,323
Total Liabilities	86,293	31,585	162,236	1,837	281,951
Fund Balances:					
Restricted for:					
Capital Reserve Account	1,723,801				1,723,801
Maintenance Reserve Account	50,314				50,314
Excess Surplus	1,582,950				1,582,950
Excess Surplus - For Subsequent Year's Expenditures	809,239				809,239
Capital Projects			14,271,537		14,271,537
Debt Service				1	1
Committed:					
Capital Projects			141,946		141,946

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
LIABILITIES AND FUND BALANCES:					
Fund Balances:					
Assigned:					
Year End Encumbrances	\$ 417,036				\$ 417,036
Designated for Subsequent Year's Expenditures	262,569				262,569
Unassigned	<u>585,191</u>				<u>585,191</u>
Total Fund Balances	<u>5,431,100</u>		<u>\$ 14,413,483</u>	<u>\$ 1</u>	<u>19,844,584</u>
Total Liabilities and Fund Balances	<u>\$ 5,517,393</u>	<u>\$ 31,585</u>	<u>\$ 14,575,719</u>	<u>\$ 1,838</u>	<u>\$ 20,126,535</u>

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

Total Fund Balances (Above)	\$ 19,844,584
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. The cost of the assets is \$64,040,784 and the accumulated depreciation is \$19,183,913.	44,856,871
Bond Issuance Premiums are reported as revenue in the Governmental Funds in the year the bonds are sold. The original premium was \$2,519,122 and accumulated amortization is \$387,553.	(2,131,569)
Deferred Interest costs are not reported as expenditures in the governmental funds in the year of the expenditure.	1,518,341
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as expenditure when due.	(260,588)
Long-term liabilities, including bonds 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.	(40,490,622)
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:	
Change in Assumptions - Pensions	338,668
Change in Proportions - Pensions	181,142
Investment Gains - Pensions	<u>(641,835)</u>
Net Position of Governmental Activities (Exhibit A-1)	<u>\$ 23,214,992</u>

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 27,834,200			\$ 3,271,744	\$ 31,105,944
Interest Earned on Capital Reserve Funds	3,459				3,459
Interest Earned on Maintenance Reserve Funds	102				102
Miscellaneous	459,100	\$ 9,642	\$ 17,902		486,644
Total - Local Sources	28,296,861	9,642	17,902	3,271,744	31,596,149
State Sources	3,711,087	11,923	241,500		3,964,510
Federal Sources		328,658			328,658
Total Revenue	32,007,948	350,223	259,402	3,271,744	35,889,317
EXPENDITURES:					
Current:					
Regular Instruction	9,214,089	46,464			9,260,553
Special Education Instruction	1,453,440				1,453,440
Other Special Instruction	72,067				72,067
Other Instruction	1,416,933				1,416,933
Support Services and Undistributed Costs:					
Tuition	2,685,367	285,054			2,970,421
Student & Instruction Related Services	2,843,418	18,705			2,862,123
General Administration Services	752,552				752,552
School Administration Services	1,063,928				1,063,928
Central Services	407,446				407,446
Administrative Information Technology	153,597				153,597
Plant Operations and Maintenance	2,257,080				2,257,080
Pupil Transportation	1,583,878				1,583,878
Unallocated Benefits	7,615,467				7,615,467

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd):					
Capital Outlay	\$ 348,044		\$ 672,763		\$ 1,020,807
Debt Service:					
Interest and Other Charges				\$ 970,119	970,119
Principal				2,320,000	2,320,000
Total Expenditures	<u>31,867,306</u>	<u>\$ 350,223</u>	<u>672,763</u>	<u>3,290,119</u>	<u>36,180,411</u>
Excess/(Deficiency) of Revenue over Expenditures	<u>140,642</u>		<u>(413,361)</u>	<u>(18,375)</u>	<u>(291,094)</u>
OTHER FINANCING SOURCES/(USES):					
Transfers In	54,267		145,357		199,624
Transfers Out	<u>(145,357)</u>		<u>(54,267)</u>		<u>(199,624)</u>
Total Other Financing Sources/(Uses)	<u>(91,090)</u>		<u>91,090</u>		<u>- 0 -</u>
Net Change in Fund Balances	49,552		(322,271)	(18,375)	(291,094)
Fund Balance - July 1	<u>5,381,548</u>		<u>14,735,754</u>	<u>18,376</u>	<u>20,135,678</u>
Fund Balance - June 30	<u>\$ 5,431,100</u>	<u>\$ - 0 -</u>	<u>\$ 14,413,483</u>	<u>\$ 1</u>	<u>\$ 19,844,584</u>

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, 2015

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ (291,094)

Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are different because:

Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and adjustments differs from capital outlays in the period.

	Depreciation Expense	\$ (1,272,207)	
	Adjustments	(408,465)	
	Capital Outlays	<u>919,451</u>	(761,221)

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 (+). (32,811)

In the Statement of Activities, interest on long-term debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. 17,224

The governmental funds report the effect of premiums and deferred interest when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. 55,748

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. 2,320,000

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:

Change in Net Pension Liability	9,473	
Deferred Outflows:		
Changes in Assumptions	338,668	
Changes in Proportion	181,142	
Deferred Inflows:		
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>(641,835)</u>	

Change in Net Position of Governmental Activities (Exhibit A-2) \$ 1,195,294

Exhibit B-4

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-Type Activities - Enterprise Funds		
	Non-Major Fund	Major Fund Food Service	Total Enterprise Funds
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 2,301	\$ 87,485	\$ 89,786
Interfund Receivable - General Fund		1,599	1,599
Other Receivables		22,595	22,595
Inventories		6,151	6,151
Total Current Assets	2,301	117,830	120,131
Non-Current Assets:			
Capital Assets:			
Depreciable Furniture, Machinery & Equipment		401,732	401,732
Less: Accumulated Depreciation		(376,094)	(376,094)
Total Non-Current Assets		25,638	25,638
Total Assets	2,301	143,468	145,769
<u>LIABILITIES:</u>			
Current Liabilities:			
Unearned Revenue	2,301		2,301
Accounts Payable - Vendors		93,514	93,514
Total Liabilities	2,301	93,514	95,815
<u>NET POSITION:</u>			
Net Investment in Capital Assets		25,638	25,638
Unrestricted		24,316	24,316
Total Net Position	\$ - 0 -	\$ 49,954	\$ 49,954

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

Exhibit B-5

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Fund</u>	<u>Major Fund Food Service</u>	<u>Total Enterprise Funds</u>
Operating Revenue:			
Local Sources:			
Daily Sales - Non-Reimbursable Programs		\$ 499,831	\$ 499,831
Special Events		7,378	7,378
Free and Reduced Lunches Subsidized by District		18,409	18,409
Summer Enrichment Program Fees	\$ 5,155		5,155
Total Operating Revenue	<u>5,155</u>	<u>525,618</u>	<u>530,773</u>
Operating Expenses:			
Cost of Sales		222,450	222,450
Salaries, Benefits & Payroll Taxes	5,155	263,235	268,390
Supplies, Insurance & Other Costs		17,665	17,665
Management Fee		19,295	19,295
Miscellaneous Expense		4,084	4,084
Insurance & Office Supplies		31,478	31,478
Depreciation Expense		7,582	7,582
Total Operating Expenses	<u>5,155</u>	<u>565,789</u>	<u>570,944</u>
Operating (Loss)		<u>(40,171)</u>	<u>(59,428)</u>
Non-Operating Income:			
Interest Income		130	130
Total Non-Operating Income		<u>130</u>	<u>130</u>
Change in Net Position Before Special Item		(40,041)	(40,041)
Special Item - Food Service Management Contractor Contribution		<u>22,595</u>	<u>22,595</u>
Change in Net Position		(17,446)	(17,446)
Net Position - Beginning of Year		<u>67,400</u>	<u>67,400</u>
Net Position - End of Year	<u>\$ - 0 -</u>	<u>\$ 49,954</u>	<u>\$ 49,954</u>

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, 2015

	Business-Type Activities - Enterprise Funds		
	Non-Major Fund	Major Fund Food Service	Total Enterprise Funds
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 2,301	\$ 507,209	\$ 509,510
Receipts from District		18,409	18,409
Payments by District for the Free Lunches		(18,409)	(18,409)
Payments to Food Service Vendor		(617,293)	(617,293)
Payments to Summer Enrichment Employees	(5,155)		(5,155)
Net Cash Used for Operating Activities	(2,854)	(110,084)	(112,938)
Cash Flows from Investing Activities:			
Interest Income		130	130
Net Cash Provided by Investing Activities		130	130
Cash Flows from Noncapital Financing Activities:			
Payments to General Fund		(708)	(708)
Net Cash Used for Noncapital Financing Activities		(708)	(708)
Net Decrease in Cash and Cash Equivalents	(2,854)	(110,662)	(113,516)
Cash and Cash Equivalents, July 1	5,155	198,147	203,302
Cash and Cash Equivalents, June 30	\$ 2,301	\$ 87,485	\$ 89,786
Reconciliation of Operating (Loss) to Net Cash Used for Operating Activities:			
Operating Loss		\$ (40,171)	\$ (40,171)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:			
Depreciation		7,582	7,582
Changes in Assets and Liabilities:			
(Increase) in Inventory		(501)	(501)
(Decrease) in Unearned Revenue	\$ (2,854)		(2,854)
(Decrease) in Accounts Payable		(76,994)	(76,994)
Net Cash Used for Operating Activities	\$ (2,854)	\$ (110,084)	\$ (112,938)

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

Exhibit B-7

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Benefits Trust</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 389,727	\$ 146,995	\$ 27,124	\$ 17,660
Investments	22,994			
Total Assets	<u>412,721</u>	<u>146,995</u>	<u>27,124</u>	<u>17,660</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	268,948			
Due to Student Groups	143,773			
Total Liabilities	<u>412,721</u>			
<u>NET POSITION:</u>				
Held in Trust for:				
Unemployment Claims		146,995		
Flexible Benefits Claims				17,660
Scholarships			27,124	
Total Net Position	<u>\$ - 0 -</u>	<u>\$ 146,995</u>	<u>\$ 27,124</u>	<u>\$ 17,660</u>

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

Exhibit B-8

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust
ADDITIONS:			
Contributions:			
Plan Members	\$ 47,076		\$ 54,210
Donations		\$ 34,018	
Total Contributions	<u>47,076</u>	<u>34,018</u>	<u>54,210</u>
Investment Earnings:			
Interest	<u>261</u>		
Net Investment Earnings	<u>261</u>		
Total Additions	<u>47,337</u>	<u>34,018</u>	<u>54,210</u>
DEDUCTIONS:			
Unemployment Compensation Claims	29,024		
Flexible Benefits Claims			52,383
Scholarship Payments		<u>35,546</u>	
Total Deductions	<u>29,024</u>	<u>35,546</u>	<u>52,383</u>
Change in Net Position	18,313	(1,528)	1,827
Net Position - Beginning of the Year	<u>128,682</u>	<u>28,652</u>	<u>15,833</u>
Net Position - End of the Year	<u>\$ 146,995</u>	<u>\$ 27,124</u>	<u>\$ 17,660</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, 2015

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 publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include two senior high schools serving East Hanover Township, Florham Park Borough and Hanover Township. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

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

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.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary fund:

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

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting

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

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

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 assets 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.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

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, 2015 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget Amendments/Transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 32,011,856	\$ 350,223
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements, not recognized for Budgetary Basis	63,488	
Current Year State Aid Payments recognized for Budgetary purposes, not recognized for GAAP Statements	<u>(67,396)</u>	
Total Revenues as reported on the Statement of Revenues, Expenditures & Changes in Fund Balances - Governmental Funds	<u>\$ 32,007,948</u>	<u>\$ 350,223</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

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

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 31,867,306	\$ 350,223
Total Expenditures as Reported on the Statement of Revenue, Expenditures, & Changes in Fund Balances - Governmental Funds	\$ 31,867,306	\$ 350,223
	Capital Projects Fund	Fund
	Revenue	Balance
Total Revenue/Fund Balance - Budgetary Basis	\$ 283,949	\$ 14,455,932
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Receivable Recognized/(Not Recognized) on the GAAP Basis	(42,449)	(42,449)
Revenue/Fund Balance per Governmental Funds (GAAP Basis)	\$ 241,500	\$ 14,413,483

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.

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.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

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.

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, 2015.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

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

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 their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

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

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

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

L. Long Term Liabilities:

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

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages for this purpose as of June 30, 2015.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$5,431,100 General Fund balance at June 30, 2015, \$679,605 is assigned fund balance of which \$417,036 is for year-end encumbrances and \$262,569 is for subsequent year's expenditures and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2016; \$1,723,801 is restricted in the capital reserve account; \$50,314 is restricted in the maintenance reserve account; \$809,239 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, 2016; \$1,582,950 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, 2017; and \$585,191 is unassigned fund balance which is \$67,396 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, 2016.

Capital Projects Fund: Of the \$14,413,483 Capital Projects Fund balance at June 30, 2015, \$141,946 is committed on the GAAP basis (which is \$42,449 less than the budgetary basis due to SDA grants receivable which are not recognized until expended) and \$14,271,537 is restricted.

Debt Service Fund: The \$1 Debt Service Fund fund balance at June 30, 2015 is restricted and will be included as anticipated revenue for the fiscal year ending June 30, 2017.

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, 2015
(Continued)

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

P. 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 \$67,396 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, Districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. 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 a deferred outflow of resources at June 30, 2015 for the Deferred Amount on Refunding related to the District's 2013 refunding bonds and changes in assumptions and in proportion in 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, 2015 for the net difference between projected and actual investment earnings on pension plan investments.

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

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

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

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

R. Deficit Net Position:

The District has a deficit in unrestricted net position of \$11,024,721 in governmental activities, which is primarily due to accrued interest payable of \$260,588, \$665,591 of compensated absences payable, an unamortized bond premium of \$2,131,569, investment gains in pensions of \$641,835 and net pension liability of \$10,770,031 offset by deferred interest of \$1,518,341, changes in pension assumptions of \$338,668, changes in proportion in pensions of \$181,142 and Governmental Funds assigned fund balances. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments

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

Fund balance restrictions have been established for excess surplus, capital and maintenance reserves, capital projects and debt service.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has \$141,946 in committed resources attributable to SDA projects in the Capital Projects Fund at June 30, 2015.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources of \$417,036 for year-end encumbrances and \$262,569 for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2015.

T. Revenue - Exchange and Nonexchange Transactions:

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

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

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the respective Enterprise Fund. For the School District, these revenues are sales for food service and 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.

V. Management Estimates:

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

W. Pensions

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less. Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments. GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

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

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (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 statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

As of June 30, 2015, cash and cash equivalents and investments of the District consisted of the following:

	Cash and		Cash With	Restricted		Total
	Cash	Investments		Fiscal	Capital	
	Equivalents		Agents	Reserve	Reserve	
Checking Accounts	\$ 18,298,437		\$ 1,837			\$ 18,300,274
Savings Accounts	186,357			\$ 1,723,801	\$ 50,314	1,960,472
Certificates of Deposit		\$ 22,994				22,994
	<u>\$ 18,484,794</u>	<u>\$ 22,994</u>	<u>\$ 1,837</u>	<u>\$ 1,723,801</u>	<u>\$ 50,314</u>	<u>\$ 20,283,740</u>

During the period ended June 30, 2015, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2015, was \$20,283,740 and the bank balance was \$20,943,378. The \$1,837 of Cash with Fiscal Agents is uninsured and unregistered.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Hanover Park Regional High School District by inclusion of \$800,000 on July 1, 1996 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the General Fund annual budget.

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

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance at July 1, 2014	\$ 1,829,334
Interest Earnings	3,459
Budgeted Withdrawal	(145,357)
Unexpended Funds of Completed Capital Projects	<u>36,365</u>
Ending Balance at June 30, 2015	<u>\$ 1,723,801</u>

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 withdrawals from the capital reserve were for use in a DOE approved facilities project consistent with the District's LRFP.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance at July 1, 2014	\$ 50,212
Interest Earnings	<u>102</u>
Ending Balance at June 30, 2015	<u><u>\$ 50,314</u></u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2015 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	1,782,857	\$ 672,763	\$ (989,398)	1,466,222
Total Capital Assets not being Depreciated	<u>3,744,183</u>	<u>672,763</u>	<u>(989,398)</u>	<u>3,427,548</u>
Capital Assets being Depreciated:				
Site Improvements	2,200,783		580,933	2,781,716
Buildings and Building Improvements	52,600,124			52,600,124
Machinery and Equipment	4,984,708	246,688		5,231,396
Total Capital Assets being Depreciated	<u>59,785,615</u>	<u>246,688</u>	<u>580,933</u>	<u>60,613,236</u>
Governmental Activities Capital Assets	<u>63,529,798</u>	<u>919,451</u>	<u>(408,465)</u>	<u>64,040,784</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,766,194)	(44,416)		(1,810,610)
Buildings and Building Improvements	(12,483,932)	(988,339)		(13,472,271)
Machinery and Equipment	(3,661,580)	(239,452)		(3,901,032)
Total Accumulated Depreciation	<u>(17,911,706)</u>	<u>(1,272,207)</u>		<u>(19,183,913)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 45,618,092</u>	<u>\$ (352,756)</u>	<u>\$ (408,465)</u>	<u>\$ 44,856,871</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 401,732			\$ 401,732
Less Accumulated Depreciation	(368,512)	\$ (7,582)		(376,094)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 33,220</u>	<u>\$ (7,582)</u>	<u>\$ - 0 -</u>	<u>\$ 25,638</u>
Total Governmental and Business-Type Activities	<u>\$ 45,651,312</u>	<u>\$ (360,338)</u>	<u>\$ (408,465)</u>	<u>\$ 44,882,509</u>

During the year ended June 30, 2015, the District had active construction projects for cafeteria roof replacement, athletic and physical education facility refurbishment to Hanover Park and Whippany Park High Schools and installation of telecommunications and paging system at the Hanover Park and Whippany Park High Schools totaling \$10,515,458 of which the District expended \$672,763 during the year and has \$7,862,630 in construction encumbrances at June 30, 2015.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 19,734
Operations & Maintenance of Plant	24,218
Student Transportation	148,674
Central Services	25,985
Unallocated	<u>1,053,596</u>
Total Depreciation	<u>\$ 1,272,207</u>

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2015, the District transferred \$7,825 to the capital outlay accounts for equipment which did not require County Superintendent approval.

NOTE 8. OPERATING LEASES

The District has commitments at June 30, 2015, to lease copying equipment valued at \$492,449 under operating leases which expire in 2016. Total operating lease payments made during the year ended June 30, 2015 were \$98,345. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 18,487
	<u>\$ 18,487</u>

NOTE 9. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the district-wide financial statements:

	(Restated) Balance 6/30/2014	Issued/ Accrued	Matured/ Retired	Balance 6/30/2015
Serial Bonds Payable	\$ 31,375,000		\$ 2,320,000	\$ 29,055,000
Net Pension Liability	10,779,504		9,473	10,770,031
Compensated Absences Payable	<u>632,780</u>	\$ 59,436	<u>26,625</u>	<u>665,591</u>
	<u>\$ 42,787,284</u>	<u>\$ 59,436</u>	<u>\$ 2,356,098</u>	<u>\$ 40,490,622</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be liquidated through the Debt Service Fund. The current portion of bonds payable is \$2,425,000 and the long-term portion is \$26,630,000.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. GENERAL LONG-TERM DEBT (Cont'd)

A. Bonds Payable:

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 will redeem the refunded bonds, at a redemption price equal to 100% of par, on October 1, 2015, which is the first optional redemption date. The refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the District's government-wide financial statements. As a result of the advance refunding, the District reduced its total debt service requirements by \$925,078, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt).

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

Serial Bonds Outstanding as of June 30, 2014

<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
07/15/05	10/01/15	4.00%	\$ 1,600,000
03/14/13	10/01/25	3.00% to 4.00%	18,480,000
01/14/14	02/01/24	1.00% to 2.50%	8,975,000
			<u>\$ 29,055,000</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,425,000	\$ 901,350	\$ 3,326,350
2017	2,500,000	835,975	3,335,975
2018	2,585,000	777,700	3,362,700
2019	2,700,000	708,550	3,408,550
2020	2,845,000	622,400	3,467,400
2021 - 2025	14,155,000	1,614,250	15,769,250
2026	1,845,000	36,900	1,881,900
	<u>\$ 29,055,000</u>	<u>\$ 5,497,125</u>	<u>\$ 34,552,125</u>

B. Bonds Authorized But Not Issued:

The Board had \$444 of bonds authorized but not issued related to the District's athletic and physical education facility refurbishment project at both of the high schools at June 30, 2015.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. GENERAL LONG-TERM DEBT (Cont'd)

C. Capital Leases Payable:

As of June 30, 2015, the District had no capital leases payable.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a current and long-term liability and will be liquidated through the General Fund. The current portion of the liability is \$25,122 and the long-term portion is \$340,469.

The District had no liability at June 30, 2015 for compensated absences in its Food Service Enterprise Fund.

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, 2015 is \$0- and the long-term portion is \$10,770,031. See Note 10 for further information on the PERS.

NOTE 10. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.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, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

<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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. 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 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$474,218 for fiscal year 2015.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2015, the District reported a liability of \$10,770,031 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. 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, 2014, the District's proportion was 0.058%, which was an increase of 0.001% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$596,210. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 338,668	
Changes in Proportion	181,142	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		\$ 641,835
	<u>\$ 519,810</u>	<u>\$ 641,835</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2015	(98,204)
2016	(98,204)
2017	(98,204)
2018	(98,204)
2019	62,255
Thereafter	27,394
	<u>\$ (303,167)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2014 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:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the Net Pension Liability	\$ 13,549,065	\$ 10,770,031	\$ 8,436,349

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2015, the State of New Jersey contributed \$642,357 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$3,471,229.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2015, the State's proportionate share of the net pension liability associated with the District was \$64,509,730. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. 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, 2014, the District's proportion was 0.121%, which was a decrease of 0.001% from its proportion measured as of June 30, 2013.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>64,509,730</u>
Total	<u><u>\$ 64,509,730</u></u>

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the District in the amount of \$3,471,229 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 2,306,623,861	
Difference Between Expected and Actual Experience		\$ 21,969,019
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		1,741,236,574
	\$ 2,306,623,861	\$ 1,763,205,593

The \$2,306,623,861 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$21,969,019 reported as reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$1,741,236,574 reported as a deferred inflow of resources resulting from the difference between projected and actual investment earnings on pension plan investments will be amortized over 5 years.

Fiscal Year Ending June 30,	Total
2016	\$ (130,688,498)
2017	(130,688,498)
2018	(130,688,498)
2019	(130,688,496)
2020	304,620,646
Thereafter	761,551,612
	\$ 543,418,268

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-U.S. Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad U.S. Equities	25.90%	5.88%
Large CAP U.S. Equities	0.00%	5.62%
Mid CAP U.S. Equities	0.00%	6.39%
Small CAP U.S. Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the net pension liability of the State as of June 30, 2014 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:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
Total Net Pension Liability	\$ 64,722,984,539	\$53,813,067,539	\$44,738,870,539

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, 2015
(Continued)

NOTE 10. 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 \$3,821 for the fiscal year ended June 30, 2015. Employee contributions to DCRP amounted to \$7,006 for the fiscal year ended June 30, 2015.

NOTE 11. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. Chapter 103 of Public Law amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State's on behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$1,019,742, \$890,333 and \$764,578 for 2015, 2014, and 2013, respectively.

NOTE 12. 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., located at 4 Commerce Drive, 3rd Floor, Cranford, NJ 07016.

NOTE 13. 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.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

NOTE 13. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits

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

The Board is a member of the New Jersey Schools Insurance Group ("the Group"). This public entity risk management pool provides its members with Workers' Compensation, General Liability and Property and Automobile Liability. 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 Statement No. 10 of the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The audit for the Group for the fiscal year ended June 30, 2015 was not available as of the date of this report.

Selected, summarized financial information for the Group as of June 30, 2014 is as follows:

	<u>New Jersey Schools</u> <u>Insurance Group</u>
Total Assets	\$ 293,795,686
Net Position	\$ 66,169,762
Total Revenue	\$ 120,623,875
Total Expenses	\$ 119,843,435
Change in Net Position	\$ 780,440
Members Dividends	\$ -0-

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

New Jersey Schools Insurance Group
 450 Veterans Drive
 Burlington, NJ 08016
 (609) 386-6060
 www.njsig.org

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 13. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ - 0 -	\$ 47,337	\$ 29,024	\$ 146,995
2013-2014	- 0 -	48,736	33,452	128,682
2012-2013	- 0 -	45,868	75,809	113,398

NOTE 14. 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 15. INTERFUND RECEIVABLES AND PAYABLES

The District had the following interfund receivables and payables at June 30, 2015.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 14,137	\$ 1,599
Special Revenue Fund		14,137
Food Service Enterprise Fund	1,599	
	<u>\$ 15,736</u>	<u>\$ 15,736</u>

The interfund receivable in the General Fund and the interfund payable in the Special Revenue Fund represents funds advanced to the Special Revenue Fund awaiting the collection of grants receivable. The interfund receivable in the Food Service Enterprise Fund and the interfund payable in the General Fund represents payments for special events still owed by the General Fund.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 16. 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 17. CONTINGENT LIABILITIESGrant Programs

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

Litigation

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

Encumbrances

At June 30, 2015, there were encumbrances as detailed below in the governmental funds.

General Fund	Capital Projects Fund	Total Governmental Funds
\$ 417,036	\$ 7,862,630	\$ 8,279,666

On the District's Governmental Funds Balance Sheet as of June 30, 2015, \$-0- is assigned for year-end encumbrances in the Capital Projects Fund. The \$7,862,630 of encumbrances in the Capital Projects Fund are included in fund balance restricted for capital projects.

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, 2015, if any, is unknown and has not been recorded in the financial statements.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 18. PRIOR PERIOD ADJUSTMENTS

The District made a prior year adjustment in the District Wide Financial Statements to record the net pension liability as of June 30, 2014 as a result of implementing Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

	<u>Balance 6/30/14</u> <u>as Previously</u> <u>Reported</u>	<u>Retroactive</u> <u>Adjustments</u>	<u>Balance 6/30/14</u> <u>as Restated</u>
<u>Statement of Net Assets:</u>			
<u>Governmental Activities:</u>			
<u>Statement of Net Position:</u>			
<u>Liabilities:</u>			
Non-Current Liabilities	\$ 29,684,580	\$ 10,779,504	\$ 40,464,084
Total Liabilities	35,200,263	10,779,504	45,979,767
<u>Net Position:</u>			
Unrestricted/(Deficit)	618,241	(10,779,504)	(10,161,263)
Total Net Position	32,799,202	(10,779,504)	22,019,698

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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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 TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.0564017943%	0.0575238109%
District's Proportionate Share of the Net Pension Liability	\$ 10,779,504	\$ 10,770,031
District's Covered Employee Payroll	\$ 3,796,444	\$ 3,887,969
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	283.94%	277.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.72%	52.08%

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

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

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually Required Contribution	\$ 424,976	\$ 474,218
Contributions in Relation to the Contractually Required Contribution	<u>(424,976)</u>	<u>(474,218)</u>
Contribution Deficiency (Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Employee Payroll	\$ 3,796,444	\$ 3,887,969
Contributions as a Percentage of Covered Employee Payroll	11.19%	12.20%

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'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,	
	2014	2015
State's Proportion of the Net Pension Liability Attributable to the District	0.1218570592%	0.1206990792%
State's Proportionate Share of the Net Pension Liability Attributable to the District	\$ 61,585,599	\$ 64,509,730
District's Covered Employee Payroll	\$ 12,008,103	\$ 12,004,910
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	512.87%	537.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.76%	33.64%

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
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

BUDGETARY COMPARISON SCHEDULES
(UNAUDITED)

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 27,834,200		\$ 27,834,200	\$ 27,834,200	
Tuition from Individuals				3,121	\$ 3,121
Tuition from Other LEAs	50,000		50,000	50,640	640
Interest Earned on Maintenance Reserve	100		100	102	2
Interest Earned on Capital Reserve Funds	2,500		2,500	3,459	959
Unrestricted Miscellaneous	150,000		150,000	405,339	255,339
Total - Local Sources	<u>28,036,800</u>		<u>28,036,800</u>	<u>28,296,861</u>	<u>260,061</u>
State Sources:					
Transportation Aid	170,906		170,906	170,906	
Special Education Aid	590,031		590,031	590,031	
Categorical Security Aid	25,031		25,031	25,031	
Per Pupil Growth Aid	16,350		16,350	16,350	
PARCC Readiness Aid	16,350		16,350	16,350	
Extraordinary Aid	300,000		300,000	348,716	48,716
Non-Public Transportation Aid				14,284	14,284
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				642,357	642,357
TPAF Post Retirement Medical Benefits (On-Behalf - Non-Budgeted)				1,019,742	1,019,742
Reimbursed TPAF Social Security Contribution (Non-Budgeted)				871,228	871,228
Total - State Sources	<u>1,118,668</u>		<u>1,118,668</u>	<u>3,714,995</u>	<u>2,596,327</u>
TOTAL REVENUES	<u>29,155,468</u>		<u>29,155,468</u>	<u>32,011,856</u>	<u>2,856,388</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 8,531,735	\$ (4,695)	\$ 8,527,040	\$ 8,443,667	\$ 83,373
Regular Programs - Home Instruction:					
Salaries of Teachers	20,000	10,000	30,000	30,000	
Purchased Professional-Educational Services	5,000	22,634	27,634	23,255	4,379
Other Purchased Services (400-500 series)	542	1,044	1,586	1,575	11
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	2,900	1,500	4,400	4,400	
Other Purchased Services (400-500 series)	140,251	(2,374)	137,877	127,957	9,920
General Supplies	482,227	33,744	515,971	474,091	41,880
Textbooks	120,530	(10,259)	110,271	81,507	28,764
Other Objects	3,650	24,504	28,154	27,637	517
Total Regular Programs - Instruction	<u>9,306,835</u>	<u>76,098</u>	<u>9,382,933</u>	<u>9,214,089</u>	<u>168,844</u>
Special Education - Instruction:					
Cognitive Mild:					
Salaries of Teachers	70,584	2,828	73,412	73,412	
Other Salaries for Instruction	90,136	(2,828)	87,308	73,383	13,925
Other Purchased Services (400-500 series)	156	1,068	1,224	801	423
General Supplies	5,512	(1,068)	4,444	2,902	1,542
Other Objects	208		208	208	
Total Cognitive - Mild	<u>166,596</u>		<u>166,596</u>	<u>150,498</u>	<u>16,098</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Behavioral Disabilities:					
Salaries of Teachers	\$ 73,560	\$ (39,415)	\$ 34,145		\$ 34,145
General Supplies	255		255		255
Textbooks	510	(181)	329		329
Other Objects	612		612		612
Total Behavioral Disabilities	<u>74,937</u>	<u>(39,596)</u>	<u>35,341</u>		<u>35,341</u>
Resource Room/Resource Center:					
Salaries of Teachers	966,535	3,755	970,290	\$ 970,289	1
Other Salaries for Instruction	343,427	(8,983)	334,444	223,981	110,463
Other Purchased Services (400-500 series)	1,156		1,156		1,156
General Supplies	3,692		3,692	1,723	1,969
Textbooks	1,500		1,500		1,500
Total Resource Room/Resource Center	<u>1,316,310</u>	<u>(5,228)</u>	<u>1,311,082</u>	<u>1,195,993</u>	<u>115,089</u>
Autism:					
Salaries of Teachers	67,380	2,855	70,235	70,235	
Other Salaries for Instruction	39,834	(2,855)	36,979	34,531	2,448
Other Purchased Services (400-500 series)	300		300		300
General Supplies	4,400	(1,100)	3,300	2,183	1,117
Other Objects	300		300		300
Total Autism	<u>112,214</u>	<u>(1,100)</u>	<u>111,114</u>	<u>106,949</u>	<u>4,165</u>
Total Special Education - Instruction	<u>1,670,057</u>	<u>(45,924)</u>	<u>1,624,133</u>	<u>1,453,440</u>	<u>170,693</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 57,741		\$ 57,741	\$ 57,741	
Other Purchased Services (400-500 series)	500		500	70	\$ 430
General Supplies	500		500		500
Total Basic Skills/Remedial - Instruction	<u>58,741</u>		<u>58,741</u>	<u>57,811</u>	<u>930</u>
Bilingual Education - Instruction:					
Salaries of Teachers	26,523		26,523	13,553	12,970
General Supplies	1,255		1,255	703	552
Total Bilingual Education - Instruction	<u>27,778</u>		<u>27,778</u>	<u>14,256</u>	<u>13,522</u>
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	251,002		251,002	247,277	3,725
Purchased Services (300-500 series)	20,184	\$ 3,377	23,561	17,472	6,089
Supplies and Materials	10,120	691	10,811	7,100	3,711
Other Objects	10,812	2,003	12,815	10,642	2,173
Total School-Sponsored Cocurricular Activities - Instruction	<u>292,118</u>	<u>6,071</u>	<u>298,189</u>	<u>282,491</u>	<u>15,698</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	\$ 797,882	(1,350)	\$ 796,532	\$ 763,922	\$ 32,610
Purchased Services (300-500 series)	216,851	\$ 24,059	240,910	240,058	852
Supplies and Materials	89,893	(340)	89,553	79,515	10,038
Other Objects	47,977	6,610	54,587	50,947	3,640
Total School-Sponsored Cocurricular Athletics - Instruction	1,152,603	28,979	1,181,582	1,134,442	47,140
Total Instruction	12,508,132	65,224	12,573,356	12,156,529	416,827
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	560,978	16,643	577,621	558,320	19,301
Tuition to County Vocational School District - Regular	272,400	102,241	374,641	350,931	23,710
Tuition to County Vocational School District - Special	82,653	(40,855)	41,798	33,616	8,182
Tuition to CSSD & Regular Day Schools	87,711	(52,571)	35,140	22,972	12,168
Tuition to Private Schools for the Handicapped - Within State	1,814,451	(40,767)	1,773,684	1,600,395	173,289
Tuition to Private Schools for the Handicapped - Outside State	209,219	(500)	208,719	89,858	118,861
Tuition - State Facilities	29,275		29,275	29,275	
Total Undistributed Expenditures - Instruction	3,056,687	(15,809)	3,040,878	2,685,367	355,511
Attendance & Social Work:					
Salaries	142,401	(1,328)	141,073	139,515	1,558
Supplies and Materials	500		500	263	237
Total Attendance & Social Work	142,901	(1,328)	141,573	139,778	1,795

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Health Services:					
Salaries	\$ 189,165		\$ 189,165	\$ 187,582	\$ 1,583
Purchased Professional and Technical Services	78,852	\$ 66,528	145,380	92,168	53,212
Other Purchased Services (400-500 series)	982	10	992	903	89
Supplies and Materials	4,320	(11)	4,309	4,152	157
Other Objects	345		345	287	58
Total Health Services	273,664	66,527	340,191	285,092	55,099
Speech, OT, PT and Related Services:					
Salaries of Other Professional Staff	61,415	39,660	101,075	101,074	1
Purchased Professional - Educational Services	110,250	6,999	117,249	53,445	63,804
Supplies and Materials	2,920	(2,163)	757	548	209
Other Objects	180	425	605	593	12
Total Speech, OT, PT and Related Services	174,765	44,921	219,686	155,660	64,026
Other Support Services - Students - Extra Services:					
Salaries	42,824		42,824	36,669	6,155
Purchased Professional - Educational Services	78,080	4,797	82,877	77,841	5,036
Total Other Support Services - Students - Extra Services	120,904	4,797	125,701	114,510	11,191

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Guidance:					
Salaries of Other Professional Staff	\$ 886,940	\$ 1,895	\$ 888,835	\$ 888,834	\$ 1
Salaries of Secretarial and Clerical Assistants	139,591		139,591	139,591	
Other Purchased Professional and Technical Services	500		500	471	29
Other Purchased Services (400-500 series)	25,050	(528)	24,522	24,353	169
Supplies and Materials	2,865	4,207	7,072		7,072
Other Objects	2,515	(613)	1,902	1,902	
Total Guidance	<u>1,057,461</u>	<u>4,961</u>	<u>1,062,422</u>	<u>1,055,151</u>	<u>7,271</u>
Child Study Teams:					
Salaries of Other Professional Staff	363,802	37	363,839	363,837	2
Salaries of Secretarial and Clerical Assistants	91,095		91,095	91,095	
Purchased Professional - Educational Services	4,162	(3,262)	900	900	
Other Purchased Prof. and Tech. Services	8,905	(2,910)	5,995	5,995	
Misc. Purch. Serv. (400-500 series - Other than Res. Costs)	15,085	(742)	14,343	13,846	497
Supplies and Materials	6,516	(491)	6,025	4,163	1,862
Other Objects	520	(245)	275	275	
Total Child Study Teams	<u>490,085</u>	<u>(7,613)</u>	<u>482,472</u>	<u>480,111</u>	<u>2,361</u>
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	223,724		223,724	200,006	23,718
Salaries of Secretarial and Clerical Assistants	53,447	1	53,448	53,112	336
Other Purchased Services	19,988	579	20,567	20,429	138
Supplies and Materials	500	(400)	100	55	45
Total Improvement of Instructional Services	<u>297,659</u>	<u>180</u>	<u>297,839</u>	<u>273,602</u>	<u>24,237</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Educational Media Services/School Library:					
Salaries	\$ 134,309	\$ (1)	\$ 134,308	\$ 112,612	\$ 21,696
Salaries of Technology Coordinators	41,272	1	41,273	41,272	1
Other Purchased Services (400-500 series)	15,376	1,199	16,575	14,753	1,822
Supplies and Materials	58,632	(11,755)	46,877	43,093	3,784
Other Objects	150		150	135	15
Total Educational Media Services/School Library	249,739	(10,556)	239,183	211,865	27,318
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	110,193	(11,184)	99,009	98,511	498
Salaries of Secretarial and Clerical Assistants	26,325		26,325	26,159	166
Purchased Professional - Educational Services		1,600	1,600	1,491	109
Other Purchased Services (400-500 series)	2,215	317	2,532	1,488	1,044
Supplies and Materials	618	(580)	38		38
Other Objects	500	(500)			
Total Instructional Staff Training Services	139,851	(10,347)	129,504	127,649	1,855
Support Services - General Administration:					
Salaries	449,668	1,000	450,668	449,887	781
Legal Services	92,089	12,417	104,506	96,286	8,220
Audit Fees	47,000	(2,000)	45,000	45,000	
Architectural/Engineering Services	14,301	(365)	13,936	7,859	6,077
Other Purchased Professional Services	2,445		2,445	2,445	
Communications/Telephone	82,779	(1,000)	81,779	76,549	5,230

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Support Services - General Administration (Cont'd):					
BOE Other Purchased Services	\$ 3,000	\$ 562	\$ 3,562	\$ 3,202	\$ 360
Other Purchased Services (400-500 series)	40,853	4,654	45,507	43,417	2,090
General Supplies	9,158	698	9,856	8,826	1,030
BOE In-House Training/Meeting Supplies	500	(500)			
Miscellaneous Expenditures	6,081		6,081	5,852	229
BOE Membership Dues and Fees	13,229		13,229	13,229	
Total Support Services - General Administration	761,103	15,466	776,569	752,552	24,017
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	809,636	(272)	809,364	801,043	8,321
Salaries of Secretarial and Clerical Assistants	216,592	1,654	218,246	218,246	
Other Purchased Services (400-500 series)	19,505	573	20,078	19,132	946
Supplies and Materials	12,298	562	12,860	12,417	443
Other Objects	19,062	(1,062)	18,000	13,090	4,910
Total Support Services - School Administration	1,077,093	1,455	1,078,548	1,063,928	14,620
Central Services:					
Salaries	326,873	1,000	327,873	327,872	1
Purchased Technical Services	26,425	411	26,836	26,836	
Miscellaneous Purchased Services (400-500 series)	39,593	2,689	42,282	40,135	2,147
Supplies and Materials	9,000	761	9,761	9,212	549
Miscellaneous Expenditures	3,776		3,776	3,391	385
Total Central Services	405,667	4,861	410,528	407,446	3,082

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Administration Information Technology:					
Salaries	\$ 91,150		\$ 91,150	\$ 91,149	\$ 1
Purchased Technical Services	31,000		31,000	26,634	4,366
Other Purchased Services (400-500 series)	39,526	\$ (9,522)	30,004	17,556	12,448
Supplies and Materials	42,014	(8,100)	33,914	18,258	15,656
Total Administration Information Technology	<u>203,690</u>	<u>(17,622)</u>	<u>186,068</u>	<u>153,597</u>	<u>32,471</u>
Required Maintenance of School Facilities:					
Salaries	271,419	3,325	274,744	249,068	25,676
Cleaning, Repair and Maintenance Services	241,641	(40,270)	201,371	159,803	41,568
General Supplies	103,547	(1,000)	102,547	97,155	5,392
Total Required Maintenance of School Facilities	<u>616,607</u>	<u>(37,945)</u>	<u>578,662</u>	<u>506,026</u>	<u>72,636</u>
Custodial Services:					
Salaries	711,833	(6,000)	705,833	677,971	27,862
Purchased Professional and Technical Services	5,000		5,000	1,823	3,177
Cleaning, Repair and Maintenance Services	50,588	(8,227)	42,361	27,182	15,179
Other Purchased Property Services	52,450	9,227	61,677	59,518	2,159
Insurance	146,150	(3,645)	142,505	137,218	5,287
General Supplies	91,475	6,000	97,475	85,881	11,594
Energy (Natural Gas)	251,846	(600)	251,246	183,473	67,773
Energy (Electricity)	388,969		388,969	287,780	101,189
Other Objects	100		100		100
Total Custodial Services	<u>1,698,411</u>	<u>(3,245)</u>	<u>1,695,166</u>	<u>1,460,846</u>	<u>234,320</u>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Care & Upkeep of Grounds:					
Salaries	\$ 206,890	\$ 6,000	\$ 212,890	\$ 171,779	\$ 41,111
Cleaning, Repair and Maintenance Services	73,330	(3,500)	69,830	53,529	16,301
General Supplies	88,512	(20,234)	68,278	60,499	7,779
Other Objects		600	600	600	
Total Care & Upkeep of Grounds	<u>368,732</u>	<u>(17,134)</u>	<u>351,598</u>	<u>286,407</u>	<u>65,191</u>
Security:					
Cleaning, Repair and Maintenance Services	2,000		2,000	335	1,665
General Supplies	2,000	6,224	8,224	3,466	4,758
Total Security	<u>4,000</u>	<u>6,224</u>	<u>10,224</u>	<u>3,801</u>	<u>6,423</u>
Total Undist. Expend. - Operations & Maintenance of Plant	<u>2,687,750</u>	<u>(52,100)</u>	<u>2,635,650</u>	<u>2,257,080</u>	<u>378,570</u>
Student Transportation Services:					
Salaries of Non-Instructional Aides	39,250	(5,961)	33,289	33,289	
Salaries for Pupil Transportation:					
Between Home and School - Regular	609,975	127,200	737,175	737,174	1
Between Home and School - Special Education	203,000	(26,646)	176,354	176,353	1
Other than Between Home and School - Regular	153,272	5,205	158,477	147,584	10,893
Between Home and School - Nonpublic	70,000	(63,002)	6,998	1,342	5,656
Management Fee - ESC & CTSA Transportation Program	3,620		3,620	702	2,918
Other Purchased Professional & Technical Services	2,670		2,670	2,557	113

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Student Transportation Services (Cont'd):					
Cleaning, Repair and Maintenance Services	\$ 18,120		\$ 18,120	\$ 11,928	\$ 6,192
Contracted Services (Spl. Ed. Students) - Vendors	12,527		12,527	10,342	2,185
Contracted Services (Spl. Ed. Students) - Joint Agreements	14,000	\$ (11,678)	2,322	2,322	
Contracted Services (Reg. Students) - ESCs and CTSAs	28,269	2,235	30,504	27,557	2,947
Contracted Services (Spl. Ed. Students) - ESCs and CTSAs	91,710	(7,741)	83,969	51,662	32,307
Aid in Lieu of Payments - Nonpublic Students	61,880	(29)	61,851	61,851	
Miscellaneous Purchased Services - Transportation	75,784	5,159	80,943	73,393	7,550
General Supplies	625		625	346	279
Transportation Supplies	303,089	(15,393)	287,696	240,380	47,316
Other Objects	3,879	1,248	5,127	5,096	31
Total Student Transportation Services	1,691,670	10,597	1,702,267	1,583,878	118,389
Undistributed Expenditures:					
Unallocated Benefits:					
Social Security Contributions	435,000	19,856	454,856	454,855	1
Other Retirement Contributions - PERS	565,000	(61,535)	503,465	474,218	29,247
Workmen's Compensation	204,474	(22,847)	181,627	181,627	
Health Benefits	4,243,000	(44,005)	4,198,995	3,937,167	261,828
Tuition Reimbursement	25,000	(2,908)	22,092	12,509	9,583
Other Employee Benefits	30,880		30,880	21,764	9,116
Total Unallocated Benefits	5,503,354	(111,439)	5,391,915	5,082,140	309,775
On-Behalf Contributions:					
TPAF Pension Contributions (Non-Budgeted)				642,357	(642,357)
TPAF Post Retirement Medical Benefits (Non-Budgeted)				1,019,742	(1,019,742)
Reimbursed TPAF Social Security Contribution (Non-Budgeted)				871,228	(871,228)
Total On-Behalf Contributions				2,533,327	(2,533,327)

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Total Personal Services - Employee Benefits	\$ 5,503,354	\$ (111,439)	\$ 5,391,915	\$ 7,615,467	\$ (2,223,552)
Total Undistributed Expenditures	18,334,043	(73,049)	18,260,994	19,362,733	(1,101,739)
TOTAL CURRENT EXPENSE	30,842,175	(7,825)	30,834,350	31,519,262	(684,912)
CAPITAL OUTLAY					
Equipment:					
Grades 9-12	18,295	(1,800)	16,495	11,305	5,190
Administration Information Technology	27,020		27,020	22,437	4,583
Care and Upkeep of Grounds		9,625	9,625		9,625
School Buses - Regular	90,397		90,397	84,982	5,415
School Buses - Special	122,855		122,855	122,855	
Total Equipment	258,567	7,825	266,392	241,579	24,813
Facilities Acquisition and Construction Services					
Debt Service Assessment	106,465		106,465	106,465	
Total Facilities Acquisition and Construction Services	106,465		106,465	106,465	
TOTAL CAPITAL OUTLAY	365,032	7,825	372,857	348,044	24,813
TOTAL EXPENDITURES	31,207,207		31,207,207	31,867,306	(660,099)

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (2,051,739)		\$ (2,051,739)	\$ 144,550	\$ 2,196,289
Other Financing Sources/(Uses):					
Transfer from Capital Projects Fund - Interest Earnings				17,902	17,902
Transfer to Capital Projects Fund - Capital Reserve	(425,924)		(425,924)	(145,357)	280,567
Transfer from Capital Projects Fund - Unexpended Balances				36,365	36,365
Total Other Financing Sources/(Uses)	(425,924)		(425,924)	(91,090)	334,834
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(2,477,663)		(2,477,663)	53,460	2,531,123
Fund Balance, July 1	5,445,036		5,445,036	5,445,036	
Fund Balance, June 30	\$ 2,967,373	\$ - 0 -	\$ 2,967,373	\$ 5,498,496	\$ 2,531,123
Recapitulation:					
Restricted:					
Capital Reserve				\$ 1,723,801	
Maintenance Reserve				50,314	
Excess Surplus - Designated for Subsequent Year's Expenditures				809,239	
Excess Surplus				1,582,950	
Assigned:					
Year-End Encumbrances				417,036	
Designated for Subsequent Year's Expenditures				262,569	
Unassigned				652,587	
				5,498,496	
Reconciliation to Governmental Fund Statements (GAAP):					
June State Aid Payments not recognized on GAAP basis				(67,396)	
Fund Balance per Governmental Funds - GAAP Basis				\$ 5,431,100	

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources		\$ 13,965	\$ 13,965	\$ 9,642	\$ (4,323)
State Sources	\$ 24,542	(2,784)	21,758	11,923	(9,835)
Federal Sources	253,561	75,107	328,668	328,658	(10)
Total Revenue	278,103	86,288	364,391	350,223	(14,168)
EXPENDITURES:					
Instruction:					
Salaries		2,700	2,700	2,700	
Purchased Professional and Technical Services	21,486	(4,670)	16,816	6,981	9,835
Other Purchased Services	220,576	64,478	285,054	285,054	
General Supplies	21,661	17,548	39,209	34,876	4,333
Textbooks	1,360	547	1,907	1,907	
Total Instruction	265,083	80,603	345,686	331,518	14,168
Support Services:					
Personal Services - Employee Benefits		207	207	207	
Purchased Professional/Educational Services	6,696	(161)	6,535	6,535	
Other Purchased Services	3,324	6,171	9,495	9,495	
Supplies and Materials	3,000	(532)	2,468	2,468	
Total Support Services	13,020	5,685	18,705	18,705	
Total Expenditures	278,103	86,288	364,391	350,223	14,168
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

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	\$ 32,011,856	\$ 350,223
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Basis	63,488	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(67,396)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 32,007,948</u>	<u>\$ 350,223</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 31,867,306</u>	<u>\$ 350,223</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 31,867,306</u>	<u>\$ 350,223</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, 2015 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 egally 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, 2015
UNAUDITED

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

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>No Child Left Behind</u>		<u>IDEA Part B Basic</u>	<u>Local Grants</u>
	<u>Title I</u>	<u>Title IIA</u>		
REVENUE:				
Local Sources				\$ 9,642
State Sources				
Federal Sources	\$ 27,174	\$ 12,968	\$ 288,516	
Total Revenue	<u>27,174</u>	<u>12,968</u>	<u>288,516</u>	<u>9,642</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers	2,700			
Purchased Professional and Technical Services				
Other Purchased Services			285,054	
General Supplies	21,772		3,462	9,642
Textbooks				
Total Instruction	<u>24,472</u>		<u>288,516</u>	<u>9,642</u>
Support Services:				
Personal Services - Employee Benefits	207			
Purchased Professional - Educational Services		3,500		
Other Purchased Services	2,495	7,000		
Supplies and Materials		2,468		
Total Support Services	<u>2,702</u>	<u>12,968</u>		
Total Expenditures	<u>\$ 27,174</u>	<u>\$ 12,968</u>	<u>\$ 288,516</u>	<u>\$ 9,642</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, 2015

	<u>Nonpublic Nursing</u>	<u>Nonpublic Textbooks</u>	<u>Nonpublic Technology</u>	<u>Nonpublic Auxiliary Services Compensatory Education</u>
REVENUE:				
Local Sources				
State Sources	\$ 3,035	\$ 1,907	\$ 1,024	\$ 1,792
Federal Sources				
Total Revenue	<u>3,035</u>	<u>1,907</u>	<u>1,024</u>	<u>1,792</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Purchased Professional and Technical Services			1,024	1,792
Other Purchased Services				
General Supplies				
Textbooks		1,907		
Total Instruction		<u>1,907</u>	<u>1,024</u>	<u>1,792</u>
Support Services:				
Personal Services - Employee Benefits				
Purchased Professional - Educational Services	3,035			
Other Purchased Services				
Supplies and Materials				
Total Support Services	<u>3,035</u>			
Total Expenditures	<u>\$ 3,035</u>	<u>\$ 1,907</u>	<u>\$ 1,024</u>	<u>\$ 1,792</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, 2015

	Nonpublic Handicapped Services			Totals
	Supplemental Instruction	Examination & Classification	Corrective Speech	
REVENUE:				
Local Sources				\$ 9,642
State Sources	\$ 2,198	\$ 1,083	\$ 884	11,923
Federal Sources				328,658
Total Revenue	<u>2,198</u>	<u>1,083</u>	<u>884</u>	<u>350,223</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers				2,700
Purchased Professional and Technical Services	2,198	1,083	884	6,981
Other Purchased Services				285,054
General Supplies				34,876
Textbooks				1,907
Total Instruction	<u>2,198</u>	<u>1,083</u>	<u>884</u>	<u>331,518</u>
Support Services:				
Personal Services - Employee Benefits				207
Purchased Professional - Educational Services				6,535
Other Purchased Services				9,495
Supplies and Materials				2,468
Total Support Services				<u>18,705</u>
Total Expenditures	<u>\$ 2,198</u>	<u>\$ 1,083</u>	<u>\$ 884</u>	<u>\$ 350,223</u>

CAPITAL PROJECTS FUND

Exhibit F-1

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, 2015

Revenue and Other Financing Sources:	
Transfer from Capital Reserve	\$ 145,357
State Sources - SDA Grants	283,949
Interest Income	17,902
	<hr/>
Total Revenue and Other Financing Sources	447,208
	<hr/>
Expenditures:	
Other Purchased Professional Technical Services	21,080
Construction Services	646,011
Other Objects	5,672
	<hr/>
Total Expenditures	672,763
	<hr/>
Deficiency of Revenue and Other Financing Sources Under Expenditures	(225,555)
Other Financing Uses:	
Operating Transfer Out - General Fund - Interest Earnings	(17,902)
Operating Transfer Out - General Fund - Unexpended Balances	(36,365)
SDA Grant Cancelled	(17,782)
	<hr/>
Total Other Financing Uses	(72,049)
	<hr/>
Deficiency of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(297,604)
Fund Balance - Beginning Balance	14,753,536
	<hr/>
Fund Balance - Ending Balance	\$ 14,455,932
	<hr/> <hr/>
<u>Recapitulation of Fund Balance:</u>	
Restricted	\$ 14,271,537
Committed	184,395
	<hr/>
Fund Balance per Budgetary Basis	14,455,932
Reconciliation to Governmental Funds Statements (GAAP Basis):	
SDA Grant Receivable not Recognized on GAAP Basis	(42,449)
	<hr/>
Fund Balance per Governmental Funds (GAAP Basis)	\$ 14,413,483
	<hr/> <hr/>

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS
ADDITIONS, ALTERATIONS AND RENOVATIONS TO HANOVER PARK HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 20,195,767		\$ 20,195,767	\$ 20,195,767
Local Share	42		42	42
SDA Grant	9,616,996		9,616,996	9,616,996
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	\$ - 0 -
Original Authorized Cost	\$ 29,812,805
Additional Authorized Cost	\$ - 0 -
Revised Authorized Cost	\$ 29,812,805
% Increase over Original Authorized Cost	0%
% Completion	92%
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, 2015

	Prior Periods	Current Year	Total	Revised 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	<u>16,397,547</u>		<u>16,397,547</u>	<u>16,397,547</u>
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	<u>13,452,637</u>		<u>13,452,637</u>	<u>16,397,547</u>
Excess of Revenue & Other Financing Sources Over Expenditures	<u>\$ 2,944,910</u>	<u>\$ - 0 -</u>	<u>\$ 2,944,910</u>	<u>\$ - 0 -</u>

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	\$ - 0 -
Original Authorized Cost	\$ 16,397,547
Additional Authorized Cost	\$ - 0 -
Revised Authorized Cost	\$ 16,397,547
% Increase over Original Authorized Cost	0%
% Completion	82%
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
PAVING UPGRADES AT HANOVER PARK HIGH SCHOOL - PHASE II
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 381,048	\$ (36,365)	\$ 344,683	\$ 344,683
SDA Grant	254,032	(17,782)	236,250	236,250
Total Revenues and Other Financing Sources	<u>635,080</u>	<u>(54,147)</u>	<u>580,933</u>	<u>580,933</u>
Expenditures:				
Other Purchased Professional Technical Services	58,471		58,471	58,471
Construction Services	521,362		521,362	521,362
Other Objects	1,100		1,100	1,100
Total Expenditures	<u>580,933</u>		<u>580,933</u>	<u>580,933</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 54,147</u>	<u>\$ (54,147)</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

Additional Project Information:

Project Number	1990-050-10-1001
Grant Date	11/30/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 635,080
SDA Grant Canceled	\$ (17,782)
Returned to Capital Reserve	\$ (36,365)
Revised Authorized Cost	\$ 580,933
% Increase over Original Authorized Cost	-9%
% Completion	100%
Original Target Completion Date	June 2012
Revised Target Completion Date	June 2013

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS
CAFETERIA ROOF REPLACEMENT AT WHIPPANY PARK HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Authorized Cost</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 290,708		\$ 290,708	\$ 290,708
SDA Grant		\$ 193,805	193,805	193,805
Total Revenues and Other Financing Sources	<u>290,708</u>	<u>193,805</u>	<u>484,513</u>	<u>484,513</u>
Expenditures:				
Other Purchased Professional Technical Services	19,488	16,260	35,748	24,553
Construction Services		366,000	366,000	458,853
Other Objects				1,107
Total Expenditures	<u>19,488</u>	<u>382,260</u>	<u>401,748</u>	<u>484,513</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 271,220</u>	<u>\$ (188,455)</u>	<u>\$ 82,765</u>	<u>\$ - 0 -</u>

Additional Project Information:

Project Number	1990-070-14-1001
Grant Date	1/16/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 484,513
Additional Authorized Cost	\$ - 0 -
Revised Authorized Cost	\$ 484,513
% Increase over Original Authorized Cost	0%
% Completion	83%
Original Target Completion Date	December 2014
Revised Target Completion Date	March 2015

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS
ATHLETIC AND PHYSICAL EDUCATION FACILITY REFURBISHMENT AT HANOVER PARK AND WHIPPANY PARK HIGH SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Authorized Cost</u>
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 9,795,000		\$ 9,795,000	\$ 9,795,444
Total Revenues and Other Financing Sources	<u>9,795,000</u>		<u>9,795,000</u>	<u>9,795,444</u>
Expenditures:				
Other Purchased Professional Technical Services	756,071	\$ 4,820	760,891	1,015,901
Construction Services		146,140	146,140	8,721,252
Other Objects	17,900	5,672	23,572	58,291
Total Expenditures	<u>773,971</u>	<u>156,632</u>	<u>930,603</u>	<u>9,795,444</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 9,021,029</u>	<u>\$ (156,632)</u>	<u>\$ 8,864,397</u>	<u>\$ - 0 -</u>

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	\$ 9,795,000
Additional Authorized Cost	\$ - 0 -
Revised Authorized Cost	\$ 9,795,000
% Increase over Original Authorized Cost	0%
% Completion	10%
Original Target Completion Date	October 2015
Revised Target Completion Date	June 2016

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS
INSTALLATION OF TELECOMMUNICATIONS AND PAGING SYSTEM - HANOVER PARK HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 111,553	\$ 111,553	\$ 111,553
SDA Grant		67,608	67,608	67,608
Total Revenues and Other Financing Sources		179,161	179,161	179,161
Expenditures:				
Construction Services		80,005	80,005	179,161
Total Expenditures		80,005	80,005	179,161
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 99,156	\$ 99,156	\$ - 0 -

Additional Project Information:

Project Number	1990-050-14-G2FN
Grant Date	7/11/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 179,161
Additional Authorized Cost	\$ - 0 -
Revised Authorized Cost	\$ 179,161
% Increase over Original Authorized Cost	0%
% Completion	45%
Original Target Completion Date	October 2015
Revised Target Completion Date	October 2015

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS
INSTALLATION OF TELECOMMUNICATIONS AND PAGING SYSTEM - WHIPPANY PARK HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 33,804	\$ 33,804	\$ 33,804
SDA Grant		22,536	22,536	22,536
Total Revenues and Other Financing Sources		56,340	56,340	56,340
Expenditures:				
Construction Services		53,866	53,866	56,340
Total Expenditures		53,866	53,866	56,340
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 2,474	\$ 2,474	\$ - 0 -

Additional Project Information:

Project Number	1990-070-14-1004
Grant Date	7/11/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 56,340
Additional Authorized Cost	\$ - 0 -
Revised Authorized Cost	\$ 56,340
% Increase over Original Authorized Cost	0%
% Completion	96%
Original Target Completion Date	October 2015
Revised Target Completion Date	October 2015

PROPRIETARY FUNDS

Exhibit G-1

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2015

	<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	\$ 2,301	\$ 87,485	\$ 89,786
Interfund Receivable - General Fund		1,599	1,599
Other Receivables		22,595	22,595
Inventories		6,151	6,151
Total Current Assets	<u>2,301</u>	<u>117,830</u>	<u>120,131</u>
Non-Current Assets:			
Capital Assets:			
Depreciable Furniture, Machinery & Equipment		401,732	401,732
Less: Accumulated Depreciation		<u>(376,094)</u>	<u>(376,094)</u>
Total Non-Current Assets		<u>25,638</u>	<u>25,638</u>
Total Assets	<u>2,301</u>	<u>143,468</u>	<u>145,769</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Unearned Revenue	2,301		2,301
Accounts Payable - Vendors		93,514	93,514
Total Liabilities	<u>2,301</u>	<u>93,514</u>	<u>95,815</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets		25,638	25,638
Unrestricted		<u>24,316</u>	<u>24,316</u>
Total Net Position	<u>\$ - 0 -</u>	<u>\$ 49,954</u>	<u>\$ 49,954</u>

Exhibit G-2

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, 2015

	<u>Non-Major Fund</u>	<u>Major Fund</u>	<u>Total Enterprise Funds</u>
	<u>Summer Enrichment</u>	<u>Food Service</u>	
Operating Revenue:			
Local Sources:			
Daily Sales - Non-Reimbursable Programs		\$ 499,831	\$ 499,831
Special Events		7,378	7,378
Free and Reduced Lunches Subsidized by District		18,409	18,409
Summer Enrichment Program Fees	\$ 5,155		5,155
Total Operating Revenue	<u>5,155</u>	<u>525,618</u>	<u>530,773</u>
Operating Expenses:			
Cost of Sales		222,450	222,450
Salaries, Benefits & Payroll Taxes	5,155	263,235	268,390
Supplies and Materials		17,665	17,665
Management Fee		19,295	19,295
Miscellaneous Expense		4,084	4,084
Insurance & Office Supplies		31,478	31,478
Depreciation Expense		7,582	7,582
Total Operating Expenses	<u>5,155</u>	<u>565,789</u>	<u>570,944</u>
Operating Loss		<u>(40,171)</u>	<u>(40,171)</u>
Non-Operating Income:			
Interest Income		130	130
Total Non-Operating Income		<u>130</u>	<u>130</u>
Change in Net Position Before Special Item		(40,041)	(40,041)
Special Item - Food Service Management Contractor Contribution		<u>22,595</u>	<u>22,595</u>
Change in Net Position		(17,446)	(17,446)
Net Position - Beginning of Year		<u>67,400</u>	<u>67,400</u>
Net Position - End of Year	<u>\$ - 0 -</u>	<u>\$ 49,954</u>	<u>\$ 49,954</u>

Exhibit G-3

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Non-Major Fund <u>Summer Enrichment</u>	Major Fund <u>Food Service</u>	Total Enterprise Funds
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 2,301	\$ 507,209	\$ 509,510
Receipts from District		18,409	18,409
Payments by District for Free Lunches		(18,409)	(18,409)
Payments to Food Service Vendor		(617,293)	(617,293)
Payments to Summer Enrichment Employees	(5,155)		(5,155)
Net Cash Used for Operating Activities	<u>(2,854)</u>	<u>(110,084)</u>	<u>(112,938)</u>
Cash Flows from Investing Activities:			
Interest Income		130	130
Net Cash Provided by Investing Activities		<u>130</u>	<u>130</u>
Cash Flows from Noncapital Financing Activities:			
Interfund Advanced - General Fund		(708)	(708)
Net Cash Used for Noncapital Financing Activities		<u>(708)</u>	<u>(708)</u>
Net Decrease in Cash and Cash Equivalents	(2,854)	(110,662)	(113,516)
Cash and Cash Equivalents, July 1	<u>5,155</u>	<u>198,147</u>	<u>203,302</u>
Cash and Cash Equivalents, June 30	<u>\$ 2,301</u>	<u>\$ 87,485</u>	<u>\$ 89,786</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
Operating Loss		\$ (40,171)	\$ (40,171)
Adjustment to Reconcile Operating Loss to Cash Used for Operating Activities:			
Depreciation		7,582	7,582
Changes in Assets and Liabilities:			
(Increase) in Inventory		(501)	(501)
(Decrease) in Unearned Revenue	\$ (2,854)		(2,854)
(Decrease) in Accounts Payable		(76,994)	(76,994)
Net Cash Used for Operating Activities	<u>\$ (2,854)</u>	<u>\$ (110,084)</u>	<u>\$ (112,938)</u>

FIDUCIARY FUNDS

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Student Activities</u>	<u>Payroll</u>	<u>Total Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Benefits Trust</u>
<u>ASSETS:</u>						
Cash and Cash Equivalents	\$ 120,779	\$ 268,948	\$ 389,727	\$ 146,995	\$ 27,124	\$ 17,660
Investments	22,994		22,994			
Total Assets	<u>143,773</u>	<u>268,948</u>	<u>412,721</u>	<u>146,995</u>	<u>27,124</u>	<u>17,660</u>
<u>LIABILITIES:</u>						
Payroll Deductions and Withholdings		268,948	268,948			
Due to Student Groups	<u>143,773</u>		<u>143,773</u>			
Total Liabilities	<u>143,773</u>	<u>268,948</u>	<u>412,721</u>			
<u>NET POSITION:</u>						
Held in Trust for:						
Unemployment Claims				146,995		
Scholarships					27,124	
Flexible Benefits Claims						17,660
Total Net Position	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 146,995</u>	<u>\$ 27,124</u>	<u>\$ 17,660</u>

Exhibit H-2

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust
ADDITIONS:			
Contributions:			
Plan Members	\$ 47,076		\$ 54,210
Donations		\$ 34,018	
Total Contributions	<u>47,076</u>	<u>34,018</u>	<u>54,210</u>
Investment Earnings:			
Interest	<u>261</u>		
Net Investment Earnings	<u>261</u>		
Total Additions	<u>47,337</u>	<u>34,018</u>	<u>54,210</u>
DEDUCTIONS:			
Unemployment Compensation Claims	29,024		
Flexible Benefits Claims			52,383
Scholarship Payments		<u>35,546</u>	
Total Deductions	<u>29,024</u>	<u>35,546</u>	<u>52,383</u>
Change in Net Position	18,313	(1,528)	1,827
Net Position - Beginning of the Year	<u>128,682</u>	<u>28,652</u>	<u>15,833</u>
Net Position - End of the Year	<u>\$ 146,995</u>	<u>\$ 27,124</u>	<u>\$ 17,660</u>

Exhibit H-3

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 156,745	\$ 638,994	\$ 674,960	\$ 120,779
Investments	23,366		372	22,994
Total Assets	<u>\$ 180,111</u>	<u>\$ 638,994</u>	<u>\$ 675,332</u>	<u>\$ 143,773</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	<u>\$ 180,111</u>	<u>\$ 638,994</u>	<u>\$ 675,332</u>	<u>\$ 143,773</u>
Total Liabilities	<u>\$ 180,111</u>	<u>\$ 638,994</u>	<u>\$ 675,332</u>	<u>\$ 143,773</u>

Exhibit H-4

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Senior High Schools:				
Hanover Park	\$ 125,694	\$ 333,337	\$ 361,088	\$ 97,943
Whippany Park	54,417	305,657	314,244	45,830
	<u>54,417</u>	<u>305,657</u>	<u>314,244</u>	<u>45,830</u>
Total All Schools	<u>\$ 180,111</u>	<u>\$ 638,994</u>	<u>\$ 675,332</u>	<u>\$ 143,773</u>

Exhibit H-5

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 194,820	\$ 24,432,716	\$ 24,358,588	\$ 268,948
Total Assets	<u>\$ 194,820</u>	<u>\$ 24,432,716</u>	<u>\$ 24,358,588</u>	<u>\$ 268,948</u>
 <u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 194,820	\$ 24,432,716	\$ 24,358,588	\$ 268,948
Total Liabilities	<u>\$ 194,820</u>	<u>\$ 24,432,716</u>	<u>\$ 24,358,588</u>	<u>\$ 268,948</u>

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2015		Interest Rate	Balance June 30, 2014	Matured	Balance June 30, 2015
			Date	Amount				
Additions, Alterations and Renovations to Hanover Park High School and Whippany Park High School	7/15/05	\$ 31,714,000	10/1/15	\$ 1,600,000	4.00%	\$ 3,100,000	\$ 1,500,000	\$ 1,600,000
School Refunding Bonds	3/14/13	18,480,000	10/1/16	1,675,000	3.00%	18,480,000		18,480,000
			10/1/17	1,660,000	3.00%			
			10/1/18	1,750,000	4.00%			
			10/1/19	1,845,000	4.00%			
			10/1/20	1,945,000	4.00%			
			10/1/21	1,945,000	4.00%			
			10/1/22	1,940,000	4.00%			
			10/1/23	1,940,000	4.00%			
			10/1/24	1,935,000	4.00%			
			10/1/25	1,845,000	4.00%			
			School Bonds, Series 2014	1/14/14	9,795,000			
2/1/17	825,000	1.00%						
2/1/18	925,000	1.00%						
2/1/19	950,000	1.50%						
2/1/20	1,000,000	2.00%						
2/1/21	1,000,000	2.00%						
2/1/22	1,100,000	2.25%						
2/1/23	1,150,000	2.50%						
2/1/24	1,200,000	2.50%						
					<u>9,795,000</u>	<u>820,000</u>	<u>8,975,000</u>	
					<u>\$ 31,375,000</u>	<u>\$ 2,320,000</u>	<u>\$ 29,055,000</u>	

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOT APPLICABLE

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,271,744		\$ 3,271,744	\$ 3,271,744	
Total Revenues	<u>3,271,744</u>		<u>3,271,744</u>	<u>3,271,744</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	970,120		970,120	970,119	\$ 1
Redemption of Principal	<u>2,320,000</u>		<u>2,320,000</u>	<u>2,320,000</u>	
Total Regular Debt Service	<u>3,290,120</u>		<u>3,290,120</u>	<u>3,290,119</u>	<u>1</u>
Total Expenditures	<u>3,290,120</u>		<u>3,290,120</u>	<u>3,290,119</u>	<u>1</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(18,376)	\$ - 0 -	(18,376)	(18,375)	1
Fund Balance, July 1	<u>18,376</u>	<u>- 0 -</u>	<u>18,376</u>	<u>18,376</u>	<u>- 0 -</u>
Fund Balance, June 30	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 1</u>	<u>\$ 1</u>
Recapitulation:					
Restricted				<u>\$ 1</u>	

STATISTICAL SECTION
(UNAUDITED)

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

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

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

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	(Restated) 2014	2015
Governmental Activities:										
Net Investment in Capital Assets	\$ 7,013,149	\$ 7,880,961	\$ 23,023,578	\$ 18,718,071	\$ 20,128,304	\$ 20,726,578	\$ 21,536,562	\$ 24,359,850	\$ 14,243,092	\$ 15,801,871
Restricted	5,909,053	7,558,720	988,126	10,056,933	10,558,231	11,083,903	10,703,912	9,863,865	17,937,869	18,437,842
Unrestricted (Deficit)	(307,724)	(285,034)	(285,000)	(227,346)	(181,514)	943,282	1,010,943	(1,600,732)	(10,161,263)	(11,024,721)
Total Governmental Activities Net Position	\$ 12,614,478	\$ 15,154,647	\$ 23,726,704	\$ 28,547,658	\$ 30,505,021	\$ 32,753,763	\$ 33,251,417	\$ 32,622,983	\$ 22,019,698	\$ 23,214,992
Business-Type Activities:										
Net Investment in Capital Assets	\$ 95,088	\$ 85,012	\$ 77,743	\$ 67,620	\$ 65,249	\$ 57,187	\$ 49,125	\$ 41,136	\$ 33,220	\$ 25,638
Unrestricted	88,290	122,816	138,934	144,038	152,869	130,194	116,681	85,502	34,180	24,316
Total Business-Type Activities Net Position	\$ 183,378	\$ 207,828	\$ 216,677	\$ 211,658	\$ 218,118	\$ 187,381	\$ 165,806	\$ 126,638	\$ 67,400	\$ 49,954
District-Wide:										
Net Investment in Capital Assets	\$ 7,108,237	\$ 7,965,973	\$ 23,101,321	\$ 18,785,691	\$ 20,193,553	\$ 20,783,765	\$ 21,585,687	\$ 24,400,986	\$ 14,276,312	\$ 15,827,509
Restricted	5,909,053	7,558,720	988,126	10,056,933	10,558,231	11,083,903	10,703,912	9,863,865	17,937,869	18,437,842
Unrestricted (Deficit)	(219,434)	(162,218)	(146,066)	(83,308)	(28,645)	1,073,476	1,127,624	(1,515,230)	(10,127,083)	(11,000,405)
Total District-Wide Net Position	\$ 12,797,856	\$ 15,362,475	\$ 23,943,381	\$ 28,759,316	\$ 30,723,139	\$ 32,941,144	\$ 33,417,223	\$ 32,749,621	\$ 22,087,098	\$ 23,264,946

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)

Expenses:	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities:										
Instruction:										
Regular	\$ 10,360,478	\$ 11,146,754	\$ 11,842,624	\$ 11,772,001	\$ 11,668,199	\$ 11,400,691	\$ 11,919,404	\$ 12,462,871	\$ 12,376,960	\$ 14,466,950
Special Education	1,717,818	1,902,828	1,819,998	1,986,729	1,844,042	1,688,779	1,932,005	2,228,640	2,182,874	2,351,424
Other Special Instruction	232,510	248,867	208,165	165,195	169,922	170,088	171,542	183,701	113,467	80,199
Vocational	26,797	38,400	22,986	42,372	43,701	44,193	36,283			
Other Instruction	1,747,613	1,702,777	1,810,509	1,820,603	1,813,480	1,672,541	1,733,831	1,832,733	1,792,087	2,019,398
Support Services:										
Tuition	472,271	814,205	1,081,460	1,139,898	1,707,861	2,106,145	2,581,816	2,759,304	3,026,385	2,970,421
Student & Instruction Related Services	2,965,079	3,204,003	3,385,509	3,391,036	3,952,123	3,698,588	3,824,169	3,767,588	3,704,389	4,351,320
General Administration Services	773,971	731,662	816,146	771,458	936,526	789,613	764,055	906,313	849,878	1,018,917
School Administration Services	1,168,665	1,310,301	1,447,765	1,349,924	1,314,592	1,194,218	1,297,662	1,406,854	1,542,429	1,700,501
Central Services	394,169	427,165	475,268	721,842	934,560	488,275	510,587	569,295	584,467	706,504
Administration Information Technology					58,188	43,359	46,959	150,406	112,261	153,597
Plant Operations And Maintenance	2,932,726	2,932,566	2,922,787	3,171,200	3,145,117	2,807,016	2,850,399	2,887,738	2,776,076	3,361,032
Pupil Transportation	1,731,272	1,433,609	1,846,415	1,705,133	1,392,272	1,647,907	1,753,153	2,136,856	2,353,110	2,391,889
Interest On Long-Term Debt	1,095,639	1,218,012	1,180,677	1,142,178	1,099,345	1,054,345	1,006,845	1,194,049	857,584	897,147
Capital Outlay				1,848	354					
Unallocated Depreciation	288,114	264,794	265,867	259,886	264,540	659,316	1,056,461	1,056,550	1,059,355	1,053,596
Total Governmental Activities Expenses	25,907,122	27,375,943	29,126,176	29,441,303	30,344,822	29,465,074	31,485,171	33,542,898	33,331,322	37,522,895
Business-Type activities:										
Food Service	593,769	577,842	548,383	540,464	517,943	537,044	541,858	579,478	614,964	565,789
Summer Enrichment										5,155
Total Business-Type Activities Expense	593,769	577,842	548,383	540,464	517,943	537,044	541,858	579,478	614,964	570,944
Total District-Wide Expenses	26,500,891	27,953,785	29,674,559	29,981,767	30,862,765	30,002,118	32,027,029	34,122,376	33,946,286	38,093,839

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Revenues:										
Governmental Activities:										
Operating Grants and Contributions	\$ 3,270,161	\$ 4,088,667	\$ 4,118,634	\$ 3,227,951	\$ 3,062,590	\$ 2,322,194	\$ 2,948,411	\$ 3,628,969	\$ 3,368,274	\$ 6,486,666
Capital Grants and Contributions	79,572		7,558,938	4,372,026	2,063,974	1,048,464	269,800	17,520	15,310	241,500
Total Governmental Activities	3,349,733	4,088,667	11,677,572	7,599,977	5,126,564	3,370,658	3,218,211	3,646,489	3,383,584	6,728,166
Business-Type Activities:										
Charges for Services:										
Food Service	599,940	594,188	539,974	534,013	522,111	505,962	520,101	540,103	555,536	525,618
Summer Enrichment										5,155
Total Business Type Activities	599,940	594,188	539,974	534,013	522,111	505,962	520,101	540,103	555,536	530,773
Total District-Wide Program Revenues	3,949,673	4,682,855	12,217,546	8,133,990	5,648,675	3,876,620	3,738,312	4,186,592	3,939,120	7,258,939
Net (Expense)/Revenue:										
Governmental Activities	(22,557,389)	(23,287,276)	(17,448,604)	(21,841,326)	(25,218,258)	(26,094,416)	(28,266,960)	(29,896,409)	(29,947,738)	(30,794,729)
Business-Type Activities	6,171	16,346	(8,409)	(6,451)	4,168	(31,082)	(21,757)	(39,375)	(59,428)	(40,171)
Total District-Wide Net (Expense)/Revenue	(22,551,218)	(23,270,930)	(17,457,013)	(21,847,777)	(25,214,090)	(26,125,498)	(28,288,717)	(29,935,784)	(30,007,166)	(30,834,900)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for										
General Purposes, Net	22,186,318	21,772,560	22,643,462	23,549,200	24,341,168	25,465,407	25,848,661	26,365,634	26,892,947	27,834,200
Taxes Levied for Debt Service	899,077	2,220,783	2,287,093	2,248,595	2,306,845	2,261,845	2,314,970	2,266,220	2,256,100	3,271,744
Unrestricted Grants and Contributions	174,214	264,016	328,802	318,473	288,635	337,033	447,761	424,027	435,164	403,516
Investment Earnings	966,380	1,463,463	474,429	245,239	13,332	29,035	2,152	2,376	11,707	21,463
Miscellaneous Income	76,824	125,679	295,367	300,773	227,401	314,556	151,070	209,718	528,040	459,100
Transfers	(9,894)	(19,056)	(8,493)		(1,760)					

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Special Item - Revaluation of Capital Assets	\$ 1,025,577									
Special Item - SDA Grants Cancelled						\$ (64,718)				
Total Governmental Activities	<u>25,318,496</u>	<u>\$ 25,827,445</u>	<u>\$ 26,020,660</u>	<u>\$ 26,662,280</u>	<u>\$ 27,175,621</u>	<u>28,343,158</u>	<u>\$ 28,764,614</u>	<u>\$ 29,267,975</u>	<u>\$ 30,123,958</u>	<u>\$ 31,990,023</u>
Business-Type Activities:										
Investment Earnings	5,121	8,104	5,910	1,432	532	345	182	207	190	130
Transfers	9,894		8,493		1,760					
Capital Contributions			2,855							
Special Item - Revaluation of Capital Assets	61,371									
Special Item - Food Service Management										
Contractor Contribution										22,595
Total Business-Type Activities	<u>76,386</u>	<u>8,104</u>	<u>17,258</u>	<u>1,432</u>	<u>2,292</u>	<u>345</u>	<u>182</u>	<u>207</u>	<u>190</u>	<u>22,725</u>
Total District-Wide General Revenues and Other Changes in Net Position	<u>25,394,882</u>	<u>25,835,549</u>	<u>26,037,918</u>	<u>26,663,712</u>	<u>27,177,913</u>	<u>28,343,503</u>	<u>28,764,796</u>	<u>29,268,182</u>	<u>30,124,148</u>	<u>32,012,748</u>
Change in Net Position:										
Governmental Activities	2,761,107	2,540,169	8,572,056	4,820,954	1,957,363	2,248,742	497,654	(628,434)	176,220	1,195,294
Business-Type Activities	<u>82,557</u>	<u>24,450</u>	<u>8,849</u>	<u>(5,019)</u>	<u>6,460</u>	<u>(30,737)</u>	<u>(21,575)</u>	<u>(39,168)</u>	<u>(59,238)</u>	<u>(17,446)</u>
Total District-Wide Change in Net Position	<u>\$ 2,843,664</u>	<u>\$ 2,564,619</u>	<u>\$ 8,580,905</u>	<u>\$ 4,815,935</u>	<u>\$ 1,963,823</u>	<u>\$ 2,218,005</u>	<u>\$ 476,079</u>	<u>\$ (667,602)</u>	<u>\$ 116,982</u>	<u>\$ 1,177,848</u>

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

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved	\$ 5,905,990	\$ 7,558,719	\$ 7,182,210	\$ 6,854,679	\$ 5,650,730					
Unreserved	463,605	460,137	571,529	653,202	702,133					
Restricted						\$ 5,121,753	\$ 5,146,461	\$ 4,438,349	\$ 3,491,324	\$ 4,166,304
Assigned						844,758	862,075	772,849	1,251,800	679,605
Unassigned						858,203	924,355	926,987	638,424	585,191
Total General Fund	<u>\$ 6,369,595</u>	<u>\$ 8,018,856</u>	<u>\$ 7,753,739</u>	<u>\$ 7,507,881</u>	<u>\$ 6,352,863</u>	<u>\$ 6,824,714</u>	<u>\$ 6,932,891</u>	<u>\$ 6,138,185</u>	<u>\$ 5,381,548</u>	<u>\$ 5,431,100</u>
Other Governmental Funds:										
Reserved	\$ 1,753,548	\$ 19,795,073	\$ 4,700,881	\$ 1,046,170	\$ 189,483					
Unreserved (Deficit)	26,795,248	(7,861,117)	(1,709,349)	2,277,015	4,595,646					
Restricted						\$ 5,407,140	\$ 5,407,140	\$ 5,425,516	\$ 14,446,545	\$ 14,271,538
Committed						555,010	150,311	49,641	307,585	141,946
Total Other Governmental Funds	<u>\$ 28,548,796</u>	<u>\$ 11,933,956</u>	<u>\$ 2,991,532</u>	<u>\$ 3,323,185</u>	<u>\$ 4,785,129</u>	<u>\$ 5,962,150</u>	<u>\$ 5,557,451</u>	<u>\$ 5,475,157</u>	<u>\$ 14,754,130</u>	<u>\$ 14,413,484</u>
Total All Governmental Funds	<u>\$ 34,918,391</u>	<u>\$ 19,952,812</u>	<u>\$ 10,745,271</u>	<u>\$ 10,831,066</u>	<u>\$ 11,137,992</u>	<u>\$ 12,786,864</u>	<u>\$ 12,490,342</u>	<u>\$ 11,613,342</u>	<u>\$ 20,135,678</u>	<u>\$ 19,844,584</u>

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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Tax Levy	\$ 23,085,395	\$ 23,993,343	\$ 24,930,555	\$ 25,797,795	\$ 26,648,013	\$ 27,727,252	\$ 28,163,631	\$ 28,631,854	\$ 29,149,047	\$ 31,105,944
Interest Earnings	966,380	10,566	9,944	5,396	2,198	2,469	2,101	2,338	4,004	3,561
Miscellaneous	76,824	1,568,658	759,852	540,616	238,535	344,110	159,117	217,756	536,260	486,644
State Sources	3,264,247	4,118,055	11,718,790	7,625,410	4,936,442	3,279,641	3,267,759	3,738,566	3,500,846	3,964,510
Federal Sources	259,700	244,546	287,584	293,040	478,757	425,062	390,217	323,950	317,385	328,658
Total Revenue	27,652,546	29,935,168	37,706,725	34,262,257	32,303,945	31,778,534	31,982,825	32,914,464	33,507,542	35,889,317
Expenditures:										
Instruction:										
Regular	8,071,203	8,089,235	8,705,187	8,849,454	8,759,281	8,505,773	8,530,317	8,873,841	8,928,323	9,260,553
Special Education	1,359,993	1,430,055	1,453,147	1,544,195	1,374,221	1,264,493	1,405,419	1,562,983	1,557,670	1,453,440
Other Special Instruction	173,357	178,230	150,311	122,337	122,600	125,049	124,793	129,723	83,267	72,067
Vocational	26,797	27,562	16,669	31,410	32,250	32,504	26,254			
Other Instruction	1,335,318	1,319,442	1,412,849	1,439,508	1,413,012	1,322,853	1,356,648	1,394,949	1,388,865	1,416,933
Support Services:										
Tuition	472,271	814,205	1,081,460	1,139,898	1,707,861	2,106,145	2,581,816	2,759,304	3,026,385	2,970,421
Student/Instruction-Related Service:	2,322,572	2,362,354	2,510,673	2,759,258	3,085,421	2,796,406	2,849,528	2,776,857	2,719,504	2,862,123
General Administration Services	626,232	584,206	632,039	679,439	751,069	639,435	596,897	716,588	664,189	752,552
School Administration Services	894,249	953,504	1,045,483	1,040,877	996,213	892,738	937,681	1,010,316	1,106,968	1,063,928
Central Services	316,823	321,123	360,021	661,073	865,190	366,634	377,421	394,729	394,080	407,446
Administrative Information Technol	4,473				47,137	43,322	46,921	150,406	111,363	153,597
Plant Operations And Maintenance	2,421,971	2,335,720	2,458,773	2,801,400	2,675,558	2,368,870	2,387,932	2,369,055	2,290,273	2,257,080
Pupil Transportation	1,220,997	1,115,187	1,300,536	1,233,759	1,196,527	1,216,651	1,289,632	1,577,805	1,769,152	1,583,878
Unallocated Benefits	5,085,307	6,179,218	6,281,238	5,298,392	5,765,708	5,896,454	6,390,950	7,293,220	7,053,628	7,615,467

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

Expenditures: (Cont'd)	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Capital Outlay	\$ 4,075,325	\$ 16,947,805	\$ 17,210,293	\$ 4,326,867	\$ 896,366	\$ 225,772	\$ 1,062,168	\$ 533,844	\$ 1,430,438	\$ 1,020,807
Debt Service:										
Principal	124,000	1,000,000	1,100,000	1,100,000	1,200,000	1,200,000	1,014,970	1,300,000	1,400,000	2,320,000
Interest and Other Charges	888,748	1,223,845	1,187,094	1,148,595	1,106,845	1,061,845	1,300,000	947,844	856,100	970,119
Total Expenditures	29,419,636	44,881,691	46,905,773	34,176,462	31,995,259	30,064,944	32,279,347	33,791,464	34,780,205	36,180,411
Excess/(Deficiency) of Revenues										
Over/(Under) Expenditures	(1,767,090)	(14,946,523)	(9,199,048)	85,795	308,686	1,713,590	(296,522)	(877,000)	(1,272,663)	(291,094)
Other Financing Sources/(Uses):										
School Refunding Bonds Issued								18,480,000		
School Bonds Defeased								(19,014,000)		
Bond Issuance Costs								(190,717)		
Bond Premiums								2,519,122		
Deferred Bond Interest								(1,794,405)		
Bond Proceeds	31,714,000								9,795,000	
SDA Grants Cancelled						(64,718)				
Transfers In	1,706,071	1,244,320	1,014,486	41,035	1,031,508	647,590	51	74,428	298,411	199,624
Transfers Out	(1,715,965)	(1,263,376)	(1,022,979)	(41,035)	(1,033,268)	(647,590)	(51)	(74,428)	(298,411)	(199,624)
Total Other Financing Sources/(Uses)	31,704,106	(19,056)	(8,493)		(1,760)	(64,718)			9,795,000	
Net Change In Fund Balances	\$ 29,937,016	\$ (14,965,579)	\$ (9,207,541)	\$ 85,795	\$ 306,926	\$ 1,648,872	\$ (296,522)	\$ (877,000)	\$ 8,522,337	\$ (291,094)
Debt Service As A Percentage Of										
Noncapital Expenditures	4.00%	7.96%	7.70%	7.53%	7.42%	7.58%	7.42%	6.76%	6.76%	9.36%

Source: Hanover Park Regional High School District Financial Reports.

Exhibit J-5

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
2006	\$ 116,309	\$ 7,991			\$ 68,833	\$ 193,133
2007	219,143	3,143			112,618	334,904
2008	158,248	1,568			145,495	305,311
2009	273,182	3,390			228,405	504,977
2010	12,200	1,913			225,487	239,601
2011	29,035	7,892	\$ 16,284		290,039	343,250
2012	2,152	4,710	16,245		130,064	153,171
2013	20,788	6,475	22,037	\$ 38,095	124,661	212,056
2014	13,111	6,475	25,860	70,620	415,978	532,044
2015	26,090	4,875	26,885	53,761	351,050	462,661

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)
2005	\$ 30,941,400	\$ 1,373,868,900			\$891,080,700	\$ 161,390,200		\$2,457,281,200	\$ 2,498,689	\$2,459,779,889	\$112,024,800	\$.31	\$ 3,012,237,212
2006	27,842,000	1,392,164,500			860,768,600	158,651,300		2,439,426,400	2,204,322	2,441,630,722	113,425,400	.35	3,263,474,645
2007	28,357,400	1,398,387,900			858,164,200	159,026,300		2,443,935,800	2,450,212	2,446,386,012	114,438,200	.36	3,451,954,019
2008	25,273,000	1,412,610,900			903,419,300	158,521,600		2,499,824,800	2,382,719	2,502,207,519	116,712,200	.36	3,721,861,548
2009	23,661,400	1,413,759,500			832,574,597	200,519,200		2,470,514,697	2,650,113	2,473,164,810	116,803,900	.39	3,699,322,656
2010	22,852,400	1,417,254,300			820,763,797	200,142,200	\$ 224,300	2,461,236,997	2,595,764	2,463,832,761	117,931,800	.41	4,044,758,170
2011	22,432,600	1,418,273,800			820,963,397	200,566,400		2,462,236,197	2,037,625	2,464,273,822	117,931,800	.43	3,836,789,266
2012	21,921,200	1,418,233,400			821,059,097	200,816,300		2,462,029,997	2,045,837	2,464,075,834	117,849,500	.42	3,700,819,582
2013	20,842,200	1,423,277,600			817,689,997	201,216,300		2,463,026,097	2,045,837	2,465,071,934	118,392,700	.43	3,433,090,066
2014	20,748,400	1,424,081,700			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

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)
2005	\$ 37,896,500	\$ 804,072,800	\$ 119,800		\$517,707,600	\$ 139,829,100	\$ 86,852,200	\$1,586,478,000	\$ 2,706,314	\$1,589,186,314	\$207,460,300	\$.39	\$ 2,843,114,880
2006	* 72,140,300	1,963,783,600	119,800		868,630,200	229,991,100	161,878,700	3,296,543,700	4,552,436	3,301,812,963	426,591,000	.20	2,976,989,614
2007	66,582,200	1,977,590,900	119,800	\$ 716,800	894,240,000	228,460,100	161,878,700	3,329,588,500	4,556,753	3,334,145,253	427,072,800	.19	3,158,254,479
2008	64,246,500	1,989,080,900	119,800	716,800	917,460,600	178,344,300	159,770,700	3,309,739,600	4,687,591	3,314,427,191	437,120,100	.19	3,334,433,794
2009	126,647,500	2,011,843,600	119,800	748,300	912,417,600	108,971,400	153,215,500	3,313,963,700	4,947,120	3,318,910,820	447,021,900	.20	3,357,907,547
2010	128,845,700	2,047,551,750	119,800	748,300	887,116,700	101,302,400	151,215,500	3,316,900,150	4,901,700	3,321,801,850	447,729,600	.21	3,332,562,174
2011	118,379,400	2,051,700,450	119,800	748,300	867,113,600	101,302,400	151,215,500	3,290,579,450	4,582,780	3,295,162,230	448,697,200	.17	3,356,840,595
2012	110,392,500	2,031,401,150	119,800	748,300	890,441,900	97,324,800	151,215,500	3,281,643,950	4,576,711	3,286,220,661	448,739,900	.18	3,335,769,352
2013	95,485,900	2,024,445,400	748,300	119,800	890,390,400	97,324,800	157,415,500	3,265,930,100	4,257,410	3,270,187,510	457,858,600	.22	3,015,767,531
2014	98,799,800	1,985,991,000	748,300	119,800	882,320,700	96,354,600	168,609,300	3,232,943,500	3,854,835	3,236,798,335	446,779,800	.24	2,839,810,371

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

* Revaluation of real property took effect in this year.

^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)
2005	\$ 71,739,900	\$1,107,353,322	\$ 9,100	\$ 3,800	\$542,556,011	\$260,008,400	\$ 28,868,800	\$2,010,539,333	\$ 16,296,284	\$2,026,835,617	\$264,102,300	\$.39	\$ 3,081,610,785
2006	79,203,300	1,121,055,622	9,100	3,800	547,450,911	237,416,200	28,868,800	2,014,007,733	13,066,727	2,014,007,733	264,560,900	.42	3,616,015,325
2007	75,065,500	1,123,936,422	9,100	3,800	546,826,011	244,676,100	28,868,800	2,019,385,733	12,068,528	2,031,454,261	269,329,200	.44	3,949,502,848
2008	74,908,200	1,139,038,922	9,100	3,800	573,242,511	212,569,800	28,868,800	2,028,641,133	11,274,582	2,039,915,715	269,514,700	.42	4,131,893,285
2009	72,641,900	1,148,171,700	7,600	7,600	538,942,500	213,530,700	28,868,800	2,002,170,800	11,255,992	2,013,787,492	271,431,000	.47	4,139,864,889
2010	65,676,800	1,153,279,300	7,600	368,300	524,527,300	214,138,200	28,868,800	1,986,866,300	11,175,509	1,998,041,809	271,947,500	.49	4,166,464,286
2011	47,974,300	1,176,198,450	7,600	368,300	489,126,600	221,082,600	28,868,800	1,963,626,650	10,542,510	1,974,169,160	271,672,800	.61	4,115,149,057
2012 *	78,048,900	2,054,726,800	5,900	433,000	871,536,400	412,981,600	56,721,600	3,474,454,200	21,415,187	3,495,869,387	376,741,000	.35	3,957,980,829
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		3,649,729,800	375,167,100	.31	3,701,001,450

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

- * Revaluation of real property took effect in this year.
- ^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 Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt ^b	Total Direct	East	East	Morris County	
				Hanover School	Hanover Township		
2005	\$ 0.30	\$ 0.01	\$ 0.31	\$ 0.57	\$ 0.47	\$ 0.32	\$ 1.67
2006	0.32	0.03	0.35	0.60	0.49	0.33	1.78
2007	0.33	0.03	0.36	0.64	0.51	0.33	1.84
2008	0.33	0.03	0.36	0.67	0.52	0.35	1.89
2009	0.36	0.03	0.39	0.69	0.54	0.34	1.96
2010	0.38	0.03	0.41	0.72	0.56	0.38	2.07
2011	0.39	0.04	0.43	0.72	0.56	0.37	2.08
2012	0.39	0.03	0.42	0.72	0.57	0.37	2.08
2013	0.40	0.03	0.43	0.71	0.60	0.35	2.09
2014	0.43	0.05	0.48	0.66	0.61	0.35	2.09

FLORHAM PARK BOROUGH

Year Ended December 31,	Hanover Park Regional High School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt ^b	Total Direct	Florham	Florham	Morris County	
				Park School	Park Borough		
2005	\$ 0.38	\$ 0.01	\$ 0.39	\$ 0.80	\$ 0.59	\$ 0.47	\$ 2.25
2006	* 0.18	* 0.02	* 0.20	* 0.41	* 0.32	* 0.23	1.15
2007	0.18	0.02	0.19	0.43	0.32	0.22	1.16
2008	0.17	0.02	0.19	0.44	0.33	0.21	1.17
2009	0.18	0.02	0.20	0.45	0.35	0.23	1.22
2010	0.19	0.02	0.21	0.46	0.35	0.23	1.25
2011	0.16	0.01	0.17	0.52	0.36	0.24	1.29
2012	0.17	0.01	0.18	0.53	0.38	0.25	1.34
2013	0.20	0.02	0.22	0.51	0.39	0.23	1.35
2014	0.21	0.03	0.24	0.52	0.40	0.22	1.38

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	
2005	\$ 0.38	\$ 0.01	\$ 0.39	\$ 0.84	\$ 0.54	\$ 0.41	\$ 2.18
2006	0.38	0.04	0.42	0.90	0.57	0.45	2.33
2007	0.40	0.04	0.44	0.94	0.60	0.46	2.44
2008	0.38	0.04	0.42	0.98	0.64	0.47	2.51
2009	0.43	0.04	0.47	1.02	0.67	0.47	2.63
2010	0.45	0.04	0.49	1.07	0.73	0.47	2.76
2011	0.56	0.05	0.61	1.02	0.76	0.49	2.88
2012	* 0.32	* 0.03	* 0.35	* 0.58	* 0.43	* 0.27	1.63
2013	0.30	0.02	0.32	0.62	0.44	0.28	1.66
2014	0.28	0.03	0.31	0.62	0.44	0.26	1.63

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.

* Revaluation of real property became effective in this year.

Source: Municipal Tax Collectors and School Business Administrator.

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

EAST HANOVER TOWNSHIP

2015			2006		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Novartis	\$ 415,030,700	16.38%	Novartis Pharmaceuticals	\$ 57,887,500	2.35%
Mondelez Global Inc.	36,987,600	1.46%	Kraft Foods North America, Inc.	27,525,000	1.09%
Mondelez Global Inc.	25,000,000	0.99%	New Hanover, LLC	8,472,000	0.33%
New Hanover LLC	24,917,000	0.98%	Reckson Operating Partnership, LP	7,561,000	0.30%
Givaudan Fragrances Corp.	21,400,000	0.84%	Castle Ridge Plaza, LLC	7,390,000	0.29%
EH Route Ten Realty Group	21,400,000	0.84%	Costco Wholesale Corporation	7,188,900	0.28%
Givaudan Flavors Corp.	19,872,200	0.78%	Eagle Rock Office, LLC	6,098,000	0.24%
Castle Ridge Plaza	18,500,000	0.73%	Givaudan Flavors Corporation	5,890,100	0.23%
Paradigm	17,024,777	0.67%	Schindling-Rheinberger % Novartis	5,655,000	0.22%
Eric Richard D.R. Company	15,500,000	0.61%	Eric Richard D.R. Company, LLC	2,360,000	0.09%
Total	\$ 615,632,277	24.30%		\$ 136,027,500	5.44%

Source: Municipal Tax Assessor.

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

FLORHAM PARK BOROUGH

2015			2006		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
KBSII 300-600 Campus Drive, LLC	\$ 93,517,700	2.89%	Campus Drive, LLC	\$ 112,458,800	3.41%
Sun Valley Plaza II, LLC	70,514,200	2.18%	Park Avenue Realty	109,410,200	3.31%
BASF Corp	68,000,000	2.10%	Well Reit	103,078,100	3.12%
Avalonbay Communities, Inc	63,369,900	1.96%	Exxon Mobil	84,715,100	2.57%
KBSII 100-200 Campus Drive, LLC	61,742,300	1.91%	Avalonbay Communities, Inc	65,369,900	1.98%
Lifetime Fitness	33,900,000	1.05%	L.H. Florham Holding	65,132,800	1.97%
KBSII 100-200 Campus Drive LLC	33,100,700	1.02%	71 Hanover FPK, Associates	30,013,500	0.91%
Hamilton Park	33,000,000	1.02%	Kull Bren	29,660,600	0.90%
Advance at Park	30,991,300	0.96%	Columbia Corporate Center	26,489,000	0.80%
River Bend Developers, LLC	30,000,000	0.93%	ASCO Manufacturing	25,620,300	0.78%
Total	\$ 518,136,100	16.01%	Total	\$ 651,948,300	19.75%

Source: Municipal Tax Assessor.

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

HANOVER TOWNSHIP

2015			2006		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Bayer Healthcare LLC	\$ 155,670,300	4.27%	LTI NJ Finance LLC	\$ 100,966,300	4.98%
115 SJ Investors	56,000,000	1.53%	Bear Stearn & Company	62,229,800	3.07%
Sterling Apartments LLC	55,101,100	1.51%	Hartz Mountain Industries	39,351,100	1.94%
Interstate Realty Compnay LLC	50,290,300	1.38%	Marriot Corporation	32,539,700	1.61%
Kraft Foods Global Inc	43,400,000	1.19%	Cedar Glenn Housing Corporation	27,587,300	1.36%
LSAC Morris County LP	42,954,600	1.18%	Fan Pier Land Company	27,000,000	1.33%
DCT IND Realty Inc	39,194,500	1.07%	Interstate Realty Company	26,338,800	1.30%
Ravine Development Company LLC	38,945,800	1.07%	River Park Business Center LLC	23,739,500	1.17%
LSREF Three / AH Chicago LLC	37,635,000	1.03%	Lynton Jet/ Signature Flight	26,500,000	1.31%
ISBI Hanover Hotel LLC	35,950,500	0.99%	Lynton Jet/ Signature Flight	22,127,500	1.09%
Total	\$ 555,142,100	15.21%	Total	\$ 388,380,000	19.16%

Note: A revaluation was effective in 2012

Source: Municipal Tax Assessor.

Exhibit J-9

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	
2006	\$ 23,085,395	\$ 23,085,395	100.00%	\$ - 0 -
2007	23,993,343	23,993,343	100.00%	- 0 -
2008	22,643,462	22,643,462	100.00%	- 0 -
2009	25,797,795	25,797,795	100.00%	- 0 -
2010	26,648,013	26,648,013	100.00%	- 0 -
2011	27,727,252	27,727,252	100.00%	- 0 -
2012	28,163,631	28,163,631	100.00%	- 0 -
2013	28,631,854	28,631,854	100.00%	- 0 -
2014	29,149,047	29,149,047	100.00%	- 0 -
2015	31,105,944	31,105,944	100.00%	- 0 -

^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).

Exhibit J-10

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	Capital Leases	Grant Anticipation Notes			
2006	\$ 31,714,000			\$ 31,714,000	1.28%	\$ 853.12
2007	30,714,000			30,714,000	1.19%	828.65
2008	29,614,000		\$ 10,000,000	39,614,000	1.48%	1,064.46
2009	28,514,000		8,500,000	37,014,000	1.47%	991.59
2010	27,314,000			27,314,000	1.09%	746.41
2011	26,114,000			26,114,000	0.99%	710.41
2012	24,814,000			24,814,000	0.90%	669.56
2013	22,980,000			22,980,000	0.82%	615.08
2014	31,375,000			31,375,000	1.11%	830.53
2015	29,055,000			29,055,000	1.02%	769.12

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		
2006	\$ 31,714,000	\$ - 0 -	\$ 31,714,000	1.23%	\$ 853.12
2007	30,714,000	- 0 -	30,714,000	1.18%	828.65
2008	29,614,000	- 0 -	29,614,000	1.13%	795.75
2009	28,514,000	- 0 -	28,514,000	1.09%	763.88
2010	27,314,000	- 0 -	27,314,000	1.05%	746.41
2011	26,114,000	- 0 -	26,114,000	1.01%	710.41
2012	24,814,000	- 0 -	24,814,000	0.96%	669.56
2013	22,980,000	- 0 -	22,980,000	0.75%	615.08
2014	31,375,000	- 0 -	31,375,000	1.02%	830.53
2015	29,055,000	- 0 -	29,055,000	0.93%	769.12

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.

Exhibit J-12

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
UNAUDITED
AS OF DECEMBER 31, 2014

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable ^a</u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Debt Repaid With Property Taxes			
East Hanover Township	\$ 24,216,926	100.00%	\$ 24,216,926
Florham Park Borough	17,280,129	100.00%	17,280,129
Hanover Township	- 0 -	100.00%	- 0 -
Morris County General Obligation Debt (All Constituent Municipalities)	235,116,781	11.39%	<u>26,776,401</u>
Subtotal, Overlapping Debt			68,273,456
Hanover Park Regional School District Direct Debt			<u>29,875,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 98,148,456</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 266,669,279	\$ 289,902,495	\$ 311,274,977	\$ 321,552,302	\$ 336,152,819	\$ 338,737,158	\$ 335,794,028	\$ 323,491,655	\$ 308,646,769	\$ 304,098,046
Total Net Debt Applicable to Limit	31,714,000	30,714,000	39,614,000	37,014,000	27,314,000	26,114,000	24,814,000	22,980,000	31,375,000	29,055,000
Legal Debt Margin	<u>\$ 234,955,279</u>	<u>\$ 259,188,495</u>	<u>\$ 271,660,977</u>	<u>\$ 284,538,302</u>	<u>\$ 308,838,819</u>	<u>\$ 312,623,158</u>	<u>\$ 310,980,028</u>	<u>\$ 300,511,655</u>	<u>\$ 277,271,769</u>	<u>\$ 275,043,046</u>
Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	11.89%	10.59%	12.73%	11.51%	8.13%	7.71%	7.39%	7.10%	10.17%	9.55%

Legal Debt Margin Calculation for Fiscal Year 2015

	East Hanover Township	Florham Park Borough	Hanover Township	Total
Equalized Valuation Basis				
2012	\$ 3,409,541,611	\$ 3,008,474,468	\$ 3,811,798,354	\$ 10,229,814,433
2013	3,442,384,482	2,849,105,906	3,480,593,376	9,772,083,764
2014	3,582,822,243	2,984,071,903	3,841,012,208	10,407,906,354
	<u>\$ 10,434,748,336</u>	<u>\$ 8,841,652,277</u>	<u>\$ 11,133,403,938</u>	<u>\$ 30,409,804,551</u>
Average Equalized Valuation of Taxable Property				<u>\$ 10,136,601,517</u>
Debt Limit (3% of average equalization value) ^a				\$ 304,098,046
Net Bonded School Debt - June 30, 2015				<u>29,055,000</u>
Legal Debt Margin				<u>\$ 275,043,046</u>

^a Limit set by NJSA 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
2006	11,388	\$ 66,827	\$ 761,025,876	3.50%
2007	11,311	69,900	790,638,900	3.20%
2008	11,338	71,990	816,222,620	4.20%
2009	11,372	67,544	768,110,368	7.20%
2010	11,165	68,725	767,314,625	7.30%
2011	11,219	71,933	807,016,327	7.10%
2012	11,306	74,057	837,288,442	7.40%
2013	11,306	75,054	848,560,524	6.40%
2014	11,289	75,054 *	847,284,606 ***	5.20%
2015	11,289 **	75,054 *	847,284,606 ***	N/A

FLORHAM PARK BOROUGH

Year	Borough Population ^a	Morris County Per Capita Personal Income ^b	Borough Personal Income ^c	Borough Unemployment Rate ^d
2006	12,373	\$ 66,827	\$ 826,850,471	2.80%
2007	12,298	69,900	859,630,200	2.40%
2008	12,355	71,990	889,436,450	3.20%
2009	12,347	67,544	833,965,768	5.60%
2010	11,705	68,725	804,426,125	5.60%
2011	11,751	71,933	845,284,683	5.40%
2012	11,860	74,057	878,316,020	5.70%
2013	11,831	75,054	887,963,874	5.40%
2014	11,829	75,054 *	887,813,766 ***	4.70%
2015	11,829 **	75,054 *	887,813,766 ***	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
2006	13,413	\$ 66,827	\$ 896,350,551	1.80%
2007	13,456	69,900	940,574,400	1.70%
2008	13,522	71,990	973,448,780	2.20%
2009	13,609	67,544	919,206,296	3.90%
2010	13,724	68,725	943,181,900	3.90%
2011	13,789	71,933	991,884,137	3.80%
2012	13,894	74,057	1,028,947,958	3.90%
2013	14,224	75,054	1,067,568,096	5.20%
2014	14,659	75,054 *	1,100,216,586 ***	4.70%
2015	14,659 **	75,054 *	1,100,216,586 ***	N/A

* - Latest Morris County per capita personal income available (2013) was used for calculation purposes.

** - Latest population data available (2014) was used for calculation purposes.

***- Latest population data (2014) and latest per capita personal income (2013) 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

<u>2014</u>			<u>2005</u>		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
U.S. Army Armament Research and Development	5,841	2.27%			
Novartis Corporation	5,035	1.96%			
Atlantic Health System	4,463	1.74%			
Automatic Data Processing, Inc.	2,060	0.80%			Information is Not Available
Bayer Healthcare, LLC	1,900	0.74%			
County of Morris	1,674	0.65%			
Wyndham Worldwide Coporation	1,653	0.64%			
St. Clare's	1,642	0.64%			
BASF Corporation	1,500	0.58%			
Accenture	1,480	0.58%			
Total	<u>27,248</u>	<u>10.60%</u>			
Total County Employment	<u>257,024</u>				

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

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction:										
Regular	111.0	110.0	110.0	110.0	112.0	110.6	110.6	111.3	117.6	118.4
Special Education	22.0	24.0	25.0	25.0	24.0	26.3	26.3	27.4	25.4	25.1
Basic Skills/Bilingual						1.4	1.4	1.4	1.4	1.2
Vocational	1.0	1.0	1.0	1.0	1.0	0.4	0.4	0.0	0.0	0.0
Co-Curricular Athletics						2.0	2.0	2.0	2.0	2.0
Support Services:										
Student & Instruction										
Related Services	30.1	33.1	33.1	33.1	36.1	32.2	32.0	32.1	32.4	33.8
School Administration	12.0	12.0	12.0	12.0	10.0	8.6	8.6	9.1	10.2	9.7
General/Business										
Administration	8.0	8.0	8.0	8.0	8.5	10.3	9.5	10.5	10.5	10.5
Plant Operations										
and Maintenance	27.0	27.0	27.0	27.0	27.0	25.6	25.0	25.0	25.0	24.0
Pupil Transportation	32.0	33.0	34.0	34.0	35.0	37.0	37.0	37.0	40.0	40.0
Total	<u>243.1</u>	<u>248.1</u>	<u>250.1</u>	<u>250.1</u>	<u>253.6</u>	<u>254.4</u>	<u>252.8</u>	<u>255.8</u>	<u>264.5</u>	<u>264.7</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 High School	Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change Average Daily Enrollment	Student Attendance Percentage
2006	1,501.4	\$ 24,331,563	\$ 16,206	-0.22%	160	1:11.3	1,501.4	1,447.5	0.54%	96.41%
2007	1,559.0	25,710,041	16,491	1.76%	132	1:11.8	1,559.4	1,511.1	3.86%	96.90%
2008	1,507.0	27,408,386	18,187	10.28%	124	1:12.2	1,505.3	1,459.9	-3.47%	96.98%
2009	1,445.0	27,601,000	19,101	5.02%	124	1:11.8	1,449.9	1,385.7	-3.68%	95.57%
2010	1,458.0	28,792,048	19,748	3.39%	127	1:11.5	1,452.7	1,410.5	0.19%	97.10%
2011	1,431.0	27,577,327	19,271	-2.41%	123	1:11.6	1,429.1	1,360.1	-1.62%	95.17%
2012	1,508.0	28,902,209	19,166	-0.55%	122	1:12.4	1,482.1	1,413.5	3.71%	95.37%
2013	1,607.5	31,009,776	19,291	0.65%	129	1:12:5	1,531.2	1,455.9	3.31%	95.08%
2014	1,597.5	31,093,667	19,464	0.90%	136	1:11.8	1,574.3	1,499.1	2.81%	95.22%
2015	1,620.0	31,869,485	19,673	1.07%	136	1:11.9	1,599.4	1,526.4	1.59%	95.44%

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Hanover Park High School:										
Square Feet	165,713	165,713	165,713	165,713	165,713	165,713	191,902	191,902	191,902	191,902
Capacity (Students)	1,097	1,097	1,097	1,097	1,204	1,204	1,204	1,201	1,204	1,204
Enrollment	869	919	892	847	838	805	823	889	864	868
Whippany Park High School:										
Square Feet	133,448	133,448	133,448	133,448	133,448	133,448	156,451	156,451	156,451	156,451
Capacity (Students)	884	884	884	884	908	908	908	908	908	908
Enrollment	632	640	615	608	620	626	652	685	701	720

Number of Schools at June 30, 2015:

High Schools = 2

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

Source: Hanover Park Regional High School District Facilities Office.

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

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

School Facilities*	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Hanover Park High School	\$ 222,108	\$ 187,782	\$ 212,294	\$ 303,139	\$ 303,114	\$ 271,125	\$ 337,521	\$ 343,011	\$ 293,545	\$ 270,700
Whippany Park High School	185,591	178,490	185,564	198,742	259,206	197,343	270,494	297,840	240,452	235,326
Total School Facilities	\$ 407,699	\$ 366,272	\$ 397,858	\$ 501,881	\$ 562,320	\$ 468,468	\$ 608,015	\$ 640,851	\$ 533,997	\$ 506,026

* 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.

Exhibit J-20

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2014
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -		
New Jersey Schools Insurance Group		
Property - Blanket Building and Contents	\$ 350,000,000	\$ 5,000
Comprehensive General Liability	16,000,000	5,000
Comprehensive Auto Liability	16,000,000	5,000
Comprehensive Crime Coverage	500,000	5,000
Flood	10,000,000	5,000
Earthquake	5,000,000	
Boiler and Machinery	100,000,000	5,000
Electronic Data Processing	2,000,000	5,000
Umbrella Liability -		
New Jersey Unshared Excess Program	24,000,000	5,000
School Board Legal Liability -		
New Jersey Schools Insurance Group	16,000,000/100,000	10,000/10,000
Storage Tank System -		
Ace American Insurance Co.	1,000,000/2,000,000	5,000
Workers' Compensation Insurance -		
New Jersey Schools Insurance Group	2,000,000	
Public Employees' Faithful Performance Blanket Position Bond -		
Hartford Bonding Co.		
Board Secretary/Business Administrator	250,000	
Treasurer	250,000	
Commercial Environmental Impairment Liability -		
Zurich Steadfast Insurance Co.		
Per Occurrence	2,000,000	25,000
Aggregate Per Named Insured	11,000,000	
Cyber Liability -		
New Jersey Schools Insurance Group		
Per Occurrence	1,000,000	25,000
Aggregate Per Named Insured	10,000,000	
School Violent Act -		
General Star Indemnity Co.	1,000,000/250,000	

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 Board of Education 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, 2015, 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 17, 2015.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

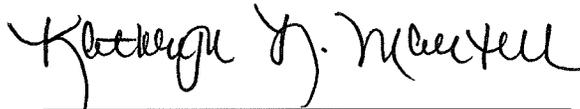
Purpose of this Report

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



NISIVOCCIA, LLP

November 17, 2015
Mount Arlington, New Jersey



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



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Report on Compliance For Each Major State Program;
 Report on Internal Control Over Compliance Required by OMB Circular A-133
 and New Jersey's OMB Circulars 04-04 and 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 State Program

We have audited the Board of Education of the Hanover Park Regional High School District's (the "District's") compliance with the types of compliance requirements described in the *OMB Circular A-133 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 state programs for the fiscal year ended June 30, 2015. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2015.

The Honorable President and Members
of the Board of Education
Hanover Park Regional High School District
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Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 or NJOMB 04-04 and 15-08. Accordingly, this report is not suitable for any other purpose.

Nisivoccia, LLP

November 17, 2015
Mount Arlington, New Jersey

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, 2015

Federal Grantor/Pass Through Grantor Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2014		Cash Received	Budgetary Expenditures	Adjust- ment	Balance June 30, 2015	
					Accounts Receivable	Unearned Revenue				Accounts Receivable	Unearned Revenue
U.S. Department of Education											
Passed-through State Department of Education:											
Special Revenue Fund:											
Special Education Cluster:											
I.D.E.A. Part B, Basic	84.027	IDEA 199015	7/1/14-6/30/15	\$ 288,526			\$ 272,410	\$(288,516)			\$ (16,106)
I.D.E.A. Part B, Basic	84.027	IDEA 199014	7/1/13-6/30/14	280,296	\$ (19,612)		19,612				
Total Special Education Cluster					(19,612)		292,022	(288,516)			(16,106)
No Child Left Behind Consolidated Grant:											
Title I	84.010	NCLB199015	7/1/14-6/30/15	27,174			25,225	(27,174)			(1,949)
Title IIA	84.367A	NCLB199015	7/1/14-6/30/15	12,968			12,788	(12,968)			(180)
Title IIA	84.367A	NCLB199014	7/1/13-6/30/14	12,777	(520)		520				
Title IIA	84.367A	NCLB199012	9/1/11-8/31/12	14,552		\$ 99			\$ (99)		
Title IV - Carryover	84.186A	NCLB199010	9/1/09-8/31/10	989	(222)				222		
Total No Child Left Behind Consolidated Grant					(742)	99	38,533	(40,142)	123		(2,129)
Total Special Revenue Fund					(20,354)	99	330,555	(328,658)	123		(18,235)
Total U.S. Department of Education					(20,354)	99	330,555	(328,658)	123		(18,235)
Total Federal Awards					\$ (20,354)	\$ 99	\$ 330,555	\$(328,658)	\$ 123	\$ (18,235)	\$ -0-

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

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2014		Cash Received	Budgetary Expenditures	Balance Canceled	Repayment of Prior Years' Balances	Balance June 30, 2015		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	15-495-034-5120-089	7/1/14-6/30/15	\$ 590,031			\$ 541,457	\$ (590,031)					\$ (48,574)	\$ (590,031)
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	590,031	\$ (49,730)		49,730							(590,031)
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	25,031			22,971	(25,031)					(2,060)	(25,031)
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	25,031	(1,821)		1,821							(25,031)
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	170,906			156,836	(170,906)					(14,070)	(170,906)
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	170,906	(11,937)		11,937							(170,906)
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	16,350			15,004	(16,350)					(1,346)	(16,350)
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	16,350			15,004	(16,350)					(1,346)	(16,350)
Extraordinary Aid	15-495-034-5120-473	7/1/14-6/30/15	348,716				(348,716)			\$ (348,716)		(348,716)	(348,716)
Extraordinary Aid	14-495-034-5120-473	7/1/13-6/30/14	408,608	(408,608)		408,608							(408,608)
Non-Public Transportation	15-495-034-5120-014	7/1/14-6/30/15	14,284				(14,284)			(14,284)		(14,284)	(14,284)
Non-Public Transportation	14-495-034-5120-014	7/1/13-6/30/14	11,267	(11,267)		11,267							(11,267)
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7/1/14-6/30/15	871,228			828,799	(871,228)			(42,429)		(42,429)	(871,228)
Total General Fund State Aid				(483,363)		2,063,434	(2,052,896)			(405,429)		(472,825)	(4,055,487)
NJ Nonpublic Aid:													
Nursing Services (Chapter 226)	15-100-034-5120-070	9/1/14-6/30/15	3,035			3,035	(3,035)						(3,035)
Textbook Aid (Chapter 194)	15-100-034-5120-064	9/1/14-6/30/15	1,907			1,907	(1,907)						(1,907)
Technology Initiative Aid	15-100-034-5120-373	9/1/14-6/30/15	1,024			1,024	(1,024)						(1,024)
Auxiliary Services:													
Compensatory Education	15-100-034-5120-067	9/1/14-6/30/15	2,687			2,687	(1,792)				\$ 895		(1,792)
Compensatory Education	14-100-034-5120-067	9/1/13-6/30/14	8,645		\$ 2,481				\$ (2,481)				(6,164)
Handicapped Services:													
Examination/Classification	15-100-034-5120-066	9/1/14-6/30/15	4,863			4,863	(1,083)				3,780		(1,083)
Examination/Classification	14-100-034-5120-066	9/1/13-6/30/14	9,870		8,117				(8,117)				(1,753)
Supplemental Instruction	15-100-034-5120-066	9/1/14-6/30/15	4,708			4,708	(2,198)				2,510		(2,198)
Supplemental Instruction	14-100-034-5120-066	9/1/13-6/30/14	3,816		1,248				(1,248)				(2,568)
Corrective Speech	15-100-034-5120-066	9/1/14-6/30/15	3,534			3,534	(884)				2,650		(884)
Corrective Speech	14-100-034-5120-066	9/1/13-6/30/14	3,906		2,343				(2,343)				(1,563)
Total Special Revenue Fund					14,189	21,758	(11,923)		(14,189)		9,835		(24,849)
Total NJ Department of Education				(483,363)	14,189	2,085,192	(2,064,819)		(14,189)	(405,429)	9,835	(472,825)	(4,080,336)

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2014		Cash Received	Budgetary Expenditures	Balance Canceled	Repayment of Prior Years' Balances	Balance June 30, 2015		Memo	
				(Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
Schools Development Authority:													
Educational Facilities and													
Capital Financing Act	1990-050-10-1001	7/1/10-6/30/15	\$ 236,250	\$ (228,627)		\$ 210,845		\$ 17,782					\$ (236,250)
	1990-070-14-1001	7/1/13-6/30/16	193,805			152,448	\$ (187,952)			\$ (35,504)		\$ (41,357)	(187,951)
	1990-050-14-1003	7/1/14-6/30/16	67,608				(32,002)			(32,002)		(67,608)	(32,002)
	1990-070-14-1004	7/1/14-6/30/16	22,536				(21,546)			(21,546)		(22,536)	(21,546)
Total Schools Development Authority				(228,627)		363,293	(241,500)	17,782		(89,052)		(131,501)	(477,749)
Total State Awards				\$ (711,990)	\$ 14,189	\$ 2,448,485	\$ (2,306,319)	\$ 17,782	\$ (14,189)	\$ (494,481)	\$ 9,835	\$ (604,326)	\$ (4,604,570)

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, 2015

NOTE 1. GENERAL

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, 2015. The information in these schedules is presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States, Local Governments and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 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. This basis of accounting is described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. 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 \$(3,908) for the general fund, \$-0- for the special revenue fund and \$(42,449) for the capital projects fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and capital projects funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Pension and Post-Retirement Medical Benefit Contributions revenue of \$642,357 and \$1,019,742, respectively.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 3. 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:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,711,087	\$ 3,711,087
Special Revenue Fund	\$ 328,658	11,923	340,581
Capital Projects Fund		241,500	241,500
Total Awards	<u>\$ 328,658</u>	<u>\$ 3,964,510</u>	<u>\$ 4,293,168</u>

NOTE 4. 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 5. NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has active grants awarded in the amount of \$520,199 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. The District has realized the grants in full on the budgetary basis, has collected \$388,698; therefore, \$131,501 is receivable on the budgetary basis as of June 30, 2015. The District has expended or drawn down on a GAAP basis \$477,749 of the grants; therefore, \$89,052 is receivable on the GAAP basis as of June 30, 2015.

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, 2015.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circulars 04-04 and 15-08 or Section 510(a) of Federal OMB Circular A-133.
- The District was not subject to the single audit provisions of Federal OMB Circular A-133 for fiscal year end June 30, 2015 as federal grant expenditures were less than the single audit threshold of \$500,000 identified in the Circular.
- The District's programs tested as major state programs for the current fiscal year consisted of the following state aid:

	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	\$ 590,031	\$ 590,031
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	25,031	25,031
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	16,350	16,350
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	16,350	16,350

- The threshold for distinguishing between Type A and Type B state programs was \$300,000.
- The District was determined be a "low-risk" auditee for state programs.

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

- The audit did not disclose any finding or questioned costs for state awards as defined in section 510(a) of the federal circular and NJOMB 04-04 and 15-08.

HANOVER PARK REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Status of Prior Year Findings:

There were no audit findings or questioned costs for the year ended June 30, 2014.