

**BOROUGH OF HIGHLAND PARK**  
**BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**BOROUGH OF HIGHLAND PARK  
BOARD OF EDUCATION**

**HIGHLAND PARK, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Prepared by**

**BOROUGH OF HIGHLAND PARK  
BOARD OF EDUCATION**

**DEPARTMENT OF ADMINISTRATION**

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**INTRODUCTORY SECTION**



## Highland Park Public Schools

435 Mansfield Street  
 Highland Park, NJ 08904  
 Phone: 732-572-6990  
 Fax: 732-572-5502

November 24, 2015

Honorable President and  
 Members of the Board of Education  
 Highland Park School District  
 Middlesex County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Highland Park School District (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 financial position and results of operations of the various funds and account groups 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 as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, as well as other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District, oft times presented on a multi-year basis to facilitate comparison;
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act 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 OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

## SCHOOL DISTRICT ORGANIZATION AND OVERVIEW

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, as well as, special education for handicapped youngsters. Geographically, New Brunswick, Piscataway and Edison surround Highland Park, which has a total area of 1.8 square miles. The students attend one of three schools: Irving Primary School serves children in grades Pre-K to one; Bartle Elementary School serves students in Grades two to five; Highland Park Middle School serves students in Grades six to eight; and Highland Park High School serves students in Grades nine to twelve.

An elected nine-member Board of Education serves as the policy making body for the School District. The Board adopts an annual budget and directly approves all expenditures, which serve as the basis for control over, and authorization for all expenditures of School District revenues.

The Superintendent of Schools is the Chief Executive Officer of the School District, and is responsible to the Board of Education for total educational and support operations. The Business Administrator is the Chief Financial Officer of the District, and is responsible for maintaining all financial records, issuing warrants in payment of liabilities incurred by the School District, acting as custodian of all School District Funds, and investing the idle funds as permitted by the laws of the State of New Jersey.

## REPORTING ENTITY AND ITS SERVICES

Highland Park School District is an independent reporting entity within the criteria adopted by the G.A.S.B. as established by N.C.G.A. Statement No. 14. All funds and account groups of the District are included in this report. The Highland Park Board of Education and all its schools constitute the District's reporting entity.

## AVERAGE DAILY ENROLLMENT

The District completed the 2014-2015 fiscal year with an average enrollment of 1,581 students, which is 14 fewer students than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

<b>Average Daily Enrollment</b>		
<b>Fiscal Year</b>	<b>Student Enrollment</b>	<b>Percent Change</b>
2014-15	1,581	-0.9 %
2013-14	1,595	4.8 %
2012-13	1,521	2.6 %
2011-12	1,483	1.8 %
2010-11	1,457	-0.7 %

## ECONOMIC CONDITION AND OUTLOOK

Highland Park is a mature suburban community with ninety-six percent (96%) of the land developed. Residential use accounts for approximately sixty percent (60%) of the land use while business and industry uses account for approximately ten percent (10%) of the land use. The limited amount of land available for construction of new housing units has contributed to the slow growth in population in the past. A second factor inherent in the slow growth reflects the pattern of smaller households made up of seniors, college students and young professionals found in the Borough. Recently, however, small pockets of residential development have led to a slight increase in the student population, which may continue to grow in the next few years.

Other significant land uses in the Borough are roads and parkland. There is, however, limited vacant land available for growth and diversity in the Borough's land use. Highland Park industrial community has been declining with industrial lands under used, typical of the general decline in the Middlesex County industrial sector in favor of the service sector.

The School District, along with many other public school districts in the State of New Jersey, faces difficult economic conditions since the primary funding source of revenues is property taxes. Highland Park is currently the proportionately highest-taxed community in Middlesex County, and its overwhelming reliance on property taxes places future educational initiatives in jeopardy. Additionally, the economic conditions in the State have resulted in reduced funding, thereby exacerbating the reliance on property taxes, which are also becoming additionally restrictive as to the limits on increases.

The School District's administration is closely monitoring the cost of operations and continues to look for new funding sources, particularly grants, in order to maintain the quality educational services that the community is accustomed to expect.

## EDUCATIONAL PROGRAM

*"The mission of Highland Park School District is to provide the community with the finest educational services through respect for diversity and commitment to collaboration, continuous improvement, and achievement of excellence."*

Major initiatives over the past year have centered toward the improvement and upgrading of the academic program for all students. Emphasis has been placed on increasing the achievement of economically disadvantaged and minority students. To this end the district has invested in intensive reading and math supplemental programs, which utilize district computer-assisted instruction technology.

The District offers college preparatory and Advanced Placement courses, and offerings are available for regular, gifted and talented, honors, as well as handicapped students. Students are offered an extensive extracurricular and athletic program, including opportunities to participate in student government, academic, service, honor societies, drama, musical performances, and sport teams for both females and males.

Every effort is made to keep special education students in the district; toward that end, a variety of in-class support, resource centers, and self-contained programs are conducted.

## **FACILITIES INITIATIVES**

The District has made a commitment to upgrading its existing physical plant. The District is making repairs and replacements to facilities where funds allow, with priorities focused on health and safety items.

The most recent facilities projects have focused on issues related to renovation and improving comfort and energy efficiency of facilities. This included a replacement of aging windows at the Bartle School, completed during the spring of 2015. The district is looking forward to a boiler upgrade at the Highland Park High School in the summer of 2016, which will improve energy efficiency as well as comfort.

## **INTERNAL ACCOUNTING CONTROLS**

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse. In addition, district administration must ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principals (G.A.A.P.). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

## **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, 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 cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

## **ACCOUNTING SYSTEM AND REPORTS**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (G.A.S.B.). The accounting system for the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

## CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statement", Note 2. 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 ("G.U.D.P.A."). G.U.D.P.A. 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.

## RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.


## OTHER INFORMATION

State statutes require an annual audit by independent certified public accountants or registered municipal accountants: the accounting firm of William M. Colantano, Jr., C.P.A., was selected by the Board of Education to perform that function. 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 of 1996 and the related O.M.B. Circular A-133 and New Jersey O.M.B.'s Circular 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

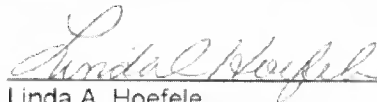
## ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Highland Park School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

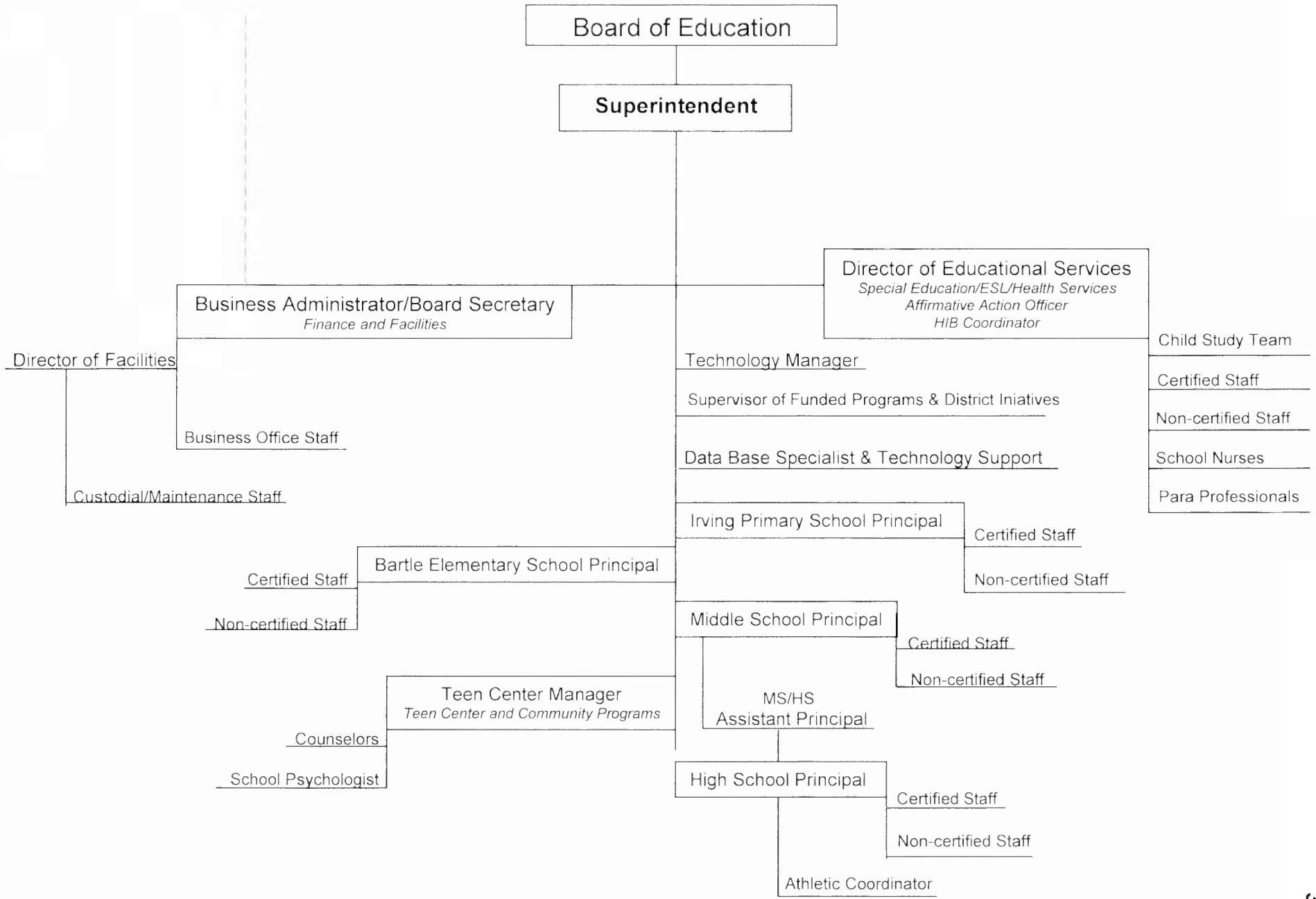


Dr. Scott Taylor  
Superintendent of Schools



Linda A. Hoefele  
Business Administrator/Board Secretary

HIGHLAND PARK BOARD OF EDUCATION  
 Organizational Chart  
 2014-2015





HIGHLAND PARK BOARD OF EDUCATION  
HIGHLAND PARK, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30, 2015

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Mr. Adam Sherman	President	12/31/2015
Ms. Anne Sherber	Vice-President	12/31/2016
Ms. Jerri Aversa		12/31/2016
Ms. Claire Berkowitz		12/31/2015
Ms. Catherine Bull		12/31/2015
Ms. Darcie Cimarusti		12/31/2016
Ms. Anne Gowen		12/31/2017
Ms. Michelle McFadden-DiNicola		12/31/2017
Mr. Robert Roslewicz		12/31/2017

Other Officials

Mr. Israel Soto	Superintendent of Schools until 9/30/15
Dr. Scott Taylor	Superintendent of Schools effective 10/1/15
Ms. Linda A. Hoefele	School Business Administrator/Board Secretary
Ms. Kathleen Kovach	Treasurer of School Monies

HIGHLAND PARK BOARD OF EDUCATION  
HIGHAND PARK, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30, 2014

Jonathan Busch, Esq.  
Schwartz Simon Edelstein & Celso, LLC  
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Whippany, New Jersey 07981

School Board Attorney

William M. Colantano  
William M. Colantano, Jr.  
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Washington, NJ 07882

Auditor

Obi Agudosi, AIA  
DMR Architects  
777 Terrace Avenue, 6<sup>th</sup> Floor  
Hasbrouck Heights, NJ 07604

Architect

**FINANCIAL SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

**INDEPENDENT AUDITOR'S REPORT**

November 24, 2015

Honorable President and  
Members of the Board of Education  
Highland Park School District  
County of Middlesex, 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 Highland Park School District (the District) in the County of Middlesex, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board'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.

**Auditor's 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 and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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 entity'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 entity'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

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

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information identified in the table of contents 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 combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of and the schedule of state financial assistance as required by NJ OMB 15-08 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

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 combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject 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 24, 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.



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William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

REQUIRED SUPPLEMENTARY INFORMATION-PART I

**Management's Discussion and Analysis  
For the Fiscal Year Ending June 30, 2015  
UNAUDITED**

The discussion and analysis of Highland Park Borough Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ending June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative data is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year 2015 are as follows:

- General revenues accounted for \$35,032,951 in revenue, or 92.94 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$2,660,732, or 7.06 percent of total revenues of \$37,693,683.
- The School District had \$36,887,567 in expenses; only \$2,660,732 of these expenses were offset by program specific charges for services, grants or contributions, with the remainder, primarily property taxes, providing for the programs.
- Among Governmental Funds, the General Fund had \$29,851,289 in revenues and \$29,406,001 in expenditures. After accounting for net other financing uses of \$56,316, the General Fund's balance increased by \$388,972 from the previous year.

**USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can view the Highland Park Borough Public School District in the context of a financial whole, an entire operating entity.

The financial statements then proceed to provide an increasingly detailed look at specific financial entities. These financial statements are comprised of three elements: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**REPORTING THE SCHOOL DISTRICT AS A WHOLE**

Government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The Statement of Net Position and Statement of Activities provide information about the activities of the entire School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Highland Park Borough Public School District, the General Fund is by far the most significant fund.



**Management's Discussion and Analysis  
For the Fiscal Year Ending June 30, 2015  
UNAUDITED**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2015?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the school District as a whole, the financial position of the School District has or has not improved. Changes in the District's financial position may be the result of many factors, including the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

The Statement of Net Position and the Statement of Activities is separated into two distinct kinds of activities:

- Governmental Activities – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities; and
- Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and Before/After School Program enterprise funds are reported as a business activity.

**REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS**

**Fund Financial Statements**

Fund financial reports provide detailed information about the District's funds. The District's governmental funds include the General Fund, Special Revenue Fund and the Debt Service Fund.

**Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements

**Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities. Therefore, these statements are essentially the same. The Highland Park School District operated two enterprise fund activities: Food Service and Before/After School Care. The Food Service activities involve providing breakfast and lunch meals at a reasonable price, with the assistance of the Federal School Breakfast/Lunch

**Management's Discussion and Analysis  
For the Fiscal Year Ending June 30, 2015  
UNAUDITED**

Program. The Before and After School Care Program serves children from Kindergarten through Grade 5, with some other after-school activities made available for Middle School students as well.

**THE SCHOOL DISTRICT AS A WHOLE**

**Table 1** provides a summary of the School District's net position as of June 30, 2015, and a comparison with net position as of June 30, 2014. The comparison between the years shows an increase in net position of \$766,116.

	6/30/15	6/30/14	Variance	
			Dollars	%
<b>ASSETS</b>				
Current & Other Assets	\$ 4,982,786	\$ 4,433,545	\$ 549,241	12.39
Capital Assets	38,485,077	38,764,461	(279,384)	(0.72)
Total Assets	<u>43,467,863</u>	<u>43,198,006</u>	<u>269,857</u>	<u>0.62</u>
Deferred Amount on Refunding	1,012,962	1,085,316	(72,354)	(6.67)
Deferred Pension Activity	652,546	235,682	416,864	176.88
Total Deferred Outflow of Resources	<u>1,665,508</u>	<u>1,320,998</u>	<u>344,510</u>	<u>26.08</u>
<b>LIABILITIES</b>				
Long-Term Liabilities	30,548,707	31,528,193	(979,486)	(3.11)
Other Liabilities	2,298,190	1,832,837	465,353	25.39
Total Liabilities	<u>32,846,897</u>	<u>33,361,030</u>	<u>(514,133)</u>	<u>(1.54)</u>
Deferred Pension Activity	362,384	-	362,384	*
Total Deferred Inflow of Resources	<u>362,384</u>	<u>-</u>	<u>362,384</u>	<u>*</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	16,672,961	15,961,041	711,920	4.46
Restricted	1,488,895	1,295,867	193,028	14.90
Unrestricted	(6,237,766)	(6,098,934)	(138,832)	(2.28)
Total Net Position	<u>\$ 11,924,090</u>	<u>\$ 11,157,974</u>	<u>\$ 766,116</u>	<u>6.87</u>

\* = Undefined

The unrestricted net position at June 30, 2015 of (\$6,237,766) shown above is not a negative reflection on the District's financial condition, but is mostly the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State. It also includes \$1,297,884 from the outstanding debt of the 1996 refunding bond issue, which was subsequently refunded by another bond issue in 2006. This amount includes initial expenditures incurred at the time of the refunding. These expenditures, however, will be offset by savings from future reduced debt service payments. The negative unrestricted net position is also the result of a long-term estimated liability of \$617,119 for compensated absences, a liability that will be partially offset by reduced salary outlays in future budget years, and accrued interest of \$327,635 that will be paid in the 2015-2016 school year on loan payments of existing bonds. The decrease in unrestricted net position from the previous year of \$138,832 is mostly due to the transfer of unrestricted net position to capital and maintenance reserves of \$650,000.

**Management's Discussion and Analysis  
For the Fiscal Year Ending June 30, 2015  
UNAUDITED**

**Table 2** provides a summary of the District's changes in net position in fiscal year ending 6/30/15 with comparisons to 6/30/14.

**Table 2  
Changes in Net Position**

	Fiscal Year Ending		Variance	
	6/30/15	6/30/14	Dollars	%
Revenues				
Program Revenues:				
Charges for Services	\$ 780,951	\$ 777,987	\$ 2,964	0.38
Operating Grants	1,644,488	1,720,729	(76,241)	(4.43)
Capital Grants	235,293	19,640	215,653	1098.03
General Revenues:				
Property Taxes	25,217,864	23,685,383	1,532,481	6.47
Unrestricted Grants	9,716,309	5,947,416	3,768,893	63.37
Other	98,778	89,672	9,106	10.15
Total Revenues	<u>37,693,683</u>	<u>32,240,827</u>	<u>5,452,856</u>	16.91
Program Expenses				
Instruction:				
Regular	13,827,267	11,258,338	2,568,929	22.82
Special	4,553,786	3,752,569	801,217	21.35
Other	1,712,927	1,601,726	111,201	6.94
Support Services:				
Tuition	1,978,369	1,963,823	14,546	0.74
Student & Instructional Staff	4,871,894	4,285,857	586,037	13.67
General & Business Administration	1,976,727	1,577,180	399,547	25.33
School Administration	1,792,284	1,554,762	237,522	15.28
Maintenance	2,407,329	1,992,071	415,258	20.85
Transportation	1,405,434	1,309,393	96,041	7.33
Charter Schools	394,775	326,357	68,418	20.96
Interest on Long-Term Debt	1,082,075	1,121,718	(39,643)	(3.53)
Food Service	584,567	588,168	(3,601)	(0.61)
Community Service Programs	300,133	274,970	25,163	9.15
Total Expenses	<u>36,887,567</u>	<u>31,606,932</u>	<u>5,280,635</u>	16.71
Increases (Decreases) Before Special Items	<u>806,116</u>	<u>633,895</u>	<u>172,221</u>	27.17
Special Items:				
Transfers	(40,000)	(40,000)	-	0.00
Loss on Disposal of Capital Position	-	(1,864)	1,864	(100.00)
Total Special Items	<u>(40,000)</u>	<u>(41,864)</u>	<u>1,864</u>	(4.45)
Increase (Decrease) in Net Position	<u>\$ 766,116</u>	<u>\$ 592,031</u>	<u>\$ 174,085</u>	29.40

\* = Undefined

**Governmental Activities**

**Management's Discussion and Analysis  
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The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the District operations. Property taxes made up 68.60 percent of revenues for Governmental Funds for the Borough of Highland Park Public School District for fiscal year 2015. The District's total revenues for Governmental Funds were \$36,763,026 for the fiscal year ended June 30, 2015. The remaining revenues for Governmental Funds were from mostly from interest on investments, tuition, state aid, state and federal grants.

**BUSINESS-TYPE ACTIVITIES FOR FISCAL YEAR 2015**

**Food Service Program**

- Food service revenues and other financing sources exceeded expenses and other financing uses by \$23,564.
- Charges for services represent \$298,563 of revenue and other financing sources, or 48.07 percent. This represents amount paid by patrons for daily food services.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$309,568.

**Before and After School Programs**

- Before and After School Programs had operating revenues of \$322,526 and operating expenses of \$300,133. The net profit for fiscal year 2015 was \$22,393.

**Table 3** provides a summary of the District's cost of governmental services in fiscal year ending June 30, 2015 with comparisons to June 30, 2014.

**Table 3  
Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	6/30/15	6/30/14	6/30/15	6/30/14
Instruction	\$ 20,093,980	\$ 16,612,633	\$ 19,151,336	\$ 15,812,805
Support Services:				
Tuition	1,978,369	1,963,823	1,759,536	1,638,311
Student & Instructional Staff	4,871,894	4,285,857	4,532,043	4,060,961
General & Business Administration	1,976,727	1,577,180	1,957,971	1,496,277
School Administration	1,792,284	1,554,762	1,660,809	1,425,097
Plant Operations & Maintenance	2,407,329	1,992,071	2,332,221	1,962,517
Pupil Transportation	1,405,434	1,309,393	1,402,026	1,304,632
Charter Schools	394,775	326,357	394,775	326,357
Interest on Long-Term Debt	1,082,075	1,121,718	1,082,075	1,121,718
<b>Total Expenses</b>	<b>\$ 36,002,867</b>	<b>\$ 30,743,794</b>	<b>\$ 34,272,792</b>	<b>\$ 29,148,675</b>

- Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.
- Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.
- General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

**Management's Discussion and Analysis  
For the Fiscal Year Ending June 30, 2015  
UNAUDITED**

- Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.
- Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.
- Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.
- Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

### THE DISTRICT'S REVENUES

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Revenues came primarily from three sources: tax levy, state aid, and federal grants. The major source of revenue, approximately 76 percent, continues to be from local sources including tax levy, outside tuition, and miscellaneous revenues. State aid and federal aid represents approximately 24 percent of the total revenues.

The following schedule presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2015:

Revenues	Amount	Percentage of Total	Increase/ (Decrease) From Prior Year	Percentage Increase (Decrease)
Local Sources:				
Tax Levy:				
General	\$ 23,208,941	69.40%	\$ 1,491,504	6.87%
Debt Service	2,008,923	6.01%	40,977	2.08%
Other Revenues	263,909	0.79%	26,417	11.12%
State Aid	7,225,328	21.61%	707,001	10.85%
Federal Aid	732,653	2.19%	(73,076)	-9.07%
<b>TOTAL</b>	<b>\$ 33,439,754</b>	<b>100.00%</b>	<b>\$ 2,192,823</b>	<b>7.02%</b>

### THE DISTRICT'S EXPENDITURES

The following schedule represents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2015:

Expenditures	Amount	Percentage of Total	Increase (Decrease) From Prior Year	Percentage Increase (Decrease)
Current Expense	\$ 28,801,059	87.86%	\$ 1,848,236	6.86%
Capital Outlay	131,586	0.40%	(418,743)	-76.09%
Charter Schools	394,775	1.20%	68,418	20.96%
Special Revenues	1,352,979	4.13%	(81,234)	-5.66%
Debt Service:				
Principal	1,074,558	3.28%	42,297	4.10%
Interest	1,027,142	3.13%	(40,589)	-3.80%
<b>TOTAL</b>	<b>\$ 32,782,099</b>	<b>100.00%</b>	<b>\$ 1,418,385</b>	<b>4.52%</b>

**Management's Discussion and Analysis  
For the Fiscal Year Ending June 30, 2015  
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**GENERAL FUND BUDGETING HIGHLIGHTS**

The School District's budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2015 the School District amended its General Fund budget as needed to reflect the following:

- Staffing changes increases based on student needs, funded by other unfilled positions
- Continued implementation of state-mandated initiatives, including additional staff development and technology costs related to the implementation of Common Core standards
- Increases in costs for contracted substitute staff
- Increases in legal and negotiating services fees
- Increases in retirement and separation obligations
- Increases in maintenance, custodial, landscaping and security costs
- Reclassification of several expenditures

**CAPITAL ASSETS**

**Table 4** provides a summary of the School District's capital assets net of depreciation for fiscal years 2015 and 2014. At the end of fiscal year 2015, the District had \$38,485,077 invested in land, buildings, machinery and equipment, and construction in progress. The District expended \$670,106 towards the completion of various building improvement projects, \$75,306 for network equipment, and \$26,700 for interactive white boards.

**Table 4  
Capital Assets at Year-end  
(Net of Depreciation)**

	6/30/15	6/30/14	Variance	
			Dollars	%
Land	\$ 415,000	\$ 415,000	\$ -	0.00
Construction in Progress	667,652	1,583,843	(916,191)	(57.85)
Land Improvements	422,241	446,157	(23,916)	(5.36)
Buildings & Improvements	36,732,757	36,140,829	591,928	1.64
Furniture & Equipment	244,494	173,744	70,750	40.72
Vehicles	2,933	4,888	(1,955)	(40.00)
Total	<u>\$ 38,485,077</u>	<u>\$ 38,764,461</u>	<u>\$ (279,384)</u>	<u>(0.72)</u>

\* = Undefined

**DEBT ADMINISTRATION**

In February 1996, the District issued General Obligation Bonds in the amount of \$15,071,000. The proceeds of this bond issue were placed in the District's capital projects fund for use to provide funds for capital improvements to the District's buildings and grounds. These improvements included additions, renovations,

**Management's Discussion and Analysis  
For the Fiscal Year Ending June 30, 2015  
UNAUDITED**

re-roofing projects, window replacements, re-piping, replacement of hot water heaters and various other projects.

In December 1996, the Board of Education authorized a refunding issue for the February 1996 issue in the amount of \$17,040,000. In November 2006, the District issued a second refunding issue for the February 1996 issue in the amount of \$13,985,000. As of June 30, 2015, the amount of \$9,665,000 remains outstanding.

In March 2005, the District issued General Obligation Bonds in the amount of \$13,775,000. The proceeds of this bond issue were placed in the District's capital projects fund for use to provide funds for capital improvements to the District's buildings and grounds. These improvements include additions, renovations, site improvements and various other projects. The New Jersey Economic Development Authority (NJEDA) will be funding an additional \$7,915,597 towards the project. The school district has been authorized to issue debt equal to the full amount of the project, pending the receipt of the state portion of the funding. In October 2012, the Board of Education authorized a refunding issue for the March 2005 issue in the amount of \$13,640,000. The original issue principal balance of \$370,000 was liquidated in fiscal year 2015 and \$13,445,000 remains outstanding on the new refunding issue at June 30, 2015.

The general obligation bonded debt of the District is limited to 4% of the overage equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2015 is \$52,100,526. General obligation authorized debt at June 30, 2015 is \$23,110,000, resulting in a legal debt margin of \$28,990,526.

**Table 5** provides a summary of the District's outstanding long-term debt at June 30, 2015 with comparisons to June 30, 2014.

**Table 5  
Outstanding Long-Term Liabilities at Year-end**

	6/30/15	6/30/14	Variance	
			Dollars	%
2005 General Obligation Bonds	\$ -	\$ 370,000	\$ (370,000)	(100.00)
2006 Refunding Bonds for 1996 Issue	9,665,000	10,285,000	(620,000)	(6.03)
2012 Refunding Bonds for 2005 Issue	13,445,000	13,505,000	(60,000)	(0.44)
Unamortized Bond Premium	740,692	802,581	(61,889)	(7.71)
PERS Net Pension Liability	6,080,816	5,978,067	102,749	1.72
Leases Payable	-	24,558	(24,558)	(100.00)
Compensated Absences	617,199	562,987	54,212	9.63
	<u>\$ 30,548,707</u>	<u>\$ 31,528,193</u>	<u>\$ (979,486)</u>	<u>(3.11)</u>

\* = Undefined

**Management's Discussion and Analysis  
For the Fiscal Year Ending June 30, 2015  
UNAUDITED**

**FOR THE FUTURE**

The Highland Park Borough Public School District is in good financial condition presently. However, the state's financial situation has resulted in decreases in state aid, so that the burden of supporting schools will rely increasingly upon the homeowner. The community's plight is exacerbated by its primarily residential nature and the lack of room for any new tax rates. To meet the fiscal challenges of the coming years, it will be necessary to continue to seek external sources of revenue and to place additional emphasis upon sound purchasing practices and cost-containment measures. Also, the District will need to continue its efforts to share services with other governmental entities, including other Districts and the Borough of Highland Park.

**CONTACTING THE SCHOOL DISTRICT**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives.

If you have any questions about this report or need additional information, contact Linda A. Hoefele of the Highland Park Board of Education, located at 435 Mansfield Street, Highland Park, NJ 08904.



## BASIC FINANCIAL STATEMENTS

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

HIGHLAND PARK SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 1,748,080	\$ 267,640	\$ 2,015,720
Internal Balances	(4,996)	4,996	
Receivables, Net	1,785,395	72,282	1,857,677
Inventory		6,321	6,321
Restricted Assets:			
Cash & Cash Equivalents	1,103,068		1,103,068
Capital Assets (Note 4):			
Land and Construction in Progress	1,082,652		1,082,652
Other Capital Assets, Net of Depreciation	37,360,405	42,020	37,402,425
<b>Total Assets</b>	<u>43,074,604</u>	<u>393,259</u>	<u>43,467,863</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Pension Activity	652,546		652,546
Deferred Amount on Refunding Bonds	1,012,962		1,012,962
<b>Total Deferred Outflows of Resources</b>	<u>1,665,508</u>	<u>-</u>	<u>1,665,508</u>
<b>LIABILITIES</b>			
Due to Other Funds	19,487		19,487
Accounts Payable	1,242,275	39,517	1,281,792
Accrued Interest	327,635		327,635
Payable to Governments	9,955		9,955
Unearned Revenue	637,573	9,432	647,005
Other Current Liabilities	10,637	1,679	12,316
Long-Term Liabilities (Note 5):			
Due Within One Year	1,197,987		1,197,987
Due Beyond One Year	29,350,720		29,350,720
<b>Total Liabilities</b>	<u>32,796,269</u>	<u>50,628</u>	<u>32,846,897</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amount on Pension Activity	362,384	-	362,384
<b>NET POSITION</b>			
Net Investment in Capital Assets	16,630,941	42,020	16,672,961
Restricted For:			
Legal Reserves	1,103,068		1,103,068
Capital Projects	364,602		364,602
Debt Service	21,225		21,225
Unrestricted	(6,538,377)	300,611	(6,237,766)
<b>TOTAL NET POSITION</b>	<u>\$ 11,581,459</u>	<u>\$ 342,631</u>	<u>\$ 11,924,090</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HIGHLAND PARK SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>								
<b>Instruction:</b>								
Regular	\$ 8,170,329	\$ 5,656,938	\$ 48,734	\$ 353,553	\$ 110,366	\$ (13,314,614)		\$ (13,314,614)
Special Education	2,647,948	1,905,838	36,016	41,630	35,635	(4,440,505)		(4,440,505)
Other Special Education	475,581	298,614		301,872	6,430	(465,893)		(465,893)
Other Instruction	644,093	294,639			8,408	(930,324)		(930,324)
<b>Support Services:</b>								
Tuition	1,978,369			218,833		(1,759,536)		(1,759,536)
Students & Instruction Related Services	3,031,824	1,840,070		298,933	40,918	(4,532,043)		(4,532,043)
General & Business Administration Services	1,386,416	590,311	4		18,752	(1,957,971)		(1,957,971)
School Administration Services	1,085,336	706,948		116,691	14,784	(1,660,809)		(1,660,809)
Plant Operations & Maintenance	2,376,251	31,078	75,108			(2,332,221)		(2,332,221)
Pupil Transportation	1,399,381	6,053		3,408		(1,402,026)		(1,402,026)
Charter Schools	394,775					(394,775)		(394,775)
Interest on Long-Term Debt	1,082,075					(1,082,075)		(1,082,075)
<b>Total Governmental Activities</b>	<b>24,672,378</b>	<b>11,330,489</b>	<b>159,862</b>	<b>1,334,920</b>	<b>235,293</b>	<b>(34,272,792)</b>	<b>\$ -</b>	<b>(34,272,792)</b>
<b>Business-Type Activities:</b>								
Food Service	584,567		298,563	309,568			23,564	23,564
Community Service Programs	300,133		322,526				22,393	22,393
<b>Total Business-Type Activities</b>	<b>884,700</b>	<b>-</b>	<b>621,089</b>	<b>309,568</b>	<b>-</b>	<b>-</b>	<b>45,957</b>	<b>45,957</b>
<b>Total Primary Government</b>	<b>\$ 25,557,078</b>	<b>\$ 11,330,489</b>	<b>\$ 780,951</b>	<b>\$ 1,644,488</b>	<b>\$ 235,293</b>	<b>(34,272,792)</b>	<b>45,957</b>	<b>(34,226,835)</b>
<b>General Revenues, Transfers and Special Items</b>								
Property Taxes Levied for General Purposes						23,208,941		23,208,941
Property Taxes Levied for Debt Service						2,008,923		2,008,923
Federal & State Aid Not Restricted						9,716,309		9,716,309
Investment Earnings						6,058		6,058
Miscellaneous Income						92,720		92,720
Transfers						(40,000)	-	(40,000)
<b>Total General Revenues, Transfers and Special Items</b>						<b>34,992,951</b>	<b>-</b>	<b>34,992,951</b>
Change in Net Position						720,159	45,957	766,116
Net Position-Beginning						10,861,300	296,674	11,157,974
<b>Net Position-Ending</b>						<b>\$ 11,581,459</b>	<b>\$ 342,631</b>	<b>\$ 11,924,090</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

## **FUND FINANCIAL STATEMENTS**

The individual fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

HIGHLAND PARK SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 1,672,362	\$ 54,493		\$ 21,225	\$ 1,748,080
Due from Other Funds	377,883				377,883
Receivables from Other Governments:					
State	369,299	21,655	\$ 730,539		1,121,493
Federal		583,588			583,588
Local	35,728	4,526			40,254
Other Receivables	16,775	23,285			40,060
Restricted Cash	1,103,068				1,103,068
<b>TOTAL ASSETS</b>	<u>\$ 3,575,115</u>	<u>\$ 687,547</u>	<u>\$ 730,539</u>	<u>\$ 21,225</u>	<u>\$ 5,014,426</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 1,161,458	\$ 72,250	\$ 8,567		\$ 1,242,275
Due to Other Funds	44,996		357,370		402,366
Payables to Governments:					
State		9,955			9,955
Unearned Revenue		637,573			637,573
Other Current Liabilities	10,637				10,637
<b>Total Liabilities</b>	<u>1,217,091</u>	<u>719,778</u>	<u>365,937</u>	<u>\$ -</u>	<u>2,302,806</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HIGHLAND PARK SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015  
(Continued)

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances:					
Restricted For:					
Excess Surplus	\$ 49,868				\$ 49,868
Capital Project Fund Balance			\$ 364,602		364,602
Committed For:					
Capital Reserve Account	852,634				852,634
Emergency Reserve Account	250,434				250,434
Assigned For:					
Year-End Encumbrances	295,676				295,676
Designated for Subsequent Year's Expenditures	400,000			\$ 21,225	421,225
Unassigned Fund Balance	509,412	\$ (32,231)			477,181
Total Fund Balances	<u>2,358,024</u>	<u>(32,231)</u>	<u>364,602</u>	<u>21,225</u>	<u>2,711,620</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,575,115</u>	<u>\$ 687,547</u>	<u>\$ 730,539</u>	<u>\$ 21,225</u>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in government activities are not financial resources & therefore are not reported in the funds	Cost	\$ 52,504,680		
	Accum Depreciation	<u>14,061,623</u>		38,443,057
Long-term liabilities, including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds				(30,548,707)
For refunding bond issues, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and amortized as a component of interest expense over the remaining life of the old or new debt, whichever is shorter	Refunding Amount	1,230,024		
	Accum Amortiz	<u>217,062</u>		1,012,962
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds				290,162
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due				<u>(327,635)</u>
Total Net Position of Governmental Activities				<u>\$ 11,581,459</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HIGHLAND PARK SCHOOL DISTRICT  
STATEMENT OF REVENUES, 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
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 23,208,941			\$ 2,008,923	\$ 25,217,864
Tuition Charges	84,750				84,750
Interest Earned on Legal Reserve Funds	834				834
Interest on Investments	5,224				5,224
Miscellaneous	76,724	\$ 96,377			173,101
Total	23,376,473	96,377	\$ -	2,008,923	25,481,773
State Sources	6,420,554	560,152	235,293	9,329	7,225,328
Federal Sources	54,262	678,391			732,653
Total Revenues	29,851,289	1,334,920	235,293	2,018,252	33,439,754
<b>EXPENDITURES</b>					
Current:					
Instructional:					
Regular Instruction	7,867,272	295,920			8,163,192
Special Education Instruction	2,594,131	41,630			2,635,761
Other Special Instruction	222,516	253,065			475,581
Other Instruction	621,901				621,901
Support Service & Undistributed Costs:					
Tuition	1,759,536	218,833			1,978,369
Student & Instruction Related Services	2,719,938	306,603			3,026,541
General & Business Administrative Services	1,387,000				1,387,000
School Administrative Services	976,782	116,691			1,093,473
Plant Operations & Maintenance	2,339,513				2,339,513
Pupil Transportation	1,396,218	3,408			1,399,626
Unallocated Benefits	6,916,252	41,578			6,957,830

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



HIGHLAND PARK SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd)					
Capital Outlay	\$ 131,586	\$ 75,251	\$ 588,232		\$ 795,069
Transfer to Charter Schools	394,775				394,775
Debt Service:					
Redemption of Principal	24,558			\$ 1,050,000	1,074,558
Interest and Other Charges	54,023			973,119	1,027,142
Total Expenditures	<u>29,406,001</u>	<u>1,352,979</u>	<u>588,232</u>	<u>2,023,119</u>	<u>33,370,331</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>445,288</u>	<u>(18,059)</u>	<u>(352,939)</u>	<u>(4,867)</u>	<u>69,423</u>
Other Financing Sources (Uses):					
Transfers In		16,316			16,316
Transfers Out	(56,316)				(56,316)
Total Other Financing Sources (Uses)	<u>(56,316)</u>	<u>16,316</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>
Net Change in Fund Balance	388,972	(1,743)	(352,939)	(4,867)	29,423
Fund Balances, July 1	<u>1,969,052</u>	<u>(30,488)</u>	<u>717,541</u>	<u>26,092</u>	<u>2,682,197</u>
Fund Balances, June 30	<u>\$ 2,358,024</u>	<u>\$ (32,231)</u>	<u>\$ 364,602</u>	<u>\$ 21,225</u>	<u>\$ 2,711,620</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HIGHLAND PARK 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 Changes in Fund Balances-Governmental Fund (from B-2)	\$	29,423
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Proceeds from the disposition of assets is an other financing source in the governmental funds, while only the gain or loss is reported in the statement of activities. The difference, which is the cost basis of the assets disposed, is a reduction in the reconciliation:		
Capital Outlays	\$	795,069
Depreciation Expense		<u>(1,083,366)</u>
		(288,297)
Repayment of bond and loan principal and capital lease debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and are not reported in the statement of activities:		
Bond and Loan Principal Payments		1,050,000
Capital Lease Payments		<u>24,558</u>
		1,074,558
Governmental funds report the effect of premiums or discounts when debt is first issued, whereas these amounts are deferred & amortized in the statement of activities:		
Amortization of Bond Premium		61,889
In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.		
		17,421
Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
		(48,269)
In the statement of activities, the deferred outflow from a refunding issue is amortized to interest expense over the remaining life of the old or new debt, whichever is shorter.		
		(72,354)
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.		
		<u>(54,212)</u>
Change in Net Position of Governmental Activities	\$	<u>720,159</u>

HIGHLAND PARK SCHOOL DISTRICT  
COMBING STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015

	Food Service Fund	Before & After School Care Fund	Total
<b>ASSETS</b>			
Current Assets:			
Cash & Cash Equivalents	\$ 74,955	\$ 192,685	\$ 267,640
Due from Other Funds	14,689		14,689
Receivables from Other Governments:			
State	1,466		1,466
Federal	53,866		53,866
Other Receivables	15,726	1,224	16,950
Inventory	6,321		6,321
Total Current Assets	<u>167,023</u>	<u>193,909</u>	<u>360,932</u>
Noncurrent Assets:			
Capital Assets	122,445		122,445
Less: Accumulated Depreciation	80,425		80,425
Total Noncurrent Assets	<u>42,020</u>	<u>-</u>	<u>42,020</u>
Total Assets	<u>209,043</u>	<u>193,909</u>	<u>402,952</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Due to Other Funds		9,693	9,693
Accounts Payable	39,126	391	39,517
Unearned Revenue	9,372	60	9,432
Other Current Liabilities		1,679	1,679
Total Liabilities	<u>48,498</u>	<u>11,823</u>	<u>60,321</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	42,020		42,020
Unrestricted	118,525	182,086	300,611
Total Net Position	<u>\$ 160,545</u>	<u>\$ 182,086</u>	<u>\$ 342,631</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HIGHLAND PARK SCHOOL DISTRICT  
 COMBING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund	Before & After School Care Fund	Total
Operating Revenues:			
Charges for Services:			
Daily Sales-Reimbursable Programs	\$ 152,756		\$ 152,756
Daily Sales-Nonreimbursable Programs	115,579		115,579
Special Function Sales	30,228		30,228
Before and After School Care Service Fees		\$ 322,526	322,526
Total Operating Revenues	<u>298,563</u>	<u>322,526</u>	<u>621,089</u>
Operating Expenses:			
Costs of Sales-Reimbursable Programs	163,055		163,055
Costs of Sales-Nonreimbursable Programs	100,261		100,261
Costs of Sales-Special Functions	26,222		26,222
Salaries	171,952	216,348	388,300
Employee Benefits	73,225	16,551	89,776
Purchased Property Services	7,951		7,951
Insurance	2,806		2,806
Management Fee	23,259		23,259
Other Purchased Services	4,296	45,942	50,238
General Supplies	4,211	21,292	25,503
Depreciation	7,329		7,329
Total Operating Expenses	<u>584,567</u>	<u>300,133</u>	<u>884,700</u>
Operating Income (Loss)	<u>(286,004)</u>	<u>22,393</u>	<u>(263,611)</u>
Non-operating Revenues (Expenses):			
State Sources:			
State School Lunch Program	6,574		6,574
Federal Sources:			
National School Lunch Program:			
Cash Assistance	244,421		244,421
Noncash Assistance (Commodities)	30,544		30,544
National School Breakfast Program	28,029		28,029
Total Non-operating Revenues (Expenses)	<u>309,568</u>	<u>-</u>	<u>309,568</u>
Change in Net Position	23,564	22,393	45,957
Net Position, Beginning	<u>136,981</u>	<u>159,693</u>	<u>296,674</u>
Net Position, Ending	<u>\$ 160,545</u>	<u>\$ 182,086</u>	<u>\$ 342,631</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HIGHLAND PARK SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund	Before & After School Care Fund	Total
Cash Flows from Operating Activities:			
Receipts from Customers and Departments (Net)	\$ 299,050	\$ 322,466	\$ 621,516
Payments to Employees		(216,348)	(216,348)
Payments for Employee Benefits		(16,551)	(16,551)
Payments to Food Service Management Company (Net)	(540,109)		(540,109)
Payments to Vendors	(15,837)	(73,697)	(89,534)
Net Cash Provided by (Used for) Operating Activities	<u>(256,896)</u>	<u>15,870</u>	<u>(241,026)</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	6,857		6,857
Federal Sources	275,949		275,949
Interfund Activity	(4,326)	4,609	283
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>278,480</u>	<u>4,609</u>	<u>283,089</u>
Cash Flows from Capital & Related Financing Activities:			
Purchase of Capital Assets	(16,242)	-	(16,242)
Net Increase (Decrease) in Cash and Cash Equivalents	5,342	20,479	25,821
Cash and Cash Equivalents, July 1	<u>69,613</u>	<u>172,206</u>	<u>241,819</u>
Cash and Cash Equivalents, June 30	<u>\$ 74,955</u>	<u>\$ 192,685</u>	<u>\$ 267,640</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (286,004)	\$ 22,393	\$ (263,611)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	7,329		7,329
Federal Food Donation Program	30,544		30,544
(Increase) Decrease in Accounts Receivable	(3,800)	(1,224)	(5,024)
(Increase) Decrease in Inventory	2,626		2,626
Increase (Decrease) in Accounts Payable	(6,873)	(6,463)	(13,336)
Increase (Decrease) in Unearned Revenue	(718)	60	(658)
Increase (Decrease) in Current Liabilities		1,104	1,104
Net Cash Provided by (Used for) Operating Activities	<u>\$ (256,896)</u>	<u>\$ 15,870</u>	<u>\$ (241,026)</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HIGHLAND PARK SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2015

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Student Activity Agency Fund	Payroll Agency Fund
ASSETS				
Cash & Cash Equivalents	\$ 54,302	\$ 76,604	\$ 142,225	\$ 70,158
Investments		10,231		
Due from Other Funds	60,362			
<b>TOTAL ASSETS</b>	<b>114,664</b>	<b>86,835</b>	<b>\$ 142,225</b>	<b>\$ 70,158</b>
LIABILITIES				
Due to Other Funds				\$ 40,875
Accounts Payable	5,736			
Due to Student Groups			\$ 142,225	
Payroll Deductions & Withholdings				29,283
<b>TOTAL LIABILITIES</b>	<b>5,736</b>	<b>-</b>	<b>\$ 142,225</b>	<b>\$ 70,158</b>
NET POSITION				
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 108,928</u>	<u>\$ 86,835</u>		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HIGHLAND PARK SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Fund	Private Purpose Scholarship Fund
	<u>                    </u>	<u>                    </u>
ADDITIONS		
Contributions:		
Plan Members	\$ 24,569	
Other		\$ 14,410
Investment Earnings:		
Interest		20
Total Additions	<u>24,569</u>	<u>14,430</u>
DEDUCTIONS		
Unemployment Claims	50,685	
Scholarships Awarded		19,713
Total Deductions	<u>50,685</u>	<u>19,713</u>
Other Financing Sources:		
Transfers In from General Fund	<u>40,000</u>	<u>-</u>
Change in Net Position	13,884	(5,283)
Net Position, Beginning of the Year	<u>95,044</u>	<u>92,118</u>
Net Position, End of the Year	<u>\$ 108,928</u>	<u>\$ 86,835</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS**



HIGHLAND PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education (Board) of the Highland Park School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The Basic Financial Statements Include:

- A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts overall financial position and results of operations.
- Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting Entity

The District is a Type II district located in the County of Middlesex, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the district is to educate students in Grades K-12. The District had an approximate enrollment at June 30, 2015 of 1,581 students.

The primary criterion for including activities within the District's reporting entity as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

1. The organization is legally separate (can sue or be sued in their own name.)
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/ burden on the District.
6. There is a fiscal dependency by the organization on the District.

Based on the aforementioned criteria, the District has no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

HIGHLAND PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted as they are needed.

HIGHLAND PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state 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 revenues.

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 District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes in the Special Revenue Fund.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

HIGHLAND PARK SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Additionally, the District reports the following fund types:

Proprietary Fund Types

Proprietary Fund - The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise Fund - The Enterprise Fund is 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; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund and the Before and After School Care Fund.

All proprietary funds are accounted for on a current financial resources measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks & Vehicles	4 Years
Heavy Trucks & Vehicles	6 Years

HIGHLAND PARK SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Fiduciary Fund Types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/ or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

Unemployment Compensation Trust Fund – This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the “Benefit Reimbursement Method.”

Private Purpose Scholarship Fund – This fund is used to account for scholarship accounts donated to the District to be utilized for scholarship awards to qualifying students.

Student Activities Agency Fund – This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund – This fund accounts for the withholding and remittance of employee salary deductions.

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 budgets are submitted to the county office and are, if required voted upon at the annual school election in November. 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 NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 were insignificant.

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 legally mandated revenue recognition of the last state aid payment for budgetary purposes only and 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 revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

HIGHLAND PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

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

E. 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 reservations of 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 revenues 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.

F. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable

Tuition charges for the fiscal years 2014-2015 and 2013-2014 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

Short-Term interfund receivables/payables represents 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.

I. Inventories and Prepaid Items

Inventories and prepaid items, 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. The commodities inventory value at balance sheet date is reported as a unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

HIGHLAND PARK SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

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

J. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements & Portable Classroom	50
Land Improvements	20
Furniture	20
Maintenance Equipment	15
Musical Instruments	10
Athletic Equipment	10
Audio Visual Equipment	10
Office Equipment	5 to 10
Computer Equipment	5 to 10
Vehicles	8

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 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. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employers share of social security and medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

HIGHLAND PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

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

L. Unearned Revenue

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

Unearned revenue in the Enterprise Fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the Food Service Fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. 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 issuance are reported as other financing uses.

N. Fund Balances-Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-Spendable—includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted—includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed—includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned—includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.



HIGHLAND PARK SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

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

N. Fund Balances-Governmental Funds (cont'd)

- Unassigned—includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

O. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

P. Allocation of Indirect Expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF pension contributions, reimbursed TPAF social security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

**NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in NJSA 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

HIGHLAND PARK SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES (Cont'd)**

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the school district in accordance with the schedule of tax installments as certified by the school district's Board of Education on an annual basis.

**NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. US Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at amortized cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

NJSA 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 public 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 saving banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Deposits at June 30, 2015 appear in the financial statements as summarized below:

Cash		\$ 3,462,077
Investments		10,231
Total Cash & Investments		<u>\$ 3,472,308</u>
	<u>Ref.</u>	
Cash & Investments:		
Governmental Funds, Balance Sheet	B-1	\$ 2,851,148
Enterprise Fund, Statement of Net Position	B-4	267,640
Fiduciary Funds, Statement of Net Position	B-7	353,520
Total Cash & Investments		<u>\$ 3,472,308</u>

HIGHLAND PARK SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

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

Deposits – The District's carrying amount of bank deposits at June 30, 2015 is \$3,472,308 and the bank balance is \$4,180,299. Of the bank balance, \$260,231 is covered by federal depository insurance and \$3,920,068 is insured by GUDPA.

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures are required for:
  - deposits that are uninsured and either (a) uncollateralized or (b) collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the government's name
  - Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name

As the district has no such investments, this disclosure is not applicable.

2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2015, the district had investments with the following institutions:

<u>Institution</u>	<u>Investment Amount</u>	<u>Type of Investment</u>
Bank of America	\$ <u>10,231</u>	Certificate of Deposit

HIGHLAND PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 4. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2015 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets, Not Being				
Depreciated:				
Land	\$ 415,000			\$ 415,000
Construction in Progress	1,583,843	\$ 670,106	\$ 1,586,297	667,652
Total	<u>1,998,843</u>	<u>670,106</u>	<u>1,586,297</u>	<u>1,082,652</u>
Capital Assets, Being				
Depreciated:				
Land Improvements	1,118,256	7,000		1,125,256
Building & Improvements	47,885,680	1,586,297		49,471,977
Furniture & Equipment	711,694	117,963	20,502	809,155
Vehicles	15,640			15,640
Total	<u>49,731,270</u>	<u>1,711,260</u>	<u>20,502</u>	<u>51,422,028</u>
Accumulated Depreciation:				
Land Improvements	672,099	30,916		703,015
Building & Improvements	11,744,851	994,369		12,739,220
Furniture & Equipment	571,057	56,126	20,502	606,681
Vehicles	10,752	1,955		12,707
Total	<u>12,998,759</u>	<u>1,083,366</u>	<u>20,502</u>	<u>14,061,623</u>
Total Capital Assets, Being Depreciated, Net	<u>36,732,511</u>	<u>627,894</u>	<u>-0-</u>	<u>37,360,405</u>
Transfers Between Categories	<u>-0-</u>	<u>(1,586,297)</u>	<u>(1,586,297)</u>	<u>-0-</u>
Governmental Activities Capital Assets, Net	<u>\$ 38,731,354</u>	<u>\$ (288,297)</u>	<u>\$ -0-</u>	<u>\$ 38,443,057</u>
Business-Type Activities:				
Furniture & Equipment	\$ 106,203	\$ 16,242		\$ 122,445
Less: Accum Depreciation	<u>73,096</u>	<u>7,329</u>		<u>80,425</u>
Business-Type Activities Capital Assets, Net	<u>\$ 33,107</u>	<u>\$ 8,913</u>	<u>\$ -0-</u>	<u>\$ 42,020</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction:	
Regular	\$ 477,831
Special Education	164,166
Other Special Instruction	27,422
Co-Curricular Activities	58,051
Support Services:	
Student & Instruction	192,439
General & Business Admin	90,141
School Administration	65,797
Plant & Maintenance	<u>7,519</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 1,083,366</u>

HIGHLAND PARK SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 5. LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2015 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds Payable	\$ 24,160,000		\$ 1,050,000	\$ 23,110,000	\$ 1,095,000
Unamortized Bond Premiums	802,581		61,889	740,692	61,889
Capital Leases Payable	24,558		24,558		
PERS Net Pension Liability	5,978,067	\$ 102,749		6,080,816	
Compensated Absences Payable	562,987	122,670	68,458	617,199	41,098
<b>Total Governmental Activities Long-Term Liabilities</b>	<b>\$ 31,528,193</b>	<b>\$ 225,419</b>	<b>\$ 1,204,905</b>	<b>\$ 30,548,707</b>	<b>\$ 1,197,987</b>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2015 including interest payments are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 1,095,000	\$ 924,731	\$ 2,019,731
2017	1,150,000	878,781	2,028,781
2018	1,200,000	825,832	2,025,832
2019	1,255,000	769,781	2,024,781
2020	1,305,000	719,581	2,024,581
2021-2025	7,490,000	2,652,956	10,142,956
2026-2030	9,615,000	914,782	10,529,782
<b>Totals</b>	<b>\$ 23,110,000</b>	<b>\$ 7,686,444</b>	<b>\$ 30,796,444</b>

HIGHLAND PARK SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 5. GENERAL LONG-TERM DEBT (Cont'd)**

General Obligation Bonds & NJ EDA Loans – General obligation school building bonds and NJ EDA Loans payable at June 30, 2015, with their outstanding balances are comprised of the following individual issues:

\$13,985,000 – 2006 general obligation refunding bonds, due in annual installments of \$145,000 to \$1,225,000 beginning Feb 15, 2008, through Feb 15, 2025 interest from 4.00% to 5.00%	\$ 9,665,000
\$13,640,000 – 2012 general obligation refunding bonds, due in annual installments of \$60,000 to \$2,045,000 beginning March 1, 2013, through March 1, 2030 interest from 2.00% to 4.50%	<u>13,445,000</u>
	<u>\$ 23,110,000</u>

The general obligation bonded debt of the District is limited by state law to 4% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2015 is \$52,100,526. General obligation debt at June 30, 2015 is \$23,110,000 resulting in a legal debt margin of \$28,990,526.

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees Retirement System and Defined Contribution Retirement Program are considered cost sharing multiple-employer plans.

**NOTE 6. PENSION PLANS**

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 PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

HIGHLAND PARK TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

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

The vesting and benefit provisions are set by NJSA 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:

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

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

**Allocation Methodology and Reconciliation to Financial Statements**

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer. The allocation percentages for each group as of June 30, 2014 and 2013 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2014 and 2013, respectively.

HIGHLAND PARK TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

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

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences.

**Contributions**

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal years 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 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.



HIGHLAND PARK TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

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

**Collective Net Pension Liability and Actuarial Information**

Components of Net Pension Liability

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Total Pension Liability	\$ 12,689,729	\$ 11,658,457
Plan Fiduciary Net Position	<u>6,608,913</u>	<u>5,680,390</u>
Net Pension Liability	<u>\$ 6,080,816</u>	<u>\$ 5,978,067</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

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 (Based on Age):

2012-2021 2.15%-4.40%

Thereafter 3.15%-5.40%

Investment Rate of Return 7.90%

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.

HIGHLAND PARK TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. 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% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 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 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 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.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the District as of June 30, 2014 and 2013, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	2014
At Current Discount Rate (5.39%)	\$ 6,080,816
At a 1% Lower Rate (4.39%)	7,649,874
At a 1% Higher Rate (6.39%)	4,763,207
	2013
At Current Discount Rate (5.55%)	\$ 5,978,067
At a 1% Lower Rate (4.55%)	7,441,906
At a 1% Higher Rate (6.55%)	4,751,564

Collective Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -0-	\$ -0-
Changes of assumptions	191,214	
Net difference between projected and actual earnings on pension plan investments		362,384

HIGHLAND PARK TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

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

Collective Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between District contributions and proportionate share of contributions	\$ 193,586	
District contributions subsequent to the measurement date	<u>267,746</u>	
Total	<u>\$ 652,546</u>	<u>\$ 362,384</u>

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (ie for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) of \$267,746 will be recognized as a reduction of the net pension liability in the year ended June 30, 2015.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Deferred Outflows of Resources:				
Changes of Assumptions	\$ -0-	\$ 226,363	\$ 35,149	\$ 191,214
Deferred Inflows of Resources:				
Difference Between Projected and Actual Earnings on Pension Plan Investments	-0-	452,980	90,596	<u>362,384</u>
Net of Deferred Outflows/(Inflows)				<u>\$ (171,170)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2015	\$ (55,446)
2016	(55,446)
2017	(55,446)
2018	(55,446)
2019	35,150
Thereafter	<u>15,464</u>
Total	<u>\$ (171,170)</u>

HIGHLAND PARK TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

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

**Pension Expense**

For the year ended June 30, 2015, the District recognized net pension expense of \$316,015 which represents the District's proportionate share of allocable plan pension expense of \$312,630 less the net amortization of deferred amounts from changes in proportion of \$35,586 plus the pension expense related to specific liabilities of individual employers of \$4,651 and less other adjustments to the net pension liability of \$36,852. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2014 are as follows:

Service Cost	\$ 284,508
Interest on Total Pension Liability	671,274
Member Contributions	(155,810)
Administrative Expense	4,745
Expected Investment Return Net of Investment Expense	(434,709)
Pension Expense Related to Specific Liabilities of Individual Employers	(1,932)
Recognition of Deferred Inflows/Outflows of Resources:	
Amortization of Assumption Changes or Inputs	35,150
Amortization of Projected Versus Actual Investment Earnings on Pension Plan Investments	(90,596)
Pension Expense	<u>\$ 312,630</u>

B. Teacher's 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. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

The vesting and benefit provisions are set by NJSA 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.

HIGHLAND PARK TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

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

The following represents the membership tiers for TPAF:

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

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

**Special Funding Situation**

The employer contributions for local participating employers are legally required to be funded by the State in accordance with NJSA 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

HIGHLAND PARK TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

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

For purposes of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the District's proportionate share of allocable net pension liability, employer pension expense and related revenue, non-employer contributions and their allocable proportionate percentage for fiscal years ending June 30, 2014 and 2013 is as follows:

	2014	2013
Net Pension Liability	\$ 60,066,913	\$54,310,582
Employer Pension Expense & Related Revenue	3,232,164	N/A
Non-Employer Contribution	477,405	695,995
Allocable Proportionate Percentage	.1123864750%	.1074622623%

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,200 for 2015) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: [www.prudential.com/njdcrp](http://www.prudential.com/njdcrp).

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement and required supplementary information for TPAF and PERS. 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.

HIGHLAND PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

Contribution Requirements

The contribution policy is set by state statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Significant legislation which became effective October 1, 2011 will gradually increase the employee contribution rate for PERS and TPAF members. Effective October 1, 2011 the rate increased from 5.50% to 6.50% of annual contractual compensation for employees enrolled in the TPAF and PERS pension plans. The rate will increase each year on the first of July over a seven year phase-in period until the withholding rate reaches 7.50% effective July 1, 2018. Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute, the Board is a noncontributing employer of the TPAF.

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

Year Funding	TPAF Benefit Costs	Percentage of APC Contributed
06/30/15	\$ 1,602,698	100%
06/30/14	1,254,987	100%
06/30/13	1,479,532	100%

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/15	\$ 267,746	100%
06/30/14	235,682	100%
06/30/13	235,776	100%

During the year ended June 30, 2015, the State of New Jersey contributed \$983,298 to the TPAF for post-retirement medical benefits and \$41,572 for the non-contributory insurance premiums, and \$577,828 for normal pension costs and accrued liability on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$873,149 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 68.

HIGHLAND PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 7. POST-RETIREMENT BENEFITS**

Chapter 384 of PL 1987 and Ch 6 of PL 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. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the 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, 2015, there were 103,432 retirees eligible for 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 Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefits Program who retired from a board of education or county college with 25 years of service. In fiscal year 2015, the State paid \$165.8 million toward Ch 126 benefits for 18,122 eligible retired members.

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

**Plan Description**-The School District contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code, SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The States Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at ([www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)).

**Funding Policy**-Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.



HIGHLAND PARK SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 8. DEFERRED COMPENSATION**

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403 (b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Met Life  
 Equivest  
 TIAA-CREF  
 Lincoln Investment Planning

**NOTE 9. INTERFUND RECEIVABLE AND PAYABLES**

The composition of Interfund balances as of June 30, 2015 is as follows:

Fund	Receivable Fund	Payable Fund
General Fund	\$ 377,883	\$ 44,996
Capital Projects Fund		357,370
Food Service Enterprise Fund	14,689	
Before and After School Care Fund		9,693
Fiduciary Fund:		
Unemployment Compensation	60,362	
Payroll Agency		40,875
	\$ 452,934	\$ 452,934

The transfer of \$40,000 from the General Fund to the Unemployment Compensation Fund represents a board contribution necessitated by the cost of unemployment claims which exceeded the amount of employee withholdings for the fiscal year. The District also transferred \$16,316 from the General Fund to the Special Revenue Fund representing local funding for the Preschool Education Grant.

The balance due from the Capital Projects Fund to the General Fund represents a loan from the General Fund of \$357,370 due to cash flow issues related to the delayed receipt of grant revenues. The balance due from the General Fund to the Food Service Fund of \$4,996 represents cafeteria subsidy aid received in the General Fund but not yet transferred to the Food Service Fund. The balance due from the Payroll Agency Fund to the General Fund of \$20,513 represents \$18,903 of Net Payroll balances due back to the General Fund and \$1,610 of forfeited Flex Spending balances due back to the General Fund.

HIGHLAND PARK SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 9. INTERFUND RECEIVABLE AND PAYABLES**

The balance due from the Payroll Agency Fund to the Unemployment Compensation Fund of \$20,362 represents employee withholdings for the unemployment trust not yet transferred at year end. The balances due to the Food Service Fund from the Before & After School Care Enterprise Fund of \$9,693 represents special function sales. The balance due from the General Fund to the Unemployment Compensation Fund of \$40,000 represents a board contribution not yet disbursed at year end.

**NOTE 10. INVENTORY**

Inventory in the Food Service Fund June 30, 2015 consisted of the following:

Food	\$	4,283
Supplies		2,037
		\$ 6,320

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**NOTE 11. CONTINGENT LIABILITIES**

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

**NOTE 12. RISK MANAGEMENT**

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

HIGHLAND PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 12. RISK MANAGEMENT (Cont'd)**

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the NJ 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 District contributions, and interest earnings, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's unemployment trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Board Contrib</u>	<u>Interest Earnings</u>	<u>Employee Contrib</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ 40,000	\$ -0-	\$ 24,569	\$ 50,685	\$ 108,928
2013-2014	40,000	-0-	23,298	99,680	95,044
2012-2013	-0-	-0-	23,756	11,854	131,426

**NOTE 13. LEGAL RESERVE ACCOUNTS**

A capital reserve account was established by the District by inclusion of \$1 on October 2, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the 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. 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 NJSA 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning in fiscal year 2008, Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$500,000 to their Capital Reserve account and \$150,000 to their emergency reserve account by board resolution in June 2015 as summarized in the following schedule.

The following schedule is a summarization of the Legal Reserve Accounts for the current year:

<u>Reserve Type</u>	<u>Beginning Balance</u>	<u>District Contribution</u>	<u>Interest Earnings</u>	<u>Return of Local Funding</u>	<u>With- drawal</u>	<u>Ending Balance</u>
Capital	\$ 351,800	\$ 500,000	\$ 834			\$ 852,634
Emergency	200,434	150,000			\$ 100,000	250,434
<b>Totals</b>	<b>\$ 552,234</b>	<b>\$ 650,000</b>	<b>\$ 834</b>	<b>\$ -0-</b>	<b>\$ 100,000</b>	<b>\$ 1,103,068</b>

HIGHLAND PARK SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 14. FUND BALANCES-BUDGETARY BASIS**

As described in Note 1 N-Fund Balance may be restricted, committed or assigned. An analysis of the General Fund Balance on a budgetary basis on June 30, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Restricted:		
Excess Surplus-Designated for Subsequent Year's Expenditures-Amount appropriated in the succeeding year's budget to reduce tax requirements	\$ 49,868	
Committed:		
Capital Reserve Account-Represents funds restricted to capital projects in the Districts Long Range Facilities Plan	852,634	\$ 351,800
Emergency Reserve-Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education	250,434	200,434
Assigned:		
Year End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	295,676	628,454
Designated for Subsequent User's Expenditures-Amount appropriated in the succeeding year's budget to reduce tax requirements	400,000	400,000
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated	<u>866,820</u>	<u>735,010</u>
Total Fund Balance	<u>\$ 2,715,432</u>	<u>\$ 2,315,698</u>

**NOTE 15. DEFICIT FUND BALANCE**

The district has a deficit fund balance of \$32,231 in the Special Revenue Fund as of June 30, 2015 as reported in the fund statements. PL 2005, Ch 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 inter-governmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset and liability) should be in symmetry, (i.e. if one government recognizes an asset, the other government recognizes a liability). Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the special revenue fund balance deficit does not alone indicate that the district is facing financial difficulties.

HIGHLAND PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 16. CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved 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 reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$49,868.

**NOTE 17: SUBSEQUENT EVENTS**

The District has evaluated subsequent events through November 24, 2015, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

**NOTE 18 RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE**

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report:

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72 "Fair Value Measurement and Application". This statement, which is effective for fiscal periods beginning after June 15, 2015, is not expected to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement, which is effective for fiscal periods beginning June 15, 2015 and June 15, 2016 for pension systems not within the scope of GASB 68, is not expected to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74 "Financial Reporting for Postemployment Benefits Other than Pension Plans". This statement, which is effective for fiscal periods beginning June 15, 2016, is expected to have a nominal effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". This statement, which is effective for fiscal periods beginning June 15, 2017, is expected to have a nominal effect on the District's financial reporting.

HIGHLAND PARK SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 18 RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE (Cont'd)**

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76 "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This statement, which is effective for fiscal periods beginning June 15, 2015, is not expected to have an effect on the District's financial reporting.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "Tax Abatement Disclosures". This statement, which is effective for fiscal periods beginning December 15, 2015, is not expected to have an effect on the District's financial reporting.

**NOTE 19. RESTATEMENT OF PRIOR YEAR NET POSITION**

During the fiscal year ending June 30, 2015, the District has determined that a restatement of its prior year net position is necessary. Due to changes in accounting principles resulting from the issuance of Government Accounting Standards Board's (GASB) Statement No. 68, for pension liabilities, adjustments to the net position for the net pension liability and deferred outflows of resources as of the measurement date of June 30, 2015 are necessary. The following is a summary of the District's restatement of net position as of June 30, 2015:

	<u>Governmental Activities</u>
Net Position, June 30, 2015 as Originally Stated	\$ 16,603,685
Add: Deferred Outflow of Resources for Pension Activity	235,682
Less: Net Pension Liability as of June 30, 2015	<u>(5,978,067)</u>
Net Position, June 30, 2015 as Restated	<u>\$ 10,861,300</u>

**NOTE 20. DEFICIT BALANCE IN UNRESTRICTED NET POSITION**

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2015 of \$6,538,377 on schedule A-1 "Statement of Net Position". The deficit balance is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

**BUDGETARY COMPARISON SCHEDULES**



HIGHLAND PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 23,208,941		\$ 23,208,941	\$ 23,208,941	
Tuition from Individuals	40,000		40,000	48,734	\$ 8,734
Tuition from Other LEAs Within the State				36,016	36,016
Interest on Capital Reserve Account				834	834
Interest on Investments	1,000		1,000	5,224	4,224
Other Restricted Miscellaneous Revenues-					
Building Use Rentals	5,000		5,000	45,600	40,600
Miscellaneous-Unrestricted	33,908		33,908	19,766	(14,142)
<b>Total</b>	<u>23,288,849</u>	<u>\$ -</u>	<u>23,288,849</u>	<u>23,365,115</u>	<u>76,266</u>
State Sources:					
Categorical Special Education Aid	883,312		883,312	883,312	
Equalization Aid	2,609,134		2,609,134	2,609,134	
Categorical Security Aid	36,277		36,277	36,277	
Categorical Transportation Aid	67,688		67,688	67,688	
PARCC Readiness Aid	15,870		15,870	15,870	
Per Pupil Growth Aid	15,870		15,870	15,870	
Extraordinary Aid				295,003	295,003
Nonpublic Transportation Aid				32,315	32,315
On-Behalf TPAF Pension Contribution				619,400	619,400
On-Behalf TPAF Post Retirement Medical Benefits				983,298	983,298
Reimbursed TPAF Social Security Contribution				873,149	873,149
<b>Total</b>	<u>3,628,151</u>	<u>-</u>	<u>3,628,151</u>	<u>6,431,316</u>	<u>2,803,165</u>
Federal Sources:					
Medicaid Reimbursement (SEMI)	18,819		18,819	36,867	18,048
ARRA Medicaid Reimbursement (SEMI)				17,395	17,395
<b>Total</b>	<u>18,819</u>	<u>-</u>	<u>18,819</u>	<u>54,262</u>	<u>35,443</u>
<b>TOTAL REVENUES</b>	<u>\$ 26,935,819</u>	<u>\$ -</u>	<u>\$ 26,935,819</u>	<u>\$ 29,850,693</u>	<u>\$ 2,914,874</u>
<b>EXPENDITURES</b>					
Current:					
Regular Programs:					
Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 396,468	\$ 10,100	\$ 406,568	\$ 406,568	
Grades 1-5	2,383,271	69,505	2,452,776	2,452,776	
Grades 6-8	1,649,481	(17,585)	1,631,896	1,631,896	
Grades 9-12	2,354,382	32,455	2,386,837	2,382,202	\$ 4,635
Home Instruction:					
Salaries of Teachers	10,000		10,000	8,796	1,204
Purchased Professional-Educational Services	43,022		43,022	13,876	29,146
Undistributed Instruction:					
Other Salaries for Instruction	180,172	45,884	226,056	226,056	
Purchased Professional-Educational Services	210,750	214,173	424,923	424,923	
Other Purchased Services	112,842	(3,653)	109,189	60,395	48,794
General Supplies	417,562	(132,284)	285,278	253,393	31,885
Textbooks	24,269	5,133	29,402	5,326	24,076
Other Objects	2,024		2,024	1,065	959
<b>Total</b>	<u>7,784,243</u>	<u>223,728</u>	<u>8,007,971</u>	<u>7,867,272</u>	<u>140,699</u>
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	156,907	22,785	179,692	179,692	
Other Salaries for Instruction	21,389	17,230	38,619	29,417	9,202
Purchased Professional-Educational Services	2,000	(219)	1,781	1,781	
Other Purchased Services		756	756	681	75
General Supplies	7,500		7,500	3,012	4,488
<b>Total</b>	<u>187,796</u>	<u>40,552</u>	<u>228,348</u>	<u>214,583</u>	<u>13,765</u>
Multiple Disabilities:					
Salaries of Teachers	345,281	(130,601)	214,680	211,828	2,852
Other Salaries for Instruction	201,028	(113,341)	87,687	84,907	2,780
Purchased Professional-Educational Services	6,000	17,938	23,938	23,938	
Other Purchased Services		124	124	124	
General Supplies	5,043		5,043	4,229	814
<b>Total</b>	<u>557,352</u>	<u>(225,880)</u>	<u>331,472</u>	<u>325,026</u>	<u>6,446</u>

HIGHLAND PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Resource Room/Center:					
Salaries of Teachers	\$ 1,379,648	\$ 221,823	\$ 1,601,471	\$ 1,551,482	\$ 49,989
Other Salaries for Instruction	286,856	(155,001)	131,855	128,691	3,164
Purchased Professional-Educational Services	30,000	5,140	35,140	35,140	
Other Purchased Services	6,000		6,000	2,950	3,050
General Supplies	14,712	(300)	14,412	10,217	4,195
Total	1,717,216	71,662	1,788,878	1,728,480	60,398
Autism:					
Salaries of Teachers	59,041	54,550	113,591	113,591	
Other Salaries for Instruction	41,707	50,851	92,558	92,558	
Purchased Professional-Educational Services	5,000		5,000	3,971	1,029
General Supplies	750		750	619	131
Total	106,498	105,401	211,899	210,739	1,160
Preschool Disabilities-Full Time:					
Salaries of Teachers	32,468	42,418	74,886	70,766	4,120
Other Salaries for Instruction	25,711	25,244	50,955	39,683	11,272
Purchased Professional-Educational Services	2,000	2,339	4,339	4,339	
General Supplies	600		600	515	85
Total	60,779	70,001	130,780	115,303	15,477
Total Special Education	2,629,641	61,736	2,691,377	2,594,131	97,246
Bilingual Education:					
Salaries of Teachers	225,996		225,996	219,152	6,844
Purchased Professional-Educational Services	2,000		2,000	1,151	849
General Supplies	8,535	51	8,586	2,213	6,373
Total	236,531	51	236,582	222,516	14,066
School Sponsored Co/Extra Curricular Activities:					
Salaries	121,542		121,542	120,938	604
Purchased Services	27,500		27,500	16,563	10,937
Supplies and Materials	12,150	(150)	12,000	9,717	2,283
Other Objects	7,735	(1,817)	5,918	3,330	2,588
Total	168,927	(1,967)	166,960	150,548	16,412
School Sponsored Athletics:					
Salaries	249,888	(2,577)	247,311	244,937	2,374
Purchased Services	49,921	2,380	52,301	47,979	4,322
Supplies and Materials	11,963	1,878	13,841	13,818	23
Other Objects	9,996	329	10,325	9,761	564
Total	321,768	2,010	323,778	316,495	7,283
Other Supplemental/At Risk Programs-Instruction:					
Salaries of Reading Specialists	158,907		158,907	154,858	4,049
Total	158,907	-	158,907	154,858	4,049
Total Instruction-Regular	\$ 11,300,017	\$ 285,558	\$ 11,585,575	\$ 11,305,820	\$ 279,755
Undistributed Expenditures:					
Instruction-Tuition:					
Other LEAs Within the State-Regular	\$ 18,865		\$ 18,865	\$ 9,615	\$ 9,250
Other LEAs Within the State-Special	692,639	(239,167)	453,472	453,472	
CSSD & Regular Day Schools	44,682		44,682	40,140	4,542
Private Schools for Disabled Within the State	877,179	215,167	1,092,346	1,042,249	50,097
Priv Sch Disabled & Other LEAs-Special, O/S State	106,830	(4,198)	102,632	100,000	2,632
State Facilities	44,500		44,500		44,500
Tuition-Other	117,391	4,198	121,589	114,060	7,529
Total	1,902,086	(24,000)	1,878,086	1,759,536	118,550

HIGHLAND PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Attendance & Social Work:					
Salaries	\$ 19,245	\$ 68,751	\$ 87,996	\$ 87,996	
Other Purchased Services	7,000	2,125	9,125	9,125	
Total	<u>26,245</u>	<u>70,876</u>	<u>97,121</u>	<u>97,121</u>	\$ -
Health Services:					
Salaries	321,616		321,616	314,153	7,463
Purchased Professional & Technical Services	29,000	311	29,311	23,147	6,164
Other Purchased Services	3,325	(2,150)	1,175	474	701
Supplies and Materials	4,012	1,089	5,101	4,621	480
Other Objects	270	750	1,020	955	65
Total	<u>358,223</u>	<u>-</u>	<u>358,223</u>	<u>343,350</u>	<u>14,873</u>
Speech, OT, PT & Related Services:					
Salaries	250,769	350	251,119	249,134	1,985
Purchased Professional-Educational Services	117,914	(44,118)	73,796	27,323	46,473
Supplies and Materials	3,275		3,275	2,167	1,108
Total	<u>371,958</u>	<u>(43,768)</u>	<u>328,190</u>	<u>278,624</u>	<u>49,566</u>
Other Support Services-Students-Extraordinary Services:					
Salaries	93,368	156,974	250,342	245,849	4,493
Purchased Professional-Educational Services	244,950	(149,999)	94,951	66,511	28,440
Supplies and Materials	8,663		8,663	1,498	7,165
Other Objects	1,250		1,250	238	1,012
Total	<u>348,231</u>	<u>6,975</u>	<u>355,206</u>	<u>314,096</u>	<u>41,110</u>
Guidance:					
Salaries of Other Professional Staff	440,135	(135,632)	304,503	304,503	
Salaries of Secretarial & Clerical Assistants	14,822	(11,620)	3,202	3,202	
Other Purchased Professional & Technical Services	1,000	(1,000)			
Other Purchased Services	5,710	(2,364)	3,346	3,346	
Supplies and Materials	1,480	2,014	3,494	3,234	260
Other Objects	710	(61)	649	262	387
Total	<u>463,857</u>	<u>(148,663)</u>	<u>315,194</u>	<u>314,547</u>	<u>647</u>
Child Study Team:					
Salaries of Other Professional Staff	465,488	(14,302)	451,186	449,382	1,804
Salaries of Secretarial & Clerical Assistants	105,602	(2,967)	102,635	101,785	850
Other Salaries	1,545		1,545	906	639
Purchased Professional-Educational Services	147,200		147,200	112,085	35,115
Other Purchased Professional & Technical Services	24,285	(14,405)	9,880	6,820	3,060
Other Purchased Services	4,750	(4,750)			
Miscellaneous Purchased Services	17,204	14,804	32,008	17,602	14,406
Supplies and Materials	20,839		20,839	17,385	3,454
Other Objects	1,915	4,750	6,665	555	6,110
Total	<u>788,828</u>	<u>(16,870)</u>	<u>771,958</u>	<u>706,520</u>	<u>65,438</u>
Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	216,261	(144,768)	71,493	71,492	1
Salaries of Other Professional Staff	61,318	15,542	76,860	73,554	3,306
Salaries of Secretarial & Clerical Assistants	34,358	2,787	37,145	37,145	
Other Salaries	259,883	(172,000)	87,883	87,883	
Other Purchased Services	10,161	(3,299)	6,862	6,646	216
Supplies and Materials	3,544	(2,000)	1,544	717	827
Other Objects	2,550	(220)	2,330	1,224	1,106
Total	<u>588,075</u>	<u>(303,958)</u>	<u>284,117</u>	<u>278,661</u>	<u>5,456</u>

HIGHLAND PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Educational Media Services/School Library:					
Salaries	\$ 142,638	\$ (45,127)	\$ 97,511	\$ 97,329	\$ 182
Salaries of Technology Coordinators	178,494	27,179	205,673	205,673	
Purchased Professional and Technical Services	2,000	(1,294)	706	706	
Other Purchased Services	13,169	1,387	14,556	14,046	510
Supplies and Materials	14,327	145	14,472	13,696	776
Other Objects		159	159	44	115
Total	350,628	(17,551)	333,077	331,494	1,583
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	42,509	(33,000)	9,509	8,706	803
Salaries of Secretarial & Clerical Assistants	33,351		33,351	32,100	1,251
Other Salaries	6,816	(2,481)	4,335	1,118	3,217
Purchased Professional-Educational Services	8,205		8,205	3,550	4,655
Other Purchased Services	13,685	(7,685)	6,000		6,000
Supplies and Materials	9,053	(6,000)	3,053	1,812	1,241
Other Objects	1,165	13,622	14,787	8,239	6,548
Total	114,784	(35,544)	79,240	55,525	23,715
Support Services-General Administration:					
Salaries	307,796	90,082	397,878	397,878	
Legal Services	50,000	80,822	130,822	128,277	2,545
Audit Fees	35,000	(1,500)	33,500	33,500	
Architectural/Engineering Services	12,238	(9,650)	2,588	948	1,640
Other Purchased Professional Services	12,600	12,938	25,538	25,538	
Communications/Telephone	166,001	(7,074)	158,927	150,516	8,411
Board of Education Other Purchased Services	501	(20)	481	333	148
Miscellaneous Purchased Services	107,580	(7,112)	100,468	100,468	
General Supplies	8,000	5,683	13,683	13,042	641
Board of Education In-House Training/Meeting Supplies	2,000	369	2,369	2,253	116
Miscellaneous Expenditures	4,000	(419)	3,581	3,533	48
Board of Education Membership Dues & Fees	15,000	(715)	14,285	14,285	
Total	720,716	163,404	884,120	870,571	13,549
Support Services-School Administration:					
Salaries of Principals/Ass't Principals/Program Directors	590,473	(36,800)	553,673	553,673	
Salaries of Secretarial & Clerical Assistants	305,436	75,915	381,351	381,351	
Purchased Professional & Technical Services	3,500	(1,617)	1,883	1,798	85
Other Purchased Services	36,003	(19,237)	16,766	12,816	3,950
Supplies and Materials	24,412	2,261	26,673	21,403	5,270
Other Objects	7,770	750	8,520	5,741	2,779
Total	967,594	21,272	988,866	976,782	12,084
Central Services:					
Salaries	369,182	(8,950)	360,232	360,232	
Purchased Professional Services	2,440	5,538	7,978	3,789	4,189
Purchased Technical Services	16,316	(434)	15,882	13,504	2,378
Miscellaneous Purchased Services	13,013	9,774	22,787	21,982	805
Supplies & Materials	11,542	2,068	13,610	12,981	629
Miscellaneous Expenditures	1,550	1,000	2,550	2,297	253
Total	414,043	8,996	423,039	414,785	8,254

HIGHLAND PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Administrative Information Technology:					
Salaries	\$ 41,813		\$ 41,813	\$ 40,900	\$ 913
Other Purchased Services	11,000	\$ 6,634	17,634	17,634	
Supplies and Materials	16,349	26,936	43,285	43,110	175
Total	69,162	33,570	102,732	101,644	1,088
Required Maintenance for School Facilities:					
Cleaning, Repair, and Maintenance Services	443,120	(36,217)	406,903	351,170	55,733
General Supplies	34,804	15,020	49,824	48,376	1,448
Total	477,924	(21,197)	456,727	399,546	57,181
Custodial Services:					
Salaries of Noninstructional Aides	25,190	5,999	31,189	30,193	996
Purchased Professional and Technical Services	12,000	19,732	31,732	30,222	1,510
Cleaning, Repair, and Maintenance Services	1,067,717	43,258	1,110,975	1,104,401	6,574
Other Purchased Property Services	36,000	(17,523)	18,477	17,769	708
Insurance	53,382	5,216	58,598	58,598	
General Supplies	12,000	53,312	65,312	62,993	2,319
Energy (Natural Gas)	123,188	(9,000)	114,188	111,993	2,195
Energy (Electricity)	504,744	(85,405)	419,339	411,904	7,435
Other Objects	1,000		1,000	996	4
Total	1,835,221	15,589	1,850,810	1,829,069	21,741
Care & Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	65,441	40,522	105,963	75,112	30,851
General Supplies	14,000	13,675	27,675	27,507	168
Total	79,441	54,197	133,638	102,619	31,019
Security:					
Salaries	30,566	(5,418)	25,148	23,245	1,903
Purchased Professional and Technical Services	1,382	(261)	1,121		1,121
Cleaning, Repair, and Maintenance Services	700	8,500	9,200	5,391	3,809
General Supplies	1,500	3,500	5,000	4,201	799
Total	34,148	6,321	40,469	32,837	7,632
Student Transportation Services:					
Salaries for Pupil Trans (Between Home & School)-Regular	5,969		5,969	5,716	253
Salaries for Pupil Trans (Other than Between Home & School)	5,969		5,969	5,716	253
Management Fee-ESC & CTSA Transportation Program	33,051	1,241	34,292	33,941	351
Contract Serv-Aid in Lieu of Payments: Non-Public Schools	97,240		97,240	59,670	37,570
Contract Serv (Other Than Between Home & Sch)-Vendors	67,394	1,091	68,485	68,335	150
Contr Serv (Between Home & School)-Joint Agreements	36,920	(778)	36,142	34,476	1,666
Contract Services (Special Ed Students)-Vendors	84,154	4,278	88,432	87,935	497
Contract Serv (Special Ed Students)-Joint Agreements	65,110	(9,262)	55,848	34,438	21,410
Contract Services (Regular Students)-ESCs & CTSA	345,395	79,427	424,822	424,822	
Contract Serv (Special Educ Students)-ESCs & CTSA	718,038	(76,869)	641,169	641,169	
Total	1,459,240	(872)	1,458,368	1,396,218	62,150

HIGHLAND PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Unallocated Benefits-Employee Benefits:					
Social Security Contributions	\$ 254,600	\$ 33,783	\$ 288,383	\$ 269,196	\$ 19,187
Other Retirement Contributions-PERS	320,225	(52,479)	267,746	267,746	
Other Retirement Contributions-Regular	2,000	2,015	4,015	3,913	102
Workmen's Compensations	102,299	(6,522)	95,777	90,477	5,300
Health Benefits	3,899,277	(100,000)	3,799,277	3,762,740	36,537
Tuition Reimbursement	30,000	(15,000)	15,000	12,824	2,176
Other Employee Benefits	93,920	(15,208)	78,712	33,509	45,203
Total	4,702,321	(153,411)	4,548,910	4,440,405	108,505
On-Behalf TPAF Pension Contributions				619,400	(619,400)
On-Behalf TPAF Post Retirement Medical Benefits				983,298	(983,298)
Reimbursed TPAF Social Security Contributions				873,149	(873,149)
Total	-	-	-	2,475,847	(2,475,847)
Total Undistributed Expenditures	\$ 16,072,725	\$ (384,634)	\$ 15,688,091	\$ 17,519,797	\$ (1,831,706)
TOTAL CURRENT	\$ 27,372,742	\$ (99,076)	\$ 27,273,666	\$ 28,825,617	\$ (1,551,951)
CAPITAL OUTLAY					
Equipment:					
Vocational Programs:					
School-Sponsored and Other Instructional Programs		\$ 3,980	\$ 3,980	\$ 3,980	
Undistributed Expenditures:					
Support Services—Instructional Staff		12,967	12,967	12,967	
Administration Information Technology	\$ 18,719	67,291	86,010	62,336	\$ 23,674
Required Maintenance for School Facilities		7,623	7,623	7,623	
Total	18,719	91,861	110,580	86,906	23,674
Facilities Acquisition & Construction Services:					
Architectural/Engineering Services		38,000	38,000	29,000	9,000
Construction Services		4,322	4,322	4,322	
Other Objects	54,023	(54,023)			
Assessment for Debt Service on SDA Funding		54,023	54,023	54,023	
Total	54,023	42,322	96,345	87,345	9,000
TOTAL CAPITAL OUTLAY	\$ 72,742	\$ 134,183	\$ 206,925	\$ 174,251	\$ 32,674
TRANSFER OF FUNDS TO CHARTER SCHOOLS	\$ 562,473	\$ (35,107)	\$ 527,366	\$ 394,775	\$ 132,591
TOTAL EXPENDITURES	\$ 28,007,957	\$ -	\$ 28,007,957	\$ 29,394,643	\$ (1,386,686)
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	\$ (1,072,138)	\$ -	\$ (1,072,138)	\$ 456,050	\$ 1,528,188
Other Financing Sources (Uses):					
Transfers Out:					
Capital Reserve Fund to Capital Projects Fund	(674,010)		(674,010)		674,010
Special Revenue Fund-Preschool Programs	(16,316)		(16,316)	(16,316)	
Unemployment Compensation Fund	(40,000)		(40,000)	(40,000)	
Total Other Financing Sources (Uses)	(730,326)	-	(730,326)	(56,316)	674,010

HIGHLAND PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	\$ (1,802,464)	\$ -	\$ (1,802,464)	\$ 399,734	\$ 2,202,198
Fund Balances, July 1	2,315,698	-	2,315,698	2,315,698	-
Fund Balances, June 30	<u>\$ 513,234</u>	<u>\$ -</u>	<u>\$ 513,234</u>	<u>\$ 2,715,432</u>	<u>\$ 2,202,198</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	\$ (628,454)		\$ (628,454)	\$ (628,454)	
Increase in Capital Reserve		\$ 500,834	500,834	500,834	
Withdrawal from Capital Reserve	(674,010)		(674,010)		\$ 674,010
Increase in Emergency Reserve		150,000	150,000	150,000	
Withdrawal from Emergency Reserve	(100,000)		(100,000)	(100,000)	
Budgeted Fund Balance	(400,000)	(650,834)	(1,050,834)	477,354	1,528,188
TOTAL	<u>\$ (1,802,464)</u>	<u>\$ -</u>	<u>\$ (1,802,464)</u>	<u>\$ 399,734</u>	<u>\$ 2,202,198</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Excess Surplus:	
Current Year-Designated for 2016-2017 Budget	\$ 49,868
Committed Fund Balance:	
Capital Reserve	852,634
Emergency Reserve	250,434
Assigned Fund Balance:	
Year-End Encumbrances	295,676
Designated for Subsequent Year's Expenditures	400,000
Unassigned Fund Balance	<u>866,820</u>
	2,715,432
Reconciliation to Governmental Statements (GAAP):	
Last State Aid Payment not Recognized on GAAP Basis	<u>(357,408)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 2,358,024</u>

HIGHLAND PARK SCHOOL DISTRICT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(NOT APPLICABLE TO THIS REPORT)



HIGHLAND PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 103,349		\$ 103,349	\$ 61,511	\$ (41,838)
State Sources	676,406		676,406	666,451	(9,955)
Federal Sources	1,046,923		1,046,923	640,922	(406,001)
TOTAL REVENUES	1,826,678	\$ -	1,826,678	1,368,884	(457,794)
Other Financing Sources:					
Transfer from General Fund	16,316	-	16,316	16,316	-
TOTAL INFLOWS	\$ 1,842,994	\$ -	\$ 1,842,994	\$ 1,385,200	\$ (457,794)
EXPENDITURES					
Instruction:					
Salaries for Teachers	\$ 429,839	\$ (186,135)	\$ 243,704	\$ 223,704	\$ 20,000
Other Salaries for Instruction	90,031	156,605	246,636	221,380	25,256
Purchased Professional & Technical Services	30,977	(499)	30,478	23,391	7,087
Tuition	478,000	(189)	477,811	218,833	258,978
Other Purchased Services	35,024		35,024	19,408	15,616
General Supplies	99,257	28,278	127,535	96,982	30,553
Textbooks	4,170		4,170	4,042	128
Other Objects	4,981		4,981	4,222	759
Totals	1,172,279	(1,940)	1,170,339	811,962	358,377
Support Services:					
Salaries of Supervisors of Instruction	90,545	(926)	89,619	89,619	
Salaries of Program Directors	30,000	(4,625)	25,375	25,375	
Salaries of Other Professional Staff	86,041	6,595	92,636	92,636	
Other Salaries	126,709	(26,238)	100,471	96,066	4,405
Personal Services-Employee Benefits	142,086	20,358	162,444	142,926	19,518
Purchased Professional & Technical Services	98,510	(20,635)	77,875	30,369	47,506
Purchased Professional Educational Services	3,000	17,736	20,736	15,337	5,399
Contracted Services-Transportation	4,142	308	4,450	4,450	
Other Purchased Services	20,268	1,721	21,989	15,935	6,054
Supplies & Materials	27,000	9,175	36,175	19,640	16,535
Other Objects	2,800	(1,534)	1,266	1,266	
Total	631,101	1,935	633,036	533,619	99,417
Facilities Acquisition & Construction Services:					
Instructional Equipment	26,694	5	26,699	26,699	
Construction Services	12,920		12,920	12,920	
Total	39,614	5	39,619	39,619	-
TOTAL EXPENDITURES	\$ 1,842,994	\$ -	\$ 1,842,994	\$ 1,385,200	\$ 457,794

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION-PART II

HIGHLAND PARK SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION -PART II  
BUDGETARY COMPARISON SCHEDULE

Explanation of Differences Between Budgetary Inflows and Outflows  
and GAAP Revenues and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules.	\$ 29,850,693	\$ 1,368,884
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding Encumbrances-Prior Year		157,512
Outstanding Encumbrances-Current Year		(189,733)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33):		
State Aid Receivable-Prior Year	346,646	30,488
State Aid Receivable-Current Year	(357,408)	(32,231)
Donations of capital assets are not recognized for budgetary basis purposes but treated as revenues and additional expenditures for GAAP purposes	<u>11,358</u>	
Total Revenues (GAAP Basis)	<u>\$ 29,851,289</u>	<u>\$ 1,334,920</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 29,394,643	\$ 1,385,200
Differences-Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding Encumbrances-Prior Year		157,512
Outstanding Encumbrances-Current Year		(189,733)
Donations of capital assets are not recognized for budgetary basis purposes but treated as revenues and additional expenditures for GAAP purposes	<u>11,358</u>	
Total Expenditures (GAAP Basis)	<u>\$ 29,406,001</u>	<u>\$ 1,352,979</u>

REQUIRED SUPPLEMENTARY INFORMATION-PART III

HIGHLAND PARK SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-TEACHER'S PENSION AND ANNUITY FUND  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)- Percentage		0.00%	0.00%							
District's Proportion of the Net Pension Liability (Asset)- Value	N/A	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's Proportionate Share of the Net Pension Liability (Asset) Associated With The District		60,066,913	54,310,582							
<b>Total</b>	<b>\$ -</b>	<b>\$ 60,066,913</b>	<b>\$ 54,310,582</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
District's Covered Employee Payroll		\$ 11,299,126	\$ 11,396,575							
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	N/A	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		33.64%	33.76%							

N/A = Not Available

HIGHLAND PARK SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS-TEACHER'S PENSION AND ANNUITY FUND  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 619,400	\$ 475,442	\$ 694,372	\$ 351,466	\$ 33,298	\$ 41,067	\$ 37,060	\$ 805,026	\$ 763,785	\$ 108,658
Contributions in Relation to the Contractually Required Contribution	(619,400)	(475,442)	(694,372)	(351,466)	(33,298)	(41,067)	(37,060)	(805,026)	(763,785)	(108,658)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	\$ 11,456,508	\$ 11,299,126	\$ 11,396,575	\$ 10,437,799	\$ 10,216,027	\$ 10,844,386	\$ 10,663,154	\$ 10,692,454	\$ 10,249,939	\$ 9,725,656
Contributions as a Percentage of Covered Employee Payroll	5.41%	4.21%	6.09%	3.37%	0.33%	0.38%	0.35%	7.53%	7.45%	1.12%

HIGHLAND PARK SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)- Percentage		0.0324782489%	0.0312791491%							
District's Proportion of the Net Pension Liability (Asset)- Value		\$ 6,080,816	\$ 5,978,067							
District's Covered Employee Payroll	N/A	2,142,807	2,226,899	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll		283.78%	268.45%							
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		52.08%	48.72%							

N/A = Not Available

HIGHLAND PARK SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS-PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 267,746	\$ 235,682	\$ 235,776	\$ 245,853	\$ 248,307	\$ 228,772	\$ 158,837	\$ 123,684	\$ 64,200	\$ 35,825
Contributions in Relation to the Contractually Required Contribution	(267,746)	(235,682)	(235,776)	(245,853)	(248,307)	(228,772)	(158,837)	(123,684)	(64,200)	(35,825)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	\$ 2,185,869	\$ 2,142,807	\$ 2,226,899	\$ 2,152,171	\$ 2,053,917	\$ 2,204,317	\$ 2,209,617	\$ 2,088,632	\$ 1,918,473	\$ 1,911,026
Contributions as a Percentage of Covered Employee Payroll	12.25%	11.00%	10.59%	11.42%	12.09%	10.38%	7.19%	5.92%	3.35%	1.87%

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION-PART III

HIGHLAND PARK SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III  
(UNADUITED)

JUNE 30, 2014 AND 2013

**NOTE 1. SPECIAL FUNDING SITUATION-TPAF**

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.



**OTHER SUPPLEMENTAL INFORMATION**

**SCHOOL LEVEL SCHEDULES**

(NOT APPLICABLE TO THIS REPORT)

## **SPECIAL REVENUE FUND**

### **DETAIL STATEMENTS**

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

HIGHLAND PARK SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Total Brought Forward	NJ Non- Public Funds	IDEA Basic	IDEA Preschool	NCLB Title I	NCLB Title II A	NCLB Title III	Total
REVENUES								
Local Sources	\$ 61,511							\$ 61,511
State Sources	652,329	\$ 14,122						666,451
Federal Sources			\$ 281,354	\$ 12,340	\$ 301,665	\$ 26,458	\$ 19,105	640,922
TOTAL REVENUES	713,840	14,122	281,354	12,340	301,665	26,458	19,105	1,368,884
Other Financing Sources:								
Transfer from General Fund	16,316	-	-	-	-	-	-	16,316
TOTAL INFLOWS	\$ 730,156	\$ 14,122	\$ 281,354	\$ 12,340	\$ 301,665	\$ 26,458	\$ 19,105	\$ 1,385,200
EXPENDITURES								
Instruction:								
Salaries of Teachers	\$ 144,700		\$ 30,000		\$ 49,004			\$ 223,704
Other Salaries for Instruction	85,389			\$ 11,463	118,324		\$ 6,204	221,380
Purchased Professional & Technical Services	3,200	\$ 5,771			12,920		1,500	23,391
Tuition			218,833					218,833
Other Purchased Services	19,408							19,408
General Supplies	37,059		167		51,041		8,715	96,982
Textbooks		4,042						4,042
Other Objects	4,222							4,222
Total	293,978	9,813	249,000	11,463	231,289	\$ -	16,419	811,962
Support Services:								
Salaries of Supervisors of Instruction	89,619							89,619
Salaries of Program Directors	25,375							25,375
Salaries of Other Professional Staff	92,636							92,636
Other Salaries	67,765		18,572		9,319	410		96,066
Personal Services-Employee Benefits	116,609		3,584	877	20,467	914	475	142,926
Purchased Professional & Technical Services		3,267	4,674			20,237	2,191	30,369
Purchased Professional-Educational Services	2,790		5,524		4,575	2,448		15,337
Contracted Services-Transportation	3,408	1,042						4,450
Other Purchased Services	10,332				3,154	2,449		15,935
Supplies & Materials	13,458				6,162		20	19,640
Other Objects	1,266							1,266
Total	423,258	4,309	32,354	877	43,677	26,458	2,686	533,619
Facilities Acquisition & Construction Services:								
Instructional Equipment					26,699			26,699
Construction Services	12,920							12,920
	12,920	-	-	-	26,699	-	-	39,619
TOTAL EXPENDITURES	\$ 730,156	\$ 14,122	\$ 281,354	\$ 12,340	\$ 301,665	\$ 26,458	\$ 19,105	\$ 1,385,200

HIGHLAND PARK SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Educational Foundation	Other Local Grants	Bridging the Gap Device Grant	School Based Youth Services Program	NJ Preschool Education Aid	Total Carried Forward
REVENUES						
Local Sources	\$ 43,862	\$ 17,649				\$ 61,511
State Sources			\$ 21,655	\$ 285,306	\$ 345,368	652,329
TOTAL REVENUES	43,862	17,649	21,655	285,306	345,368	713,840
Other Financing Sources:						
Transfer from General Fund	-	-	-	-	16,316	16,316
TOTAL INFLOWS	\$ 43,862	\$ 17,649	\$ 21,655	\$ 285,306	\$ 361,684	\$ 730,156
EXPENDITURES						
Instruction:						
Salaries for Teachers					\$ 144,700	\$ 144,700
Other Salaries for Instruction					85,389	85,389
Purchased Professional & Technical Services	\$ 2,500	\$ 700				3,200
Other Purchased Services	11,690	7,718				19,408
General Supplies	13,030	2,374	\$ 21,655			37,059
Other Objects	3,722	500				4,222
Total	30,942	11,292	21,655	\$ -	230,089	293,978
Support Services:						
Salaries of Supervisors of Instruction				89,619		89,619
Salaries of Program Directors					25,375	25,375
Salaries of Other Professional Staff				92,636		92,636
Other Salaries				67,765		67,765
Personal Services-Employee Benefits				10,389	106,220	116,609
Purchased Professional Educational Services				2,790		2,790
Contracted Services-Transportation				3,408		3,408
Other Purchased Services		5,377		4,955		10,332
Supplies & Materials		980		12,478		13,458
Other Objects				1,266		1,266
Total	-	6,357	-	285,306	131,595	423,258
Facilities Acquisition & Construction Services:						
Construction Services	12,920	-	-	-	-	12,920
TOTAL EXPENDITURES	\$ 43,862	\$ 17,649	\$ 21,655	\$ 285,306	\$ 361,684	\$ 730,156

HIGHLAND PARK SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Instruction:			
Salaries of Teachers	\$ 144,700	\$ 144,700	
Other Salaries for Instruction	85,389	85,389	
	<u>230,089</u>	<u>230,089</u>	<u>\$ -</u>
Support Services:			
Salaries of Program Directors	25,375	25,375	
Personal Services-Employee Benefits	106,220	106,220	
Total Support Services	<u>131,595</u>	<u>131,595</u>	<u>-</u>
Total	<u>\$ 361,684</u>	<u>\$ 361,684</u>	<u>\$ -</u>

**Calculation of Budget & Carryover**

Total Revised 2014-2015 Preschool Education Aid Allocation	\$ 322,307
Add: Actual ECPA/PEA Carryover (June 30, 2014)	23,061
Add: Budgeted Transfer From General Fund	<u>16,316</u>
Total Preschool Education Aid Funds Available for 2014-2015 Budget	361,684
Less: 2014-2015 Budgeted Preschool Education Aid	<u>361,684</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015	-
Add 2014-2015 Unexpended Preschool Education Aid	<u>-</u>
2014-2015 Actual Carryover-Preschool Education Aid	<u>\$ -</u>
2014-2015 Preschool Education Aid Carryover Budgeted for Preschool Programs 2015-2016	<u>\$ -</u>

## **CAPITAL PROJECTS FUND**

### **DETAIL STATEMENTS**

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

HIGHLAND PARK SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/15
			Prior Years	Current Year	
Bartle School Roof Replacement and Masonry Restoration Project	02/28/11	\$ 1,442,072	\$ 1,432,710		\$ 9,362
Bartle School Window Replacement	06/05/14	1,235,850	49,100	\$ 588,232	598,518
Totals		\$ 2,677,922	\$ 1,481,810	\$ 588,232	\$ 607,880



HIGHLAND PARK 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

Expenditures and Other Financing Uses:	
Purchased Professional & Technical Services	\$ 18,400
Construction Services	569,832
Total Expenditures	<u>588,232</u>
Change in Fund Balance	(588,232)
Fund Balance-Beginning	<u>1,196,112</u>
Fund Balance-Ending	<u>\$ 607,880</u>
 <u>Reconciliation of Fund Balance Difference for GAAP Purposes</u>	
Fund Balance-Budgetary Basis (Schedule F-2)	\$ 607,880
Receivables from Other Governments-State:	
GAAP Basis (Schedule B-1)	730,539
Budgetary Basis (Schedule K-4)	<u>(973,817)</u>
Fund Balance-GAAP Basis (Schedule B-1)	<u>\$ 364,602</u>
 <u>Reconciliation of Financial Assistance Difference for GAAP Purposes</u>	
State Financial Assistance-Budgetary Basis (Schedule F-2)	\$ -
Adjustment to GAAP Basis	<u>235,293</u>
State Financial Assistance-GAAP Basis (Schedule B-2)	<u>\$ 235,293</u>

HIGHLAND PARK SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS-BUDGETARY BASIS  
BARTLE SCHOOL ROOF REPLACEMENT AND MASONRY RESTORATION PROJECT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources-Transfer from Capital Reserve	\$ 848,120		\$ 848,120	\$ 848,120
Local Sources-Transfer from Capital Outlay	171,555		171,555	171,555
State Sources-SDA Grant	422,397		422,397	422,397
Total Revenues	<u>1,442,072</u>	<u>\$ -</u>	<u>1,442,072</u>	<u>1,442,072</u>
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	112,846		112,846	112,846
Construction Services	899,345		899,345	908,707
Transfer to General Fund Capital Reserve	420,519		420,519	420,519
Total Expenditures	<u>1,432,710</u>	<u>-</u>	<u>1,432,710</u>	<u>1,442,072</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 9,362</u>	<u>\$ -</u>	<u>\$ 9,362</u>	<u>\$ -</u>

Additional Project Information

Project Number	2150-085-10-1003
Grant Date	02/28/11
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,757,000
Reduced Authorized Cost	\$ (314,928)
Revised Authorized Cost	\$ 1,442,072
Percentage Completion	99%

HIGHLAND PARK SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS-BUDGETARY BASIS  
BARTLE SCHOOL WINDOW REPLACEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources-Transfer from Capital Reserve	\$ 741,510		\$ 741,510	\$ 741,510
State Sources-SDA Grant	494,340		494,340	494,340
Total Revenues	1,235,850	\$ -	1,235,850	1,235,850
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	49,100	18,400	67,500	67,500
Construction Services		569,832	569,832	1,168,350
Total Expenditures	49,100	588,232	637,332	1,235,850
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,186,750	\$ (588,232)	\$ 598,518	\$ -

Additional Project Information

Project Number	2150-085-14-1001
Grant Date	06/05/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,235,850
Reduced Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,235,850
Percentage Completion	52%

## **PROPRIETARY FUND**

### **DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises-where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

HIGHLAND PARK SCHOOL DISTRICT  
 COMBINING STATEMENT OF FUND NET POSITION  
 ENTERPRISE FUNDS  
 JUNE 30, 2015

	Food Service Fund	Before & After School Care Fund	Total
<b>ASSETS</b>			
Current Assets:			
Cash & Cash Equivalents	\$ 74,955	\$ 192,685	\$ 267,640
Due from Other Funds	14,689		14,689
Receivables from Other Governments:			
State	1,466		1,466
Federal	53,866		53,866
Other Receivables	15,726	1,224	16,950
Inventory	6,321		6,321
Total Current Assets	<u>167,023</u>	<u>193,909</u>	<u>360,932</u>
Noncurrent Assets:			
Capital Assets	122,445		122,445
Less: Accumulated Depreciation	80,425		80,425
Total Noncurrent Assets	<u>42,020</u>	<u>-</u>	<u>42,020</u>
Total Assets	<u>209,043</u>	<u>193,909</u>	<u>402,952</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Due to Other Funds		9,693	9,693
Accounts Payable	39,126	391	39,517
Unearned Revenue	9,372	60	9,432
Other Current Liabilities		1,679	1,679
Total Liabilities	<u>48,498</u>	<u>11,823</u>	<u>60,321</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	42,020		42,020
Unrestricted	118,525	182,086	300,611
Total Net Position	<u>\$ 160,545</u>	<u>\$ 182,086</u>	<u>\$ 342,631</u>

HIGHLAND PARK SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 ENTERPRISE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund	Before & After School Care Fund	Total
Operating Revenues:			
Charges for Services:			
Daily Sales-Reimbursable Programs	\$ 152,756		\$ 152,756
Daily Sales-Nonreimbursable Programs	115,579		115,579
Special Function Sales	30,228		30,228
Before and After School Care Service Fees		\$ 322,526	322,526
Total Operating Revenues	<u>298,563</u>	<u>322,526</u>	<u>621,089</u>
Operating Expenses:			
Costs of Sales-Reimbursable Programs	163,055		163,055
Costs of Sales-Nonreimbursable Programs	100,261		100,261
Costs of Sales-Special Functions	26,222		26,222
Salaries	171,952	216,348	388,300
Employee Benefits	73,225	16,551	89,776
Purchased Property Services	7,951		7,951
Insurance	2,806		2,806
Management Fee	23,259		23,259
Other Purchased Services	4,296	45,942	50,238
General Supplies	4,211	21,292	25,503
Depreciation	7,329		7,329
Total Operating Expenses	<u>584,567</u>	<u>300,133</u>	<u>884,700</u>
Operating Income (Loss)	<u>(286,004)</u>	<u>22,393</u>	<u>(263,611)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	6,574		6,574
Federal Sources:			
National School Lunch Program:			
Cash Assistance	244,421		244,421
Noncash Assistance (Commodities)	30,544		30,544
National School Breakfast Program	28,029		28,029
Total Nonoperating Revenues (Expenses)	<u>309,568</u>	<u>-</u>	<u>309,568</u>
Change in Net Position	23,564	22,393	45,957
Net Position, Beginning	<u>136,981</u>	<u>159,693</u>	<u>296,674</u>
Net Position, Ending	<u>\$ 160,545</u>	<u>\$ 182,086</u>	<u>\$ 342,631</u>

HIGHLAND PARK SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund	Before & After School Care Fund	Total
Cash Flows from Operating Activities:			
Receipts from Customers and Departments (Net)	\$ 299,050	\$ 322,466	\$ 621,516
Payments to Employees		(216,348)	(216,348)
Payments for Employee Benefits		(16,551)	(16,551)
Payments to Food Service Management Company (Net)	(540,109)		(540,109)
Payments to Vendors	(15,837)	(73,697)	(89,534)
Net Cash Provided by (Used for) Operating Activities	<u>(256,896)</u>	<u>15,870</u>	<u>(241,026)</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	6,857		6,857
Federal Sources	275,949		275,949
Interfund Activity	(4,326)	4,609	283
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>278,480</u>	<u>4,609</u>	<u>283,089</u>
Cash Flows from Capital & Related Financing Activities:			
Purchase of Capital Assets	(16,242)	-	(16,242)
Net Increase (Decrease) in Cash and Cash Equivalents	5,342	20,479	25,821
Cash and Cash Equivalents, July 1	<u>69,613</u>	<u>172,206</u>	<u>241,819</u>
Cash and Cash Equivalents, June 30	<u>\$ 74,955</u>	<u>\$ 192,685</u>	<u>\$ 267,640</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (286,004)	\$ 22,393	\$ (263,611)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	7,329		7,329
Federal Food Donation Program	30,544		30,544
(Increase) Decrease in Accounts Receivable	(3,800)	(1,224)	(5,024)
(Increase) Decrease in Inventory	2,626		2,626
Increase (Decrease) in Accounts Payable	(6,873)	(6,463)	(13,336)
Increase (Decrease) in Unearned Revenue	(718)	60	(658)
Increase (Decrease) in Current Liabilities		1,104	1,104
Net Cash Provided by (Used for) Operating Activities	<u>\$ (256,896)</u>	<u>\$ 15,870</u>	<u>\$ (241,026)</u>

## **FIDUCIARY FUND**

### **DETAIL STATEMENTS**

Fiduciary Funds are used to account for funds received by the school district as an agent for individuals, private organizations, other governments and/or other funds.



HIGHLAND PARK SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2015

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Student Activity Agency Fund	Payroll Agency Fund	Totals
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 54,302	\$ 76,604	\$ 142,225	\$ 70,158	\$ 343,289
Investments		10,231			10,231
Due from Other Funds	60,362				60,362
<b>Totals Assets</b>	<b>114,664</b>	<b>86,835</b>	<b>142,225</b>	<b>70,158</b>	<b>413,882</b>
<b>LIABILITIES</b>					
Due to Other Funds				40,875	40,875
Accounts Payable	5,736				5,736
Due to Student Groups			142,225		142,225
Payroll Deductions & Withholdings				29,283	29,283
<b>Total Liabilities</b>	<b>5,736</b>	<b>-</b>	<b>142,225</b>	<b>70,158</b>	<b>218,119</b>
<b>NET POSITION</b>					
Held in Trust for Unemployment Claims & Other Purposes	\$ 108,928	\$ 86,835	\$ -	\$ -	\$ 195,763

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

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Total
ADDITIONS			
Contributions:			
Plan Members	\$ 24,569		\$ 24,569
Other		\$ 14,410	14,410
Investment Earnings:			
Interest		20	20
Total Additions	<u>24,569</u>	<u>14,430</u>	<u>38,999</u>
DEDUCTIONS			
Unemployment Claims	50,685		50,685
Scholarships Awarded		19,713	19,713
	<u>50,685</u>	<u>19,713</u>	<u>70,398</u>
Other Financing Sources:			
Transfers In from General Fund	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Change in Net Position	13,884	(5,283)	8,601
Net Position, Beginning	<u>95,044</u>	<u>92,118</u>	<u>187,162</u>
Net Position, Ending	<u>\$ 108,928</u>	<u>\$ 86,835</u>	<u>\$ 195,763</u>

HIGHLAND PARK SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance 07/01/14	Additions	Deletions	Balance 06/30/15
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 129,626	\$ 323,354	\$ 310,755	\$ 142,225
Investments	10,224		10,224	
<b>TOTAL ASSETS</b>	<u>\$ 139,850</u>	<u>\$ 323,354</u>	<u>\$ 320,979</u>	<u>\$ 142,225</u>
<b>LIABILITIES</b>				
Due to Other Funds	\$ 2,387		\$ 2,387	
Due to Student Groups:				
Irving School	8,693	\$ 7,209	6,785	\$ 9,117
Bartle School	17,466	23,010	20,629	19,847
Middle School	9,694	51,918	49,368	12,244
High School	101,610	210,757	211,416	100,951
Athletic Account		30,460	30,394	66
	<u>\$ 139,850</u>	<u>\$ 323,354</u>	<u>\$ 320,979</u>	<u>\$ 142,225</u>

HIGHLAND PARK SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance 07/01/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/15</u>
ASSETS				
Cash & Cash Equivalents	\$ 58,461	\$ 17,126,652	\$ 17,114,955	\$ 70,158
TOTAL ASSETS	<u>\$ 58,461</u>	<u>\$ 17,126,652</u>	<u>\$ 17,114,955</u>	<u>\$ 70,158</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 25,757	\$ 7,380,070	\$ 7,376,544	\$ 29,283
Due to Other Funds	27,397	24,985	11,507	40,875
Net Payroll	<u>5,307</u>	<u>9,721,597</u>	<u>9,726,904</u>	
TOTAL LIABILITIES	<u>\$ 58,461</u>	<u>\$ 17,126,652</u>	<u>\$ 17,114,955</u>	<u>\$ 70,158</u>

## **LONG-TERM DEBT SCHEDULES**

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

HIGHLAND PARK SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS AND EDA LOANS  
JUNE 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/14	Issued	Retired	Balance 06/30/15	
			Date	Amount						
School District-Variou Improvements Refunding Issue	11/17/06	\$ 13,985,000	02/15/16	\$ 655,000	5.00%	\$ 10,285,000			\$ 9,665,000	
			02/15/17	695,000						
			02/15/18	805,000						
			02/15/19	870,000	4.00%					
			02/15/20	915,000						
			02/15/21	1,040,000	5.00%					
			02/15/22	1,090,000						
			02/15/23	1,170,000						
			02/15/24	1,200,000						
			02/15/25	1,225,000						
General Obligation Bonds of 2005	03/08/05	13,775,000				370,000		370,000		
Refunding School Bonds, Series 2012	10/25/12	13,640,000	03/01/16	440,000	3.000%	13,505,000			60,000	13,445,000
			03/01/17	455,000	4.000%					
			03/01/18	395,000						
			03/01/19	385,000						
			03/01/20	390,000						
			03/01/21	320,000						
			03/01/22	335,000						
			03/01/23	325,000	4.500%					
			03/01/24	370,000	4.000%					
			03/01/25	415,000						
			03/01/26	1,790,000						
			03/01/27	1,870,000	3.000%					
			03/01/28	1,925,000						
			03/01/29	1,985,000						
			03/01/30	2,045,000	3.125%					
						<u>\$ 24,160,000</u>	<u>\$ -</u>	<u>\$ 1,050,000</u>	<u>\$ 23,110,000</u>	

HIGHLAND PARK SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
JUNE 30, 2015

	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance 07/01/14</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Balance 06/30/15</u>
Energy Efficient Lighting Upgrades for High/Middle School	0.00%	\$ 49,116	<u>\$ 24,558</u>	<u>\$ -</u>	<u>\$ 24,558</u>	<u>\$ -</u>

HIGHLAND PARK SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 2,008,923		\$ 2,008,923	\$ 2,008,923	
State Sources:					
Debt Service Aid-State Support	9,329		9,329	9,329	
Total Revenues	<u>2,018,252</u>	<u>\$ -</u>	<u>2,018,252</u>	<u>2,018,252</u>	<u>\$ -</u>
EXPENDITURES					
Regular Debt Service:					
Interest on Bonds	974,319		974,319	973,119	1,200
Redemption of Principal	1,050,000		1,050,000	1,050,000	
Total Expenditures	<u>2,024,319</u>	<u>-</u>	<u>2,024,319</u>	<u>2,023,119</u>	<u>1,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,067)	-	(6,067)	(4,867)	1,200
Fund Balance, July 1	26,092	-	26,092	26,092	-
Fund Balance, June 30	<u>\$ 20,025</u>	<u>\$ -</u>	<u>\$ 20,025</u>	<u>\$ 21,225</u>	<u>\$ 1,200</u>
Recapitulation of Excess (Deficiency) of Revenue Over (Under) Expenditures:					
Budgeted Fund Balance	<u>\$ (6,067)</u>	<u>\$ -</u>	<u>\$ (6,067)</u>	<u>\$ (4,867)</u>	<u>\$ 1,200</u>



STATISTICAL SECTION

HIGHLAND PARK SCHOOL DISTRICT  
STATISTICAL SECTION J SERIES

CONTENTS	PAGE
<b>FINANCIAL TRENDS</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
<b>REVENUE CAPACITY</b>	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
<b>DEBT CAPACITY</b>	
These schedules contain trend 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 to J-13
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
<b>OPERATING INFORMATION</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.

HIGHLAND PARK SCHOOL DISTRICT  
 NET POSITION BY COMPONENT  
 LAST TEN FISCAL YEARS  
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>GOVERNMENT ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 4,089,129	\$ 9,957,848	\$ 10,770,628	\$ 11,593,747	\$ 12,357,525	\$ 13,315,453	\$ 14,680,839	\$ 15,424,132	\$ 15,927,934	\$ 16,630,941
Restricted	149,445	155,148	587,640	576,114	1,142,898	1,615,963	1,478,028	1,344,634	1,295,867	1,488,895
Unrestricted	(623,208)	(1,092,027)	(1,736,837)	(1,297,089)	(1,966,622)	(1,677,935)	(1,184,011)	(721,513)	(6,362,501)	(6,538,377)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 3,615,366</b>	<b>\$ 9,020,969</b>	<b>\$ 9,621,431</b>	<b>\$ 10,872,772</b>	<b>\$ 11,533,801</b>	<b>\$ 13,253,481</b>	<b>\$ 14,974,856</b>	<b>\$ 16,047,253</b>	<b>\$ 10,861,300</b>	<b>\$ 11,581,459</b>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 46,886	\$ 42,752	\$ 58,693	\$ 52,471	\$ 45,324	\$ 40,711	\$ 33,344	\$ 26,770	\$ 33,107	\$ 42,020
Unrestricted	38,343	42,848	83,144	167,930	167,913	168,790	233,111	234,305	263,567	300,611
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 85,229</b>	<b>\$ 85,600</b>	<b>\$ 141,837</b>	<b>\$ 220,401</b>	<b>\$ 213,237</b>	<b>\$ 209,501</b>	<b>\$ 266,455</b>	<b>\$ 261,075</b>	<b>\$ 296,674</b>	<b>\$ 342,631</b>
<b>DISTRICT-WIDE</b>										
Net Investment in Capital Assets	\$ 4,136,015	\$ 10,000,600	\$ 10,829,321	\$ 11,646,218	\$ 12,402,849	\$ 13,356,164	\$ 14,714,183	\$ 15,450,902	\$ 15,961,041	\$ 16,672,961
Restricted	149,445	155,148	587,640	576,114	1,142,898	1,615,963	1,478,028	1,344,634	1,295,867	1,488,895
Unrestricted	(584,865)	(1,049,179)	(1,653,693)	(1,129,159)	(1,798,709)	(1,509,145)	(950,900)	(487,208)	(6,098,934)	(6,237,766)
<b>TOTAL DISTRICT-WIDE</b>	<b>\$ 3,700,595</b>	<b>\$ 9,106,569</b>	<b>\$ 9,763,268</b>	<b>\$ 11,093,173</b>	<b>\$ 11,747,038</b>	<b>\$ 13,462,982</b>	<b>\$ 15,241,311</b>	<b>\$ 16,308,328</b>	<b>\$ 11,157,974</b>	<b>\$ 11,924,090</b>

HIGHLAND PARK SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>EXPENSES</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 9,940,335	\$ 10,094,536	\$ 10,307,353	\$ 9,573,546	\$ 9,156,318	\$ 8,897,577	\$ 9,887,679	\$ 11,057,689	\$ 11,258,338	\$ 13,827,267
Special Education	1,518,158	2,205,385	2,615,781	2,609,222	2,989,771	3,262,529	3,111,479	3,663,691	3,752,569	4,553,786
Other Special Education	635,600	526,932	736,405	496,443	485,936	659,803	587,261	596,341	733,884	774,195
Other Instruction	714,374	641,149	709,853	672,637	1,126,422	983,996	914,493	833,214	867,842	938,732
Support Services:										
Tuition	1,076,502	1,579,855	1,722,016	1,763,726	1,750,764	1,804,870	1,868,281	1,902,117	1,963,823	1,978,369
Student & Instruction Related Services	4,445,642	4,482,339	4,706,208	4,389,406	4,419,671	4,240,958	4,204,905	4,662,007	4,285,857	4,871,894
General & Business Administrative Services	1,395,372	1,769,296	1,748,463	1,503,870	1,418,257	1,412,487	1,908,409	1,767,011	1,577,180	1,976,727
School Administration	1,199,723	1,342,109	1,436,481	1,380,141	1,502,289	1,380,535	1,536,729	1,628,626	1,554,762	1,792,284
Plant Operations & Maintenance	1,769,849	2,199,153	2,181,302	2,304,046	2,232,019	2,213,377	2,011,298	2,237,883	1,992,071	2,407,329
Pupil Transportation	1,041,815	1,392,987	1,311,731	1,245,772	1,216,083	1,283,356	1,266,543	1,312,460	1,309,393	1,405,434
Special Schools	20,000	3,690								
Transfer to Charter Schools	69,983	50,282	69,048	66,733	112,407	194,888	220,704	326,707	326,357	394,775
Interest on Long Term Debt	1,472,697	1,174,091	1,339,177	1,290,577	1,245,732	1,278,984	1,214,753	1,111,490	1,121,718	1,082,075
Total Governmental Activities Expenses	<u>25,300,050</u>	<u>27,461,804</u>	<u>28,883,818</u>	<u>27,296,119</u>	<u>27,655,669</u>	<u>27,613,360</u>	<u>28,732,534</u>	<u>31,099,236</u>	<u>30,743,794</u>	<u>36,002,867</u>
Business-Type Activities:										
Food Services	532,544	563,109	602,539	555,129	545,600	504,307	519,295	554,527	588,168	584,567
Other	383,254	335,393	382,620	467,428	401,137	284,588	288,115	302,036	274,970	300,133
Total Business-Type Activities	<u>915,798</u>	<u>898,502</u>	<u>985,159</u>	<u>1,022,557</u>	<u>946,737</u>	<u>788,895</u>	<u>807,410</u>	<u>856,563</u>	<u>863,138</u>	<u>884,700</u>
<b>TOTAL DISTRICT EXPENSES</b>	<u>\$ 26,215,848</u>	<u>\$ 28,360,306</u>	<u>\$ 29,868,977</u>	<u>\$ 28,318,676</u>	<u>\$ 28,602,406</u>	<u>\$ 28,402,255</u>	<u>\$ 29,539,944</u>	<u>\$ 31,955,799</u>	<u>\$ 31,606,932</u>	<u>\$ 36,887,567</u>

HIGHLAND PARK SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Continued)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>PROGRAM REVENUES</b>										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 53,690	\$ 37,814	\$ 23,835	\$ 33,338	\$ 28,663	\$ 34,093	\$ 46,095	\$ 61,062	\$ 57,441	\$ 48,734
Special Education Instruction				10,951		42,289	9,400	30,464	68,799	36,016
Other Instruction					3,551					
Student & Instructional Related Services								280		
General & Business Administrative Services	105	4,102	135	256	140	138	10	137	168	4
Plant Operations & Maintenance	18,802	26,777	21,423	20,918	7,778	294	5,282	28,346	29,554	75,108
Operating Grants & Contributions	2,764,276	2,501,542	2,586,175	1,351,035	1,289,252	1,711,885	1,353,625	2,294,897	1,419,517	1,334,920
Capital Grants & Contributions	1,599,332	5,302,879	783,098	310,401		259,835	497,091	64,903	19,640	235,293
<b>Total Governmental Activities Program Revenues</b>	<b>4,436,205</b>	<b>7,873,114</b>	<b>3,414,666</b>	<b>1,726,899</b>	<b>1,329,384</b>	<b>2,048,534</b>	<b>1,911,503</b>	<b>2,480,089</b>	<b>1,595,119</b>	<b>1,730,075</b>
Business-Type Activities:										
Charges for Services:										
Food Service	337,256	352,856	376,895	339,574	302,562	272,828	294,182	289,781	306,373	298,563
Other	338,638	355,547	412,396	553,773	387,757	275,473	308,312	310,673	315,652	322,526
Operating Grants & Contributions	184,593	194,424	199,839	207,442	249,093	236,430	258,294	275,729	301,212	309,568
<b>Total Business-Type Activities Program Revenues</b>	<b>860,487</b>	<b>902,827</b>	<b>989,130</b>	<b>1,100,789</b>	<b>939,412</b>	<b>784,731</b>	<b>860,788</b>	<b>876,183</b>	<b>923,237</b>	<b>930,657</b>
<b>TOTAL DISTRICT-PROGRAM REVENUES</b>	<b>\$ 5,296,692</b>	<b>\$ 8,775,941</b>	<b>\$ 4,403,796</b>	<b>\$ 2,827,688</b>	<b>\$ 2,268,796</b>	<b>\$ 2,833,265</b>	<b>\$ 2,772,291</b>	<b>\$ 3,356,272</b>	<b>\$ 2,518,356</b>	<b>\$ 2,660,732</b>
<b>NET (EXPENSE) REVENUES</b>										
Governmental Activities	\$ (20,863,845)	\$ (19,588,690)	\$ (25,469,152)	\$ (25,569,220)	\$ (26,326,285)	\$ (25,564,826)	\$ (26,821,031)	\$ (28,619,147)	\$ (29,148,675)	\$ (34,272,792)
Business-Type Activities	(55,311)	4,325	3,971	78,232	(7,325)	(4,164)	53,378	19,620	60,099	45,957
<b>TOTAL DISTRICT-WIDE NET EXPENSES</b>	<b>\$ (20,919,156)</b>	<b>\$ (19,584,365)</b>	<b>\$ (25,465,181)</b>	<b>\$ (25,490,988)</b>	<b>\$ (26,333,610)</b>	<b>\$ (25,568,990)</b>	<b>\$ (26,767,653)</b>	<b>\$ (28,599,527)</b>	<b>\$ (29,088,576)</b>	<b>\$ (34,226,835)</b>

HIGHLAND PARK SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Continued)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>GENERAL REVENUES &amp; OTHER CHANGES IN NET POSITION</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 16,683,190	\$ 17,580,347	\$ 18,647,753	\$ 19,125,082	\$ 19,690,085	\$ 20,464,826	\$ 20,874,123	\$ 21,291,605	\$ 21,717,437	\$ 23,208,941
Property Taxes Levied for Debt Service	2,117,804	2,120,213	1,972,159	2,051,618	2,055,915	2,056,511	2,054,645	2,056,929	1,967,946	2,008,923
Unrestricted Grants & Contributions	4,219,855	5,103,699	5,340,516	5,550,906	5,300,824	4,733,360	5,478,065	6,136,322	5,947,416	9,716,309
Investment Earnings	564,018	439,280	146,178	23,916	22,003	13,066	4,391	2,197	1,827	6,058
Miscellaneous Income	64,776	117,593	103,792	149,866	103,487	131,819	241,182	143,730	87,345	92,720
Transfers In/(Out)	(37,000)	(37,000)	(139,170)	(76,150)	(185,000)	(110,000)	(110,000)	25,000	(15,000)	(40,000)
Special Item-Insurance Proceeds for Storm Damage								35,761		
Special Item-Payment to Refunding Bond Agent		(329,839)								
Special Item-Gain (Loss) on Disposal of Capital Assets	1,000		(1,614)	(4,677)		(5,076)			(1,864)	
<b>Total Governmental Activities</b>	<b>23,613,643</b>	<b>24,994,293</b>	<b>26,069,614</b>	<b>26,820,561</b>	<b>26,987,314</b>	<b>27,284,506</b>	<b>28,542,406</b>	<b>29,691,544</b>	<b>29,705,107</b>	<b>34,992,951</b>
Business-Type Activities:										
Investment Earnings	1,262	1,365	753	332	361	428	58			
Miscellaneous Income	75						3,518		500	
Transfers In/(Out)			50,170					(25,000)	(25,000)	
Special Item-Prior Year Management Company Profit		6,570								
Special Item-Prior Year Special Function Revenue (Expenses)		(11,889)	1,343							
Special Item-Prior Year Accounts Receivable Canceled					(200)					
Special Item-Prior Year Other Liability Canceled	103									
Special Item-Prior Year Subsidy Income Refunded	(2,472)									
<b>Total Business-Type Activities</b>	<b>(1,032)</b>	<b>(3,954)</b>	<b>52,266</b>	<b>332</b>	<b>161</b>	<b>428</b>	<b>3,576</b>	<b>(25,000)</b>	<b>(24,500)</b>	<b>-</b>
<b>TOTAL DISTRICT-WIDE</b>	<b>\$ 23,612,611</b>	<b>\$ 24,990,339</b>	<b>\$ 26,121,880</b>	<b>\$ 26,820,893</b>	<b>\$ 26,987,475</b>	<b>\$ 27,284,934</b>	<b>\$ 28,545,982</b>	<b>\$ 29,666,544</b>	<b>\$ 29,680,607</b>	<b>\$ 34,992,951</b>
<b>CHANGE IN NET POSITION</b>										
Governmental Activities	\$ 2,749,798	\$ 5,405,603	\$ 600,462	\$ 1,251,341	\$ 661,029	\$ 1,719,680	\$ 1,721,375	\$ 1,072,397	\$ 556,432	\$ 720,159
Business-Type Activities	(56,343)	371	56,237	78,564	(7,164)	(3,736)	56,954	(5,380)	35,599	45,957
<b>TOTAL DISTRICT</b>	<b>\$ 2,693,455</b>	<b>\$ 5,405,974</b>	<b>\$ 656,699</b>	<b>\$ 1,329,905</b>	<b>\$ 653,865</b>	<b>\$ 1,715,944</b>	<b>\$ 1,778,329</b>	<b>\$ 1,067,017</b>	<b>\$ 592,031</b>	<b>\$ 766,116</b>

HIGHLAND PARK SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS,  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Restricted	\$ 1,074,531	\$ 1,261,428	\$ 468,471	\$ 469,773	\$ 531,560	\$ 219,745	\$ 433,788	\$ 275,830		\$ 49,868
Committed	6,633	6,964	357,233	359,436	1,060,319	500,304	1,321,824	1,186,749	\$ 552,234	1,103,068
Assigned	741,959	468,015	601,716	954,715	324,028	741,286	1,270,719	899,233	1,028,454	695,676
Unassigned	296,949	372,440	383,468	256,073	182,362	365,048	320,852	359,524	388,364	509,412
Total General Fund	<u>\$ 2,120,072</u>	<u>\$ 2,108,847</u>	<u>\$ 1,810,888</u>	<u>\$ 2,039,997</u>	<u>\$ 2,098,269</u>	<u>\$ 1,826,383</u>	<u>\$ 3,347,183</u>	<u>\$ 2,721,336</u>	<u>\$ 1,969,052</u>	<u>\$ 2,358,024</u>
All Other Governmental Funds:										
Restricted, Reported In:										
Capital Projects Fund	\$ 11,293,068	\$ 1,924,439	\$ 559,559	\$ 463,688	\$ 96,238	\$ 1,128,721	\$ 168,921	\$ 120,353	\$ 717,541	\$ 364,602
Assigned, Reported In:										
Debt Service Fund	11,915	76,215	1	1		1	1	50,250	26,092	21,225
Unassigned, Reported In:										
Special Revenue Fund	(63,227)	(63,227)	(73,377)	(29,022)	(29,992)	(29,992)	(27,492)	(28,859)	(30,488)	(32,231)
Total All Other Governmental Funds	<u>\$ 11,241,756</u>	<u>\$ 1,937,427</u>	<u>\$ 486,183</u>	<u>\$ 434,667</u>	<u>\$ 66,246</u>	<u>\$ 1,098,730</u>	<u>\$ 141,430</u>	<u>\$ 141,744</u>	<u>\$ 713,145</u>	<u>\$ 353,596</u>

HIGHLAND PARK SCHOOL DISTRICT  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Tax Levy	\$ 18,800,994	\$ 19,700,560	\$ 20,619,912	\$ 21,176,700	\$ 21,746,000	\$ 22,521,337	\$ 22,928,768	\$ 23,348,534	\$ 23,685,383	\$ 25,217,864
Tuition Charges	53,905	37,314	23,835	39,934	28,663	76,382	55,495	90,521	126,209	84,750
Interest Earnings	563,803	439,280	146,178	23,916	22,003	13,066	4,391	2,197	1,827	6,058
Miscellaneous	123,605	133,775	136,808	184,377	100,806	140,296	267,431	1,034,900	109,456	173,101
State Sources	5,854,705	6,695,828	7,099,005	6,209,897	5,357,841	5,285,820	5,879,238	6,710,432	6,498,687	6,990,035
State Sources-Capital Projects	1,599,332	5,302,879	783,098	310,401		259,835	497,091	64,903	19,640	235,293
Federal Sources	1,080,818	867,974	769,426	630,739	1,196,717	1,110,005	885,699	778,930	805,729	732,653
<b>Total Revenues</b>	<b>28,077,162</b>	<b>33,177,610</b>	<b>29,578,262</b>	<b>28,575,964</b>	<b>28,452,030</b>	<b>29,406,741</b>	<b>30,518,113</b>	<b>32,030,417</b>	<b>31,246,931</b>	<b>33,439,754</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	6,419,524	6,299,046	6,535,275	6,877,160	6,514,936	6,187,899	6,785,092	7,335,202	7,511,275	7,867,272
Special Education Instruction	1,060,120	1,477,670	1,727,937	1,890,684	2,087,987	2,232,059	2,073,818	2,413,925	2,464,384	2,594,131
Other Special Instruction	198,101	208,885	231,264	238,532	249,108	243,562	254,013	264,405	273,745	222,516
School Sponsored/Other Instructional	540,670	484,499	528,237	496,530	803,805	694,021	639,463	580,783	597,520	621,901
<b>Support Services:</b>										
Tuition	776,998	1,232,919	1,418,877	1,544,207	1,588,055	1,325,187	1,551,601	1,583,577	1,638,311	1,759,536
Student & Inst Related Services	2,525,537	2,578,772	2,733,522	3,015,690	2,929,618	2,781,135	2,716,128	2,947,208	2,748,630	2,719,938
General Administration	599,054	688,718	662,134	599,287	540,782	564,270	681,821	657,647	629,571	870,571
School Administration Services	749,288	800,968	818,510	886,022	929,273	850,887	942,431	988,977	970,007	976,782
Central Services	416,154	574,476	636,204	457,733	383,945	368,853	416,759	424,193	418,742	414,785
Administrative Information Technology	50,897	59,118	51,277	60,696	55,749	45,723	55,958	49,416	45,699	101,644
Plant Operations & Maintenance	1,758,727	2,165,319	2,136,233	2,236,832	2,146,722	2,149,502	1,976,206	2,190,994	1,963,783	2,339,513
Pupil Transportation	1,021,623	1,390,050	1,306,768	1,237,312	1,208,805	1,275,558	1,258,988	1,301,430	1,299,566	1,396,218
Employee Benefits	2,528,666	2,536,248	2,809,315	3,086,387	3,295,083	3,432,714	3,578,330	3,877,541	4,282,640	4,440,405
On-Behalf TPAF Pension & Social Security Contribution	1,787,039	2,555,344	2,669,005	1,529,760	1,610,837	1,482,444	1,830,338	2,341,289	2,108,950	2,475,847
Capital Outlay	95,432	81,791	50,742	324,511	395,953	234,686	191,113	950,456	550,329	131,586
Lease Purchase Agreement-Principal	50,669	49,550								
Special Schools	20,000	3,690								
Transfers to Charter Schools	69,983	50,282	69,048	66,733	112,407	194,888	220,704	326,707	326,357	394,775
Special Revenue Funds	2,764,276	2,501,542	2,596,325	1,306,680	1,290,222	1,711,885	1,361,578	2,343,162	1,434,213	1,352,979
Capital Projects Fund	4,022,844	14,874,319	2,147,978	406,272	367,450	627,526	1,207,927	245,342	49,100	588,232
<b>Debt Service:</b>										
Principal	643,785	825,498	737,474	769,865	807,368	840,449	873,948	988,096	1,032,261	1,074,558
Interest & Other Charges	1,473,506	1,241,621	1,322,170	1,291,328	1,259,074	1,292,895	1,229,247	1,087,932	1,067,731	1,027,142
<b>Total Expenditures</b>	<b>29,572,893</b>	<b>42,680,325</b>	<b>31,188,295</b>	<b>28,322,221</b>	<b>28,577,179</b>	<b>28,536,143</b>	<b>29,845,463</b>	<b>32,898,282</b>	<b>31,412,814</b>	<b>33,370,331</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,495,731)	(9,502,715)	(1,610,033)	253,743	(125,149)	870,598	672,650	(867,865)	(165,883)	69,423
<b>Other Financing Sources (Uses):</b>										
Capital Leases (Non-Budgeted)								49,116		
Proceeds from Bond Issue										
Proceeds from Refunding Bond Issue		13,985,000						13,640,000		
Payment to Refunding Bond Escrow Agent		(14,464,839)						(13,949,447)		
Premium on Bond Issue		682,650						441,318		
Premium on Note Issue		21,350					850	584		
Proceeds from Sale of Capital Assets	1,000									
Insurance Claim Proceeds for Storm Damage								35,761		
Transfers In (Out)	(37,000)	(37,000)	(139,170)	(76,150)	(185,000)	(110,000)	(110,000)	25,000	(15,000)	(40,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(36,000)</b>	<b>187,161</b>	<b>(139,170)</b>	<b>(76,150)</b>	<b>(185,000)</b>	<b>(110,000)</b>	<b>(109,150)</b>	<b>242,332</b>	<b>(15,000)</b>	<b>(40,000)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,531,731)</b>	<b>\$ (9,315,554)</b>	<b>\$ (1,749,203)</b>	<b>\$ 177,593</b>	<b>\$ (310,149)</b>	<b>\$ 760,598</b>	<b>\$ 563,500</b>	<b>\$ (625,533)</b>	<b>\$ (180,883)</b>	<b>\$ 29,423</b>
<b>Debt Service as a Percentage of Non-capital Expenditures</b>	<b>9.31%</b>	<b>8.27%</b>	<b>7.65%</b>	<b>8.07%</b>	<b>8.03%</b>	<b>8.35%</b>	<b>7.98%</b>	<b>7.01%</b>	<b>7.31%</b>	<b>6.88%</b>

Source: District Records

NOTE: Non capital expenditures are total expenditures less capital outlay, capital projects and debt service expenditures.



HIGHLAND PARK SCHOOL DISTRICT  
 GENERAL FUND-OTHER LOCAL REVENUES BY SOURCE  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Description	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Interest Income	\$ 69,501	\$ 112,771	\$ 97,265	\$ 23,779	\$ 22,003	\$ 13,066	\$ 4,391	\$ 2,197	\$ 1,827	\$ 6,058
Insurance Dividends		14,262	13,355	13,348	5,032	8,808				
Mortgage Loan Proceeds	41,355	42,389	43,449	44,535	45,649	46,790	47,960	49,158		
Rentals	713	18,665	15,660	11,821	2,700		1,375	11,085	20,995	45,600
Prior Year:										
Account Balance Canceled	17,898	408						9,387	1,164	1,610
Refund	12,396	3,427	6,084	5,202	11,321	6,693	23,568	2,982	14,740	9,074
Outstanding Checks Voided	2,480	7,430		8,756					517	
E- Rate Rebates				36,545				7,791	165	
Miscellaneous Refunds								512		26
Bid Spec Fees		4,450								
Restitution		1,166		328	434		410			
Donations and Local Contributions						27,308		1,880		
Tuition	53,690	37,314	23,835	39,934	28,663	76,382	55,495	90,521	126,209	84,750
Proceeds from Sale of Capital Assets				2,112	90				289	
Lawsuit Settlement Proceeds							126,000			
Energy Rebates								3,475	8,808	8,743
Miscellaneous	155	139		425	62	1,277	1,365	707	261	313
<b>Annual Totals</b>	<b>\$ 198,188</b>	<b>\$ 242,421</b>	<b>\$ 199,648</b>	<b>\$ 186,785</b>	<b>\$ 115,954</b>	<b>\$ 180,324</b>	<b>\$ 260,564</b>	<b>\$ 179,695</b>	<b>\$ 174,975</b>	<b>\$ 156,174</b>

Sources: District Records

HIGHLAND PARK SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
 LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vacant Land	\$ 3,232,600	\$ 3,073,900	\$ 3,412,100	\$ 3,460,700	\$ 3,402,400	\$ 8,975,900	\$ 7,665,900	\$ 4,941,000	\$ 4,979,000	\$ 8,369,600
Residential	391,197,500	392,449,400	394,142,800	395,306,400	396,844,200	397,445,000	401,239,600	409,902,700	410,935,400	410,880,200
Commercial	49,817,900	49,407,300	48,518,800	48,823,000	49,040,700	48,760,300	48,480,900	47,375,500	47,800,300	49,270,000
Industrial	5,050,200	4,750,900	5,044,900	4,763,800	4,763,800	2,808,400	2,808,400	2,808,400	2,487,800	2,330,600
Apartment	85,455,600	80,728,300	80,112,600	80,459,300	80,459,300	77,138,600	77,035,000	76,839,300	76,781,000	76,368,600
<b>Total Assessed Value</b>	<b>534,753,800</b>	<b>530,409,800</b>	<b>531,231,200</b>	<b>532,813,200</b>	<b>534,510,400</b>	<b>535,128,200</b>	<b>537,229,800</b>	<b>541,866,900</b>	<b>542,983,500</b>	<b>547,219,000</b>
Public Utilities (a)	344,060	310,037	306,318	311,208	304,824	276,411	40	40	42	43
<b>Net Valuation Taxable</b>	<b>\$ 535,097,860</b>	<b>\$ 530,719,837</b>	<b>\$ 531,537,518</b>	<b>\$ 533,124,408</b>	<b>\$ 534,815,224</b>	<b>\$ 535,404,611</b>	<b>\$ 537,229,840</b>	<b>\$ 541,866,940</b>	<b>\$ 542,983,542</b>	<b>\$ 547,219,043</b>
Estimated Actual County Equalized Value	\$ 1,280,751,221	\$ 1,428,657,064	\$ 1,488,066,959	\$ 1,512,628,292	\$ 1,501,446,445	\$ 1,436,556,510	\$ 1,358,356,106	\$ 1,371,814,938	\$ 1,288,828,726	\$ 1,271,124,317
Percentage of Net Valuation to Estimated Actual County Equalized Value	41.78%	37.15%	35.72%	35.24%	35.62%	37.27%	39.55%	39.50%	42.13%	43.05%
<b>Total Direct School Tax Rate (b)</b>	<b>\$ 3.60</b>	<b>\$ 3.80</b>	<b>\$ 3.93</b>	<b>\$ 4.02</b>	<b>\$ 4.14</b>	<b>\$ 4.24</b>	<b>\$ 4.31</b>	<b>\$ 4.33</b>	<b>\$ 4.55</b>	<b>\$ 4.60</b>

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

(a) Taxable value of machinery, implements and equipments of telephone and messenger system companies

(b) Tax rates are per \$100

\* Revalued/Reassessed

HIGHLAND PARK SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 LAST TEN FISCAL YEARS  
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	School District Direct Rate			Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)	Municipality	County	
			Total Direct School Tax Rate			
2006	\$ 3.21	\$ 0.39	\$ 3.60	\$ 1.41	\$ 0.71	\$ 5.72
2007	3.44	0.36	3.80	1.48	0.77	6.05
2008	3.55	0.38	3.93	1.57	0.80	6.30
2009	3.64	0.38	4.02	1.63	0.84	6.49
2010	3.76	0.38	4.14	1.66	0.84	6.64
2011	3.86	0.38	4.24	1.71	0.90	6.85
2012	3.93	0.38	4.31	1.77	0.91	6.99
2013	3.97	0.36	4.33	1.86	0.98	7.17
2014	4.19	0.36	4.55	1.98	0.95	7.48
2015	4.25	0.35	4.60	2.07	0.93	7.60

Sources: Municipal Tax Collector

**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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (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.

HIGHLAND PARK SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAXPAYERS,  
 CURRENT YEAR AND NINE YEARS AGO

	2015			2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Tree Tops at Highlands LLC	\$ 8,000,000	1	1.46%	\$ 9,814,400	1	1.83%
Cedar Arms Associates LLC	5,220,000	2	0.95%	6,600,000	3	1.23%
Donaldson Park Apartments	5,019,800	3	0.92%	5,019,800	4	0.94%
CLA Management Company	4,994,800	4	0.91%	8,090,500	2	1.51%
Rutgers University c/o Richardson	4,922,100	5	0.90%			
Cedar Holding Associates	4,871,600	6	0.89%	4,871,600	6	0.91%
Orchard Gardens	4,600,300	7	0.84%	4,600,300	7	0.86%
Highland Montgomery LLC	3,704,000	8	0.68%	3,704,000	8	0.69%
East Coast Harper & Highland House/Gardens	3,544,600	9	0.65%			
Highland Park Manor LLC	2,500,000	10	0.46%	2,712,600	9	0.51%
Forest Glen				4,922,100	5	0.92%
Parktowne House Apartments				2,586,000	10	0.48%
	<u>\$ 47,377,200</u>		<u>8.66%</u>	<u>\$ 52,921,300</u>		<u>9.88%</u>

Source: Municipal Tax Assessor

HIGHLAND PARK SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2005	\$ 28,973,759	\$ 28,795,133	99.38%
2006	30,817,261	30,794,288	99.93%
2007	32,357,491	32,309,292	99.85%
2008	33,831,273	33,808,188	99.93%
2009	34,875,063	34,863,397	99.97%
2010	35,671,962	35,652,607	99.95%
2011	36,980,545	36,921,189	99.84%
2012	38,186,051	38,182,144	99.99%
2013	39,134,661	39,133,432	100.00%
2014	40,805,492	40,805,412	100.00%

Sources: District records including the Certificate and Report of School Taxes (A4F form)

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

HIGHLAND PARK SCHOOL DISTRICT  
 RATIOS OF OUTSTANDING DEBT BY TYPE  
 LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Governmental Activities			Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2006	\$ 30,150,401		\$ 49,550			\$ 30,199,951	5.18%	\$ 2,160
2007	29,174,903			\$ 7,000,000		36,174,903	5.75%	2,574
2008	28,437,429			5,000,000		33,437,429	4.97%	2,357
2009	27,667,564					27,667,564	3.94%	1,930
2010	26,860,196					26,860,196	4.06%	1,919
2011	26,019,747					26,019,747	3.88%	1,849
2012	25,145,799			1,085,996		26,231,795	3.65%	1,834
2013	25,167,703		49,116	1,085,996		26,302,815	3.53%	1,828
2014	24,160,000		24,558			24,184,558	3.20%	1,675
2015	23,110,000					23,110,000	N/A	1,601

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

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

HIGHLAND PARK SCHOOL DISTRICT  
 RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
 LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	\$ 30,150,401		\$ 30,150,401	5.63%	\$ 2,156
2007	29,174,903		29,174,903	5.50%	2,076
2008	28,437,429		28,437,429	5.35%	2,004
2009	27,667,564		27,667,564	5.19%	1,930
2010	26,860,196		26,860,196	5.02%	1,919
2011	26,019,747		26,019,747	4.86%	1,849
2012	25,145,799		25,145,799	4.68%	1,758
2013	25,167,703		25,167,703	4.64%	1,749
2014	24,160,000		24,160,000	4.45%	1,674
2015	23,110,000		23,110,000	4.22%	1,612

**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.
- (b) Population data can be found in Exhibit J-14.

HIGHLAND PARK SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2014

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Municipality	\$ 19,218,349	100.00	\$ 19,218,349
County General Obligation Debt	801,823,325	1.34	<u>10,784,149</u>
Subtotal, Overlapping Debt			30,002,498
School District Direct Debt			<u>24,160,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 54,162,498</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation. Debt outstanding data provided by each governmental unit.

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the municipality. 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 payment.

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



HIGHLAND PARK SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION,  
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2015

											Equalized Valuation Basis		
											2014	\$ 1,261,285,714	
											2013	1,286,178,258	
											2012	<u>1,360,075,443</u>	
											<u>\$ 3,907,539,415</u>		
											Average Equalized Valuation of Taxable Property		<u>\$ 1,302,513,138</u>
											Debt Limit (4.0% of Average Equalization Value)		\$ 52,100,526 (a)
											Total Net Debt Applicable to Limit		<u>23,110,000</u>
											Legal Debt Margin		<u>\$ 28,990,526</u>
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015			
Debt Limit	\$ 46,375,421	\$ 51,244,335	\$ 55,904,247	\$ 58,950,149	\$ 59,992,854	\$ 59,092,121	\$ 57,107,005	\$ 55,296,999	\$ 53,323,946	\$ 52,100,526			
Total Net Debt Applicable	<u>38,026,794</u>	<u>37,051,296</u>	<u>33,437,429</u>	<u>29,444,092</u>	<u>28,636,724</u>	<u>27,796,275</u>	<u>28,008,323</u>	<u>28,030,227</u>	<u>24,160,000</u>	<u>23,110,000</u>			
Legal Debt Margin	<u>\$ 8,348,627</u>	<u>\$ 14,193,039</u>	<u>\$ 22,466,818</u>	<u>\$ 29,506,057</u>	<u>\$ 31,356,130</u>	<u>\$ 31,295,846</u>	<u>\$ 29,098,682</u>	<u>\$ 27,266,772</u>	<u>\$ 29,163,946</u>	<u>\$ 28,990,526</u>			
Total Net Debt Applicable to the Limit as a Percent- age of Debt Limit	82.00%	72.30%	59.81%	49.95%	47.73%	47.04%	49.05%	50.69%	45.31%	44.36%			

Source: Equalized valuation bases were obtained from the annual report of the State of New Jersey  
 Department of Treasury, Division of Taxation

(a) Limit Set by NJSA 18A:24-19

HIGHLAND PARK SCHOOL DISTRICT  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS

Year	Population ( a )	Personal Income ( b )	Per Capita Personal Income ( c )	Unemployment Rate ( d )
2006	13,984	\$ 626,567,104	\$ 44,806	4.20%
2007	14,053	665,915,458	47,386	3.70%
2008	14,187	695,262,309	49,007	5.00%
2009	14,332	676,972,020	47,235	7.80%
2010	13,994	666,086,412	47,598	7.80%
2011	14,071	707,306,957	50,267	7.60%
2012	14,304	739,945,920	51,730	7.70%
2013	14,392	752,572,072	52,291	7.80%
2014	14,436	N/A	N/A	4.40%
2015	14,336	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by county estimated based upon the 2010 census published by the US Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

HIGHLAND PARK SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	2015			2006		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

HIGHLAND PARK SCHOOL DISTRICT  
 FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction:										
Regular	139.0	137.0	120.0	115.0	110.0	99.1	105.4	117.1	116.5	119.4
Special Education	20.0	27.0	56.0	44.0	45.4	48.2	49.1	56.8	60.8	49.6
Other Instruction	2.0	2.0	3.6	3.6	3.6	3.6	8.0	7.1	6.1	5.3
Support Services:										
Student and Instruction Related Services	45.0	45.0	44.0	54.0	51.9	50.7	46.3	46.0	34.8	42.4
General Administration	2.0	2.0	2.0	3.2	3.2	3.2	3.2	2.2	3.2	3.0
School Administration Services	11.0	10.0	10.9	11.2	12.7	11.5	11.5	12.2	14.7	14.4
Central Services	7.0	7.0	6.5	5.8	5.8	4.8	5.1	5.5	4.5	4.5
Administrative Information Technology	1.0	1.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Plant Operations and Maintenance	6.0	4.0	4.5	3.9	3.2	3.6	2.2	2.3	1.6	3.2
<b>Total</b>	<u>233.0</u>	<u>235.0</u>	<u>248.0</u>	<u>241.2</u>	<u>236.3</u>	<u>225.2</u>	<u>231.3</u>	<u>249.7</u>	<u>242.7</u>	<u>242.3</u>

Sources: District Personnel Records

HIGHLAND PARK SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures ( a )	Cost Per Pupil	Percentage Change	Teaching Staff ( b )	Teacher Ratio	Average Daily Enrollment (ADE) ( c )	Average Daily Attendance (ADA) ( c )	% Change in Average Daily Enrollment	Student Attendance Percentage
2006	1,534	23,286,657	15,180	6.50%	169	1 to 19.00	1,513.0	1,436.0	-0.39%	94.91%
2007	1,544	25,607,546	16,585	9.25%	167	1 to 19.75	1,537.4	1,462.4	1.61%	95.12%
2008	1,486	26,929,931	18,122	9.27%	158	1 to 13.44	1,507.2	1,432.5	-1.96%	95.04%
2009	1,445	25,530,245	17,668	-2.51%	152	1 to 19.75	1,451.1	1,384.1	-3.72%	95.38%
2010	1,473	25,747,334	17,480	-1.07%	153	1 to 19.93	1,466.7	1,390.5	1.08%	94.80%
2011	1,457	25,540,587	17,530	0.29%	149	1 to 20.03	1,456.9	1,379.7	-0.67%	94.70%
2012	1,483	26,297,672	17,733	1.16%	151	1 to 21.07	1,470.5	1,406.8	0.93%	95.67%
2013	1,521	29,626,456	19,478	9.84%	142	1 to 22.94	1,531.1	1,460.0	4.12%	95.36%
2014	1,595	28,713,393	18,002	-7.58%	141	1 to 19.69	1,594.8	1,520.6	4.16%	95.35%
2015	1,581	30,548,813	19,322	7.33%	144	1 to 21.66	1,581.5	1,511.6	-0.83%	95.58%

Source: District Records

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents or certificated staff.

(c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary (SRS).

HIGHLAND PARK SCHOOL DISTRICT  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS

DISTRICT BUILDINGS	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elementary Schools:										
<u>Irving School (1915)</u>										
Square Feet	51,889	51,889	54,521	54,521	54,521	54,521	54,521	54,521	54,521	54,521
Capacity (Students)	475	475	500	500	500	500	500	500	500	500
Enrollment	432	449	312	294	301	290	299	335	336	332
<u>Bartle School (1966)</u>										
Square Feet	94,325	94,325	94,325	94,325	94,325	94,325	94,325	94,325	94,325	94,325
Capacity (students)	485	485	485	485	485	485	485	485	485	485
Enrollment	409	434	470	478	453	417	447	422	448	473
Middle School:										
<u>Highland Park Middle School (1998)</u>										
Square Feet	57,620	57,620	78,744	78,744	78,744	78,744	78,744	78,744	78,744	78,744
Capacity (students)	250	250	350	350	350	350	350	350	350	350
Enrollment	215	221	326	306	310	334	322	355	349	339
High School:										
<u>Highland Park High School (1925)</u>										
Square Feet	144,286	144,286	144,286	144,286	144,286	144,286	144,286	144,286	144,286	144,286
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	467	467	451	439	419	387	411	451	460	474
Other:										
<u>Maintenance Building (1925)</u>										
Square Feet	3,000	3,000	3,000	3,000	10,000	10,000	10,000	10,000	10,000	10,000

Number of Schools at June 30, 2015  
 Elementary = 2  
 Middle School = 1  
 Senior High School = 1  
 Other = 1

Source: District Facilities Office  
 N/A=Not Available

Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions. Enrollment is based on the annual October district count.

HIGHLAND PARK SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED MAINTENANCE  
 LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES-REQUIRED MAINTENANCE FOR  
 SCHOOL FACILITIES 11-000-261-XXX

Fiscal Year Ended	*School Facilities			Total
	Bartle Elementary School	Irving Elementary School	Highland Park Middle & High School	
2006	\$ 67,376	\$ 49,232	\$ 164,286	\$ 280,894
2007	88,465	87,668	231,804	407,937
2008	103,930	78,963	235,155	418,048
2009	97,423	82,764	237,821	418,008
2010	90,624	75,038	262,344	428,006
2011	96,121	60,166	209,085	365,372
2012	103,226	92,190	254,960	450,376
2013	113,053	74,976	276,534	464,563
2014	87,068	57,420	181,387	325,875
2015	107,424	51,638	240,484	399,546
	<u>\$ 954,710</u>	<u>\$ 710,055</u>	<u>\$ 2,293,860</u>	<u>\$ 3,958,625</u>

\*School facilities as defined under  
 EFCFA (NJAC 6A:26-1.2 &  
 NJAC 6:24-1.3)

Source: District Records

HIGHLAND PARK SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2015  
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy-Utica Mutual:		
Property-Blanket Building & Contents	\$ 77,568,525	\$ 1,000
Comprehensive General Liability	3,000,000	
Comprehensive Automobile Liability	1,000,000	500
Crime Policy	100,000	500
Inland Marine Policy	750,000	250
Umbrella Liability-Utica Mutual:		
Umbrella Policy	10,000,000	10,000
School Board Legal Liability-Utica Mutual:		
Per Occurrence	1,000,000	7,500
General Aggregate	3,000,000	7,500
Student Accident Insurance-Monumental Life Insurance Company of Pittsburgh PA:		
Policy Limit	5,000,000	
Worker's Compensation-NJ School Board Assoc:		
Employer's Liability	2,000,000	
NJ CAP Excess Liability-Fireman's Fund Insurance:		
Excess Liability	50,000,000	
Public Employees' Faithful Performance-Western Surety Company:		
Treasurer of School Monies Bond	228,000	
Business Administrator's Bond	100,000	

Source: District Records



**SINGLE AUDIT SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

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Fax # (908) 689-8388  
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## INDEPENDENT AUDITOR'S REPORT

November 24, 2015

Honorable President and  
Members of the Board of Education  
Highland Park School District  
County of Middlesex, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, 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 Highland Park School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements, and have issued our report thereon dated November 24, 2015.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board of Education's 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 Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board of Education'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 entity'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 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.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education's financial statements are free from 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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

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## INDEPENDENT AUDITOR'S REPORT

November 24, 2015

Honorable President and  
Members of the Board of Education  
Highland Park School District  
County of Middlesex, New Jersey

### **Report on Compliance for Each Major Federal and State Program**

We have audited the Board of Education of the Highland Park School District's (the District) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey OMB State Grant Compliance Supplement that could have a direct and material effect on each of the Board of Education's major federal and state programs for the year ended June 30, 2015. The Board of Education's major federal and state programs are identified in the summary of auditor's 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Board of Education's major federal and 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; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB 15-08. Those standards, OMB Circular A-133 and NJ OMB 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education'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 federal and state program. However, our audit does not provide a legal determination of the Board of Education's compliance.

## Opinion on Each Major Federal and State Program

In our opinion, the Board of Education 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 federal and state programs for the year ended June 30, 2015.

## Report on Internal Control Over Compliance

Management of The Board of Education 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 Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education'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 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. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133  
and Expenditures of State Financial Assistance Required by NJ OMB 15-08**

We have audited the financial statements of the District as of and for the year ended June 30, 2015, and have issued our report thereon dated November 24, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

HIGHLAND PARK SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustments	Repayment of Prior Year Balance	Balance June 30, 2015		
											Accounts Receivable	Unearned Revenue	Due to Grantor
US Departments of Education and Health & Human Services:													
General Fund:													
Medical Assistance Program (SEMI)	93.778	N/A	\$ 36,867	07/01/2014-06/30/2015			\$ 36,867	\$ 36,867					
ARRA- Medical Assistance Program (SEMI)	93.778	ARRA	17,395	10/01/2008-12/31/2010			17,395	17,395					
Total General Fund					\$ -	\$ -	54,262	54,262	\$ -	\$ -	\$ -	\$ -	
US Department of Education Passed Through State Department of Education:													
Special Revenue Fund:													
NCLB Title I	84 010A	NCLB-215013	251,084	09/01/2012-08/31/2013	(1,799)		1,799						
NCLB Title I	84 010A	NCLB-215014	303,330	07/01/2013-06/30/2014	(259,422)	(43,908)	303,330						
NCLB Title I Carryover	84 010A	NCLB-215014	303,330	07/01/2014-06/30/2015		43,908		40,710				3,198	
NCLB Title I	84 010A	NCLB-215015	289,068	07/01/2014-06/30/2015			131,599	260,955			(157,469)	28,113	
NCLB Title IIA	84 367A	NCLB-215013	49,198	09/01/2012-08/31/2013	(383)		383						
NCLB Title IIA	84 367A	NCLB-215014	49,718	07/01/2013-06/30/2014	(49,661)	(57)	49,718						
NCLB Title IIA Carryover	84 367A	NCLB-215014	49,718	07/01/2014-06/30/2015		57		57					
NCLB Title IIA	84 367A	NCLB-215015	50,754	07/01/2014-06/30/2015			11,509	26,401			(39,245)	24,353	
NCLB Title III	84 365A	NCLB-215013	11,749	09/01/2012-08/31/2013	(1,395)		1,395						
NCLB Title III	84 365A	NCLB-215014	17,517	07/01/2013-06/30/2014	(17,517)	(1)	17,517		1				
NCLB Title III Carryover	84 365A	NCLB-215014	17,517	07/01/2014-06/30/2015		1		1					
NCLB Title III	84 365A	NCLB-215015	17,648	07/01/2014-06/30/2015			4,239	12,721			(13,409)	4,927	
NCLB Title III Immigrant	84 365A	NCLB-215015	21,753	07/01/2014-06/30/2015			4,422	6,383			(17,331)	15,370	

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

HIGHLAND PARK SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustments	Repayment of Prior Year Balance	Balance June 30, 2015			
											Accounts Receivable	Unearned Revenue	Due to Grantor	
US Department of Education Passed Through State Department of Education: (Cont'd) Special Revenue Fund: (cont'd) Special Education Cluster (IDEA): IDEA Basic	84.027	IDEA-215014	\$ 379,667	07/01/2013-06/30/2014	\$ (16,132)	\$ (206,562)	\$ 222,694							
IDEA Basic Carryover	84.027	IDEA-215014	379,667	07/01/2014-06/30/2015		206,562		\$ 206,562						
IDEA Basic	84.027	IDEA-215015	404,833	07/01/2014-06/30/2015			54,869	74,792			\$ (349,964)	\$ 330,041		
IDEA Preschool	84.173	IDEA-215014	12,254	07/01/2013-06/30/2014	(6,246)		6,246							
IDEA Preschool	84.173	IDEA-215015	12,340	07/01/2014-06/30/2015			6,170	12,340			(6,170)			
IDEA Cluster Subtotal					(22,378)	-	289,979	293,694	\$ -	\$ -	(356,134)	330,041	\$ -	
Total Special Revenue Fund					(352,555)	-	815,890	640,922	1	-	(583,588)	406,002	-	
US Department of Agriculture Passed Through State Department of Education: Enterprise Fund Child Nutrition Cluster:														
National School Lunch Program-Cash Assistance	10.555	N/A	242,636	07/01/2013-06/30/2014	(51,320)		51,320							
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	N/A	26,667	07/01/2013-06/30/2014	1,182			1,182						
National School Lunch Program-Cash Assistance	10.555	N/A	244,421	07/01/2014-06/30/2015			196,212	244,421			(48,209)			
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	N/A	29,813	07/01/2014-06/30/2015			29,813	29,362				451		
School Breakfast Program	10.553	N/A	25,601	07/01/2013-06/30/2014	(6,045)		6,045							
School Breakfast Program	10.553	N/A	28,029	07/01/2014-06/30/2015			22,372	28,029			(5,657)			
Total Enterprise Fund/Child Nutrition Cluster					(56,183)	-	305,762	302,994	-	-	(53,866)	451	-	
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (408,738)	\$ -	\$ 1,175,914	\$ 998,178	\$ 1	\$ -	\$ (637,454)	\$ 406,453	\$ -	

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE



HIGHLAND PARK SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, SCHEDULE B  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2014		Cash Received	Budgetary Expenditure	Adjustments	Repayment of Prior Year Balances	Balance June 30, 2015			MEMO		
				Unearned Rev. (Accts. Rec.)	Due to Grantor					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures	
<b>State Department of Education</b>															
<b>General Fund:</b>															
Categorical Special Education Aid	15-495-034 -5120-089	\$ 883,312	07/01/2014- 06/30/2015			\$ 883,312	\$ 883,312						\$ 87,015	\$ 883,312	
Equalization Aid	15-495-034 -5120-078	2,609,134	07/01/2014- 06/30/2015			2,609,134	2,609,134						257,025	2,609,134	
Categorical Security Aid	15-495-034 -5120-084	36,277	07/01/2014- 06/30/2015			36,277	36,277						3,574	36,277	
Categorical Transportation Aid	15-495-034 -5120-078	67,688	07/01/2014- 06/30/2015			67,688	67,688						6,668	67,688	
Per Pupil Growth Aid	15-495-034 -5120-097	15,870	07/01/2014- 06/30/2015			15,870	15,870						1,563	15,870	
PARCC Readiness	15-495-034 -5120-098	15,870	07/01/2014- 06/30/2015			15,870	15,870						1,563	15,870	
Extraordinary Aid	14-100-034 -5120-473	164,462	07/01/2013- 06/30/2014	\$ (164,462)		164,462								164,462	
Extraordinary Aid	15-100-034 -5120-473	295,003	07/01/2014- 06/30/2015				295,003				\$ (295,003)			295,003	
Nonpublic Remote Transportation Aid	14-100-034 -5120-014	39,046	07/01/2013- 06/30/2014	(39,046)		39,046								39,046	
Nonpublic Remote Transportation Aid	15-495-034 -5120-014	32,315	07/01/2014- 06/30/2015				32,315				(32,315)			32,315	
On-Behalf TPAF Pension Contribution- Post Retirement Medical	15-495-034 -5094-001	983,298	07/01/2014- 06/30/2015			983,298	983,298							983,298	
On-Behalf TPAF Pension Contribution- Non-Contributory Group Insurance	15-495-034 -5094-007	41,572	07/01/2014- 06/30/2015			41,572	41,572							41,572	
On-Behalf TPAF Pension Contribution- Normal Costs and Accrued Liability	15-495-034 -5094-006	577,828	07/01/2014- 06/30/2015			577,828	577,828							577,828	
Reimbursed TPAF Social Security Contribution	15-495-034 -5094-003	873,149	07/01/2014- 06/30/2015				873,149				(41,981)			873,149	
<b>Total General Fund</b>				<b>(203,508)</b>	<b>\$ -</b>	<b>6,265,525</b>	<b>6,431,316</b>	<b>\$ -</b>	<b>\$ -</b>		<b>(369,299)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>357,408</b>	<b>6,634,824</b>
<b>Special Revenue Fund</b>															
Preschool Education Aid	14-495-034 -5120-086	304,885	07/01/2013- 06/30/2014	23,061			23,061							304,885	
Preschool Education Aid	15-495-034 -5120-086	322,307	07/01/2014- 06/30/2015			322,307	322,307						32,231	322,307	
School Based Youth Services Program	13-100-054 -7500-068	282,387	07/01/2012- 06/30/2013	(2,500)		2,500								282,387	
School Based Youth Services Program	15-100-054 -7500-068	285,306	07/01/2014- 06/30/2015			285,306	285,306							285,306	
Nonpublic Technology Initiative Aid	14-100-034 -5120-373	1,480	07/01/2013- 06/30/2014						139					1,341	
Nonpublic Technology Initiative Aid	15-100-034 -5120-373	2,112	07/01/2014- 06/30/2015			2,112	2,078						34	2,078	
Nonpublic Textbook Aid	14-100-034 -5120-064	4,059	07/01/2013- 06/30/2014						256					3,803	
Nonpublic Textbook Aid	15-100-034 -5120-064	4,170	07/01/2014- 06/30/2015			4,170	4,042						128	4,042	
Nonpublic Nursing Services	14-100-034 -5120-070	6,330	07/01/2013- 06/30/2014							2,312				4,018	
Nonpublic Nursing Services	15-100-034 -5120-070	7,398	07/01/2014- 06/30/2015			7,398	3,267						4,131	3,267	

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

HIGHLAND PARK SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, SCHEDULE B  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2014		Cash Received	Budgetary Expenditure	Adjustments	Repayment of Prior Year Balances	Balance June 30, 2015			MEMO	
				Unearned Rev. (Accts. Rec.)	Due to Grantor					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
<b>State Department of Education (Cont'd)</b>														
<b>Special Revenue Fund: (Cont'd)</b>														
Nonpublic Auxiliary/Handicapped Transportation Aid	15-100-034-5120-068	\$ 1,042	07/01/2014-06/30/2015			\$ 1,042	\$ 1,042							\$ 1,042
Nonpublic Auxiliary Services Aid Compensatory Education	15-100-034-5120-067	1,792	07/01/2014-06/30/2015			1,792	1,663					\$ 129		1,663
Nonpublic Handicapped Aid Supplemental Instruction	14-100-034-5120-066	2,082	07/01/2013-06/30/2014		\$ 694				\$ 694					1,388
Nonpublic Handicapped Aid Supplemental Instruction	15-100-034-5120-066	2,354	07/01/2014-06/30/2015			2,354	785					1,569		785
Nonpublic Handicapped Aid Examination & Classification	14-100-034-5120-066	7,485	07/01/2013-06/30/2014		3,981				3,981					3,504
Nonpublic Handicapped Aid Examination & Classification	15-100-034-5120-066	4,325	07/01/2014-06/30/2015			4,325	361					3,964		361
Nonpublic Handicapped Aid Corrective Speech	15-100-034-5120-066	884	07/01/2014-06/30/2015			884	884							884
Bridging the Gap Device Grant	15-100-034-5068-049	21,655	07/01/2014-06/30/2015				21,655		-	\$ (21,655)				21,655
<b>Total Special Revenue Fund</b>				<b>\$ 20,561</b>	<b>7,382</b>	<b>634,190</b>	<b>666,451</b>	<b>\$ -</b>	<b>7,382</b>	<b>(21,655)</b>	<b>\$ -</b>	<b>9,955</b>	<b>\$ 32,231</b>	<b>1,244,716</b>
<b>Capital Projects Fund (NJ SDA):</b>														
Irving School Waterproofing Project	2150-070-10-1001	57,080	07/01/2009-06/30/2012	(57,080)						(57,080)				57,080
Bartle School Gym Floor Replacement	2150-085-10-1003	422,397	07/01/2009-06/30/2012	(422,397)						(422,397)				422,397
Bartle School Window Replacement	2150-085-14-1001	494,340	07/01/2013-06/30/2016	(494,340)						(494,340)				494,340
<b>Total Capital Projects Fund (NJ SDA)</b>				<b>(973,817)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(973,817)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>973,817</b>
<b>Debt Service Fund:</b>														
Debt Service Aid-State Support	15-495-034-5120-017	9,329	07/01/2014-06/30/2015	-	-	9,329	9,329	-	-	-	-	-	-	9,329
<b>State Department of Agriculture</b>														
<b>Enterprise Fund:</b>														
State School Lunch Program	14-100-010-3350-023	6,915	07/01/2013-06/30/2014	(1,749)		1,749								6,915
State School Lunch Program	15-100-010-3350-023	6,574	07/01/2014-06/30/2015			5,108	6,574			(1,466)				6,574
<b>Total Enterprise Fund</b>				<b>(1,749)</b>	<b>-</b>	<b>6,857</b>	<b>6,574</b>	<b>-</b>	<b>-</b>	<b>(1,466)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,489</b>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>				<b>\$ (1,158,513)</b>	<b>\$ 7,382</b>	<b>\$ 6,915,901</b>	<b>\$ 7,113,670</b>	<b>\$ -</b>	<b>\$ 7,382</b>	<b>\$ (1,366,237)</b>	<b>\$ -</b>	<b>\$ 9,955</b>	<b>\$ 389,639</b>	<b>\$ 8,876,175</b>

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

HIGHLAND PARK SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2015

**NOTE 1. GENERAL**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Highland Park School District. The Board of Education is defined in Note 1 (A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule of federal financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's financial statements.

**NOTE 3. RELATIONSHIP OF GENERAL PURPOSE FINANCIAL STATEMENTS**

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to PL 2004, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred and recording of the last state aid payment 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 revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$10,672) for the general fund, (\$33,964) for the special revenue fund and \$235,293 for the capital projects fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds and Exhibit F-2 for the capital projects fund.

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 54,262	\$ 6,420,554	\$ 6,474,816
Special Revenue Fund	\$ 96,377	678,391	560,152	1,334,920
Capital Projects Fund			235,293	235,293
Debt Service Fund			9,329	9,329
Enterprise Fund		<u>302,994</u>	<u>6,574</u>	<u>309,568</u>
	<u>\$ 96,377</u>	<u>\$ 1,035,647</u>	<u>\$ 7,231,902</u>	<u>\$ 8,363,926</u>

HIGHLAND PARK SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2015  
(Continued)

**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. OTHER**

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2015. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

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

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued: Unmodified

Internal Control Over Financial Reporting:

1. Material weakness(es) identified?            Yes   X   No

2. Reportable conditions identified that are not considered to be material weaknesses?            Yes   X   No

Noncompliance Material to Financial Statements Noted?            Yes   X   No

Federal Awards

Internal Control Over Major Programs:

1. Material weakness(es) identified?            Yes   X   No

2. Reportable conditions identified that are not considered to be material weaknesses?            Yes   X   No

Type of Auditor's Report Issued on Compliance for Major Programs? Unmodified

Any Audit Findings Disclosed that are Required to be Reported in Accordance with Section .510 (a) of Circular A-133            Yes   X   No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Amount</u>	<u>Name of Federal Program</u>
84.010A	\$ 301,665	NCLB Title I
IDEA Cluster:		
84.027	281,354	IDEA Basic
84.173	12,340	IDEA Preschool
Child Nutrition Cluster:		
10.553	28,029	School Breakfast Program
		National School Lunch Program:
10.555	244,421	Cash Assistance
10.555	30,544	Non-Cash Assistance (Commodities)

HIGHLAND PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd)

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs:

                  \$ 300,000                  

Auditee qualified as a low-risk auditee

   X    Yes           No

State Awards

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs:

                  \$ 300,000                  

Auditee Qualified as low-risk auditee

   X    Yes           No

Type of Auditor's Report Issued on Compliance  
for Major Programs:

                  Unmodified                  

Internal Control Over Major Programs:

1. Material weakness(es) identified?

       Yes       X    No

2. Reportable conditions identified  
that are not considered to be material  
weaknesses?

       Yes       X    No

Any Audit Findings Disclosed That are Required  
to be Reported in Accordance with NJ OMB  
Circular Letter 15-08?

       Yes       X    No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
15-100-034-5120-473	\$ 295,003	Extraordinary Special Education Costs Aid
15-100-054-7500-068	285,306	School Based Youth Services Program
15-495-034-5120-078	2,609,134	Equalization Aid
15-495-034-5120-086	345,368	Preschool Education Aid
15-495-034-5120-089	883,312	Categorical Special Education Aid

HIGHLAND PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

SECTION II-FINANCIAL STATEMENT FINDINGS

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL  
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2015.

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

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There were no prior year findings or questioned costs.