

**HIGHLAND PARK BOROUGH
PUBLIC SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2022

**Responsibility of the Management of
Highland Park Borough Public School District
Middlesex County, New Jersey**



Certified Public Accountants, PC

**HIGHLAND PARK BOROUGH PUBLIC
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022

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April 5, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Highland Park School District (the School District) for the fiscal year ended June 30, 2022 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 School District. 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 School District's financial activities have been included.

The Annual Comprehensive 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey 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 School 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 School 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 School District are included in this report. The Highland Park Board of Education and all its schools constitute the School District's reporting entity.

AVERAGE DAILY ENROLLMENT

The School District completed the 2021-2022 Fiscal Year with an average enrollment of 1,576 students, which is 43 more students than the previous year's enrollment. This is a direct impact of the pandemic and challenges related to remote learning. The following details the changes in the student enrollment of the School District over the last five years.

Average Daily Enrollment		
Fiscal Year	Student Enrollment	Percent Change
2021-22	1,576	2.8 %
2020-21	1,533	-4.4 %
2019-20	1,604	0.3 %
2018-19	1,599	-0.4 %
2017-18	1,605	0.4 %
2016-17	1,598	-0.1 %

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 school district worked closely with the local community to create a strategic plan that includes multiple goals and action steps. Student academic, social, and emotional achievement is the plan's broad focus. The goals focus on the following areas as follows: social-emotional skill building, educational equity and personalized learning.

Most of the School District's financial resources are used to provide for the academic, social, and emotional support programs that include such things as college preparatory and Advanced Placement courses, and offerings are available for regular, gifted and talented, honors, as well as students with special needs. 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 School District has made a commitment to upgrading its existing physical plant. The School 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, including lighting upgrades, gym bleacher replacements and expanding outdoor dining opportunities. Improvements were made to the high school auditorium lighting and sound. The district also partnered with the municipality to renovate the high school stadium track and field.

INTERNAL ACCOUNTING CONTROLS

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School 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 principles (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 School 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 School 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, 2022.

ACCOUNTING SYSTEM AND REPORTS

The School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system for the School 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 School District is guided in large part by state statute as detailed in Notes to the Financial Statements, Note 2. The School 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 School District 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

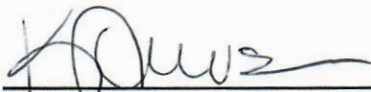
State statutes require an annual audit by independent certified public accountants or registered municipal accountants: the accounting firm of BKC, CPAs, PC, was selected by the Board of Education to perform that function. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments. 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.

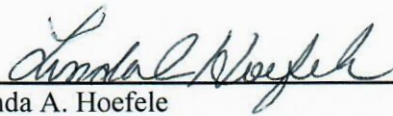
ACKNOWLEDGMENTS

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. Kristina Nicosia
Superintendent of Schools



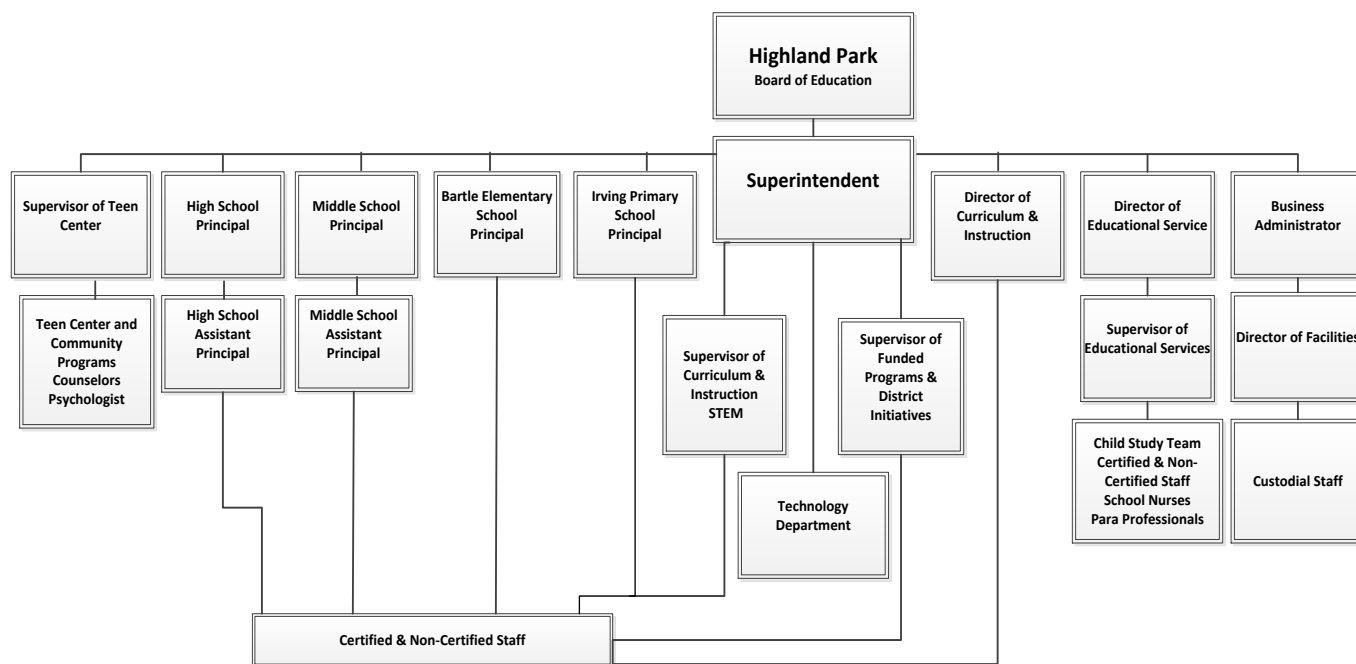
Linda A. Hoefele
Business Administrator/Board Secretary

POLICY

HIGHLAND PARK BOARD OF EDUCATION

Section: Administration
1110 Organizational Chart
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ORGANIZATIONAL CHART 2021-2022 As of June 30, 2022



Revised: January 24, 2022
Revised: February 24, 2020
Revised 10/4/2019
Revised: May 13, 2019
Adopted: January 3, 2017

**HIGHLAND PARK PUBLIC SCHOOL DISTRICT
HIGHLAND PARK, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2022**

Members of the Board of Education	Title	Term Expires
Mr. Marilyn Pruce	President	12/31/2024
Mr. Mark Krieger	Vice-President	12/31/2022
Ms. Darcie Cimarusti		12/31/2022
Mr. Christopher Woodward		12/31/2022
Ms. Anne Gowen		12/31/2023
Ms. Michelle McFadden-DiNicola		12/31/2023
Mr. Robert Roslewicz		12/31/2023
Ms. Allison Casal-Dunn		12/31/2024
Ms. Monique Coleman		12/31/2024

Other Officials	Title
Dr. Kristina Nicosia	Superintendent of Schools
Ms. Linda A. Hoefele	School Business Administrator/Board Secretary
Mr. Brian Falkowski	Treasurer of School Monies

**HIGHLAND PARK PUBLIC SCHOOL DISTRICT
HIGHLAND PARK, NEW JERSEY**

**CONSULTANTS AND ADVISORS
JUNE 30, 2022**

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Architect

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Newark, NJ 07103

Architect



Certified Public Accountants, PC

www.bkc-cpa.com

Independent Auditors' Report

Honorable President and
Members of the Board of Education
Highland Park Borough Public School District
Highland Park, New Jersey

Report on the Financial Statements

Opinion

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 Highland Park Borough Public School District (the District) in the County of Middlesex, as of and for the year ended June 30, 2022, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

In our opinion, the 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, 2022, 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.

Basis for Opinion

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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As described in note 16 to the financial statements, the District adopted new accounting guidance as promulgated by GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the Basic Financial Statements. Such information is the responsibility of Management and, although not a part of the Basic Financial Statements, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is the responsibility of Management and were derived from and relates directly to the underlying accounting and other records used to prepare the Basic Financial Statements. The information has been subjected to the auditing procedures applied in the audit of the Basic Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Basic Financial Statements or to the Basic Financial Statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the Basic Financial Statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditor's report thereon. Our opinion on the Basic Financial Statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

April 5, 2023
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ending June 30, 2022
Unaudited

The discussion and analysis of Highland Park Borough Public School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ending June 30, 2022. 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 2022 are as follows:

- General revenues accounted for \$49,573,863 in revenues, or 91.63% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,526,989, or 8.37% of total revenues of \$54,100,852.
- The School District had \$50,431,799 in expenses; only \$4,526,989 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 \$42,478,108 in revenues and \$40,972,483 in expenditures. After accounting for net other financing uses of \$11,697; the general fund's balance increased by \$1,493,928 from the previous year.

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

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.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ending June 30, 2022
Unaudited

REPORTING THE SCHOOL DISTRICT AS A WHOLE

Government-wide financial statements are designed to provide readers with a broad overview of the School Districts' 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.

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 2022?" 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.

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REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School 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 measure and report the operating results by measuring cash on hand and other assets that can be easily 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 Funds

The enterprise funds use 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 Child Care. The Food Service activities involve providing breakfast and lunch meals at a reasonable price, with the assistance of the Federal School Breakfast/Lunch Program. The Before and After School Child Care Program serves children from Kindergarten through Grade 5, with some other after-school activities made available for Middle School students as well.

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THE SCHOOL DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position as of June 30, 2022, and a comparison with net position as of June 30, 2021. The comparison between the years shows an increase in total net position of \$3,669,053.

Table 1
Net Position

	06/30/22	06/30/21	Variance	
			Dollars	%
Current & other assets	\$ 8,764,606	\$ 17,606,067	\$ (8,841,461)	-50.22%
Capital assets	33,113,874	33,365,386	(251,512)	-0.75%
Total assets	41,878,480	50,971,453	(9,092,973)	-17.84%
Deferred amount on refunding bond issue	551,820	725,850	(174,030)	-23.98%
Deferred pension activity	1,411,646	2,169,603	(757,957)	-34.94%
Total deferred outflow of resources	1,963,466	2,895,453	(931,987)	-32.19%
Long-term liabilities	20,423,294	23,856,505	(3,433,211)	-14.39%
Other liabilities	1,702,345	12,202,934	(10,500,589)	-86.05%
Total liabilities	22,125,639	36,059,439	(13,933,800)	-38.64%
Deferred pension activity	3,006,648	2,766,861	239,787	8.67%
Total deferred inflow of resources	3,006,648	2,766,861	239,787	8.67%
Net position				
Net investment in capital assets	18,741,794	17,896,236	845,558	4.72%
Restricted	3,001,745	2,231,545	770,200	34.51%
Unrestricted	(3,033,880)	(5,087,175)	2,053,295	-40.36%
Total net position	\$ 18,709,659	\$ 15,040,606	\$ 3,669,053	24.39%

Total assets decreased by \$9,092,973. The large decrease in current and other assets is a result of the change in capital projects for the refinancing of the 2012 bond issue.

The unrestricted net position at June 30, 2022 of (\$3,033,880) shown above is not a negative reflection on the School 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.

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Table 2 provides a summary of the School District's changes in net position in fiscal year ending June 30, 2022 with comparisons to fiscal year ending June 30, 2021.

Table 2
Changes in Net Position

	Fiscal Year Ending		Variance	
	06/30/22	06/30/21	Dollars	%
Revenues				
Program revenues				
Charges for services	\$ 680,998	\$ 144,123	\$ 536,875	372.51%
Operating grants	3,845,991	2,313,375	1,532,616	66.25%
General revenues				
Property taxes	30,828,497	30,356,105	472,392	1.56%
Unrestricted grants	18,655,779	20,188,703	(1,532,924)	-7.59%
Other	89,587	57,264	32,323	56.45%
Total revenues	<u>54,100,852</u>	<u>53,059,570</u>	<u>1,041,282</u>	1.96%
Program expenses				
Instruction				
Regular	17,259,192	18,043,621	(784,429)	-4.35%
Special	8,149,126	9,371,889	(1,222,763)	-13.05%
Other	1,442,311	1,169,014	273,297	23.38%
Support services				
Tuition	2,964,063	3,071,281	(107,218)	-3.49%
Student & instructional staff	8,725,454	9,057,324	(331,870)	-3.66%
General & business administration	2,047,305	2,113,509	(66,204)	-3.13%
School administration	2,473,679	2,861,773	(388,094)	-13.56%
Maintenance	3,018,306	2,857,362	160,944	5.63%
Transportation	2,481,356	1,364,769	1,116,587	81.82%
Charter schools	230,166	246,678	(16,512)	-6.69%
Interest on long-term debt	440,420	605,601	(165,181)	-27.28%
Food service	897,673	253,445	644,228	254.19%
Community service programs	302,748	140,359	162,389	115.70%
Total expenses	<u>50,431,799</u>	<u>51,156,625</u>	<u>(724,826)</u>	-1.42%
Increase (decrease) in net position	<u>\$ 3,669,053</u>	<u>\$ 1,902,945</u>	<u>\$ 1,766,108</u>	92.81%

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Governmental Activities

Property taxes made up 58.46% of revenues for governmental funds for the Highland Park Borough Public School District for fiscal year 2022. The District’s total revenues for governmental funds were \$52,731,985 for the fiscal year ended June 30, 2022. The remaining revenues for governmental funds were from mostly from interest on investments, tuition, state aid, state and federal grants.

Business-Type Activities

Food Service Program

- Food service revenues exceeded expenses by \$226,861.
- Charges for services represent \$46,198 of revenue, or 4.11 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 \$1,069,707.

Before and After School Child Care Program

- The Before and After School Child Care Program had revenues of \$244,333 and operating expenses of \$302,748. The net loss for fiscal year 2022 was \$58,415.

Table 3 provides a summary of the School District’s cost of governmental services in fiscal year ending June 30, 2022 with comparisons to fiscal year ending June 30, 2021.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/22	06/30/21	06/30/22	06/30/21
Instruction	\$ 26,850,629	\$ 28,584,524	\$ 25,434,201	\$ 27,716,370
Support services				
Tuition	2,964,063	3,071,281	2,541,722	2,716,149
Student & instructional staff	8,725,454	9,057,324	7,550,499	8,282,863
General & business administration	2,047,305	2,113,509	2,047,305	2,113,509
School administration	2,473,679	2,861,773	2,344,245	2,733,590
Plant operations & maintenance	3,018,306	2,857,362	3,002,818	2,782,047
Pupil transportation	2,481,356	1,364,769	2,480,481	1,363,022
Charter schools	230,166	246,678	230,166	246,678
Interest on long-term debt	440,420	605,601	440,420	605,601
Total expenses	<u>\$ 49,231,378</u>	<u>\$ 50,762,821</u>	<u>\$ 46,071,857</u>	<u>\$ 48,559,829</u>

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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 School District.
- Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.
- Curriculum and staff development include 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 School 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 66.39%, continues to be from local sources including tax levy, outside tuition, and miscellaneous revenues. State aid and federal aid represents approximately 33.61% of the total revenues.

The following schedule presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2022:

Revenues	Amount	Percentage of Total	Increase/ (Decrease) From Prior Year	Percentage Increase (Decrease)
Local Sources				
Tax levy				
General	\$ 29,056,364	61.49%	\$ 569,732	2.00%
Debt service	1,772,133	3.75%	(97,340)	-5.21%
Other revenues	545,861	1.16%	305,892	127.47%
State Aid	13,463,307	28.49%	2,262,332	20.20%
Federal Aid	2,418,800	5.12%	711,304	41.66%
Total	<u>\$ 47,256,465</u>	100.00%	<u>\$ 3,751,920</u>	8.62%

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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, 2022:

<u>Expenditures</u>	<u>Amount</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) From Prior Year</u>	<u>Percentage Increase (Decrease)</u>
Current expense	\$ 42,540,420	92.76%	\$ 3,286,458	8.37%
Capital outlay	1,078,894	2.35%	738,772	217.21%
Charter schools	230,166	0.50%	(16,512)	-6.69%
Debt service				
Principal	1,707,259	3.72%	222,259	14.97%
Interest	304,987	0.67%	(104,324)	-25.49%
Total	<u>\$ 45,861,726</u>	100.00%	<u>\$ 4,126,653</u>	9.89%

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 2022 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
- Implementation of state-mandated initiatives, including additional curriculum writing, staff development and technology costs related to the implementation of Common Core standards
- Increases in in-house costs for special education students
- Increases in required maintenance for school facilities
- Unplanned legal settlement costs and judgements against the District
- Reclassification of several expenditures

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CAPITAL ASSETS

Table 4 provides a summary of the School District's capital assets net of depreciation and amortization for fiscal years 2022 and 2021. At the end of fiscal year 2022, the District had \$33,113,874 invested in land, buildings, capital lease, machinery and equipment.

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

	06/30/22	06/30/21	Variance	
			Dollars	%
Land	\$ 415,000	\$ 415,000	\$ -	0.00%
Land improvements	246,417	276,345	(29,928)	-10.83%
Construction in progress	650,000	-	650,000	100.00%
Buildings & improvements	31,323,017	32,146,296	(823,279)	-2.56%
Capital lease	71,367	-	71,367	100.00%
Furniture & equipment	408,073	527,745	(119,672)	-22.68%
Total	<u>\$ 33,113,874</u>	<u>\$ 33,365,386</u>	<u>\$ (251,512)</u>	-0.75%

DEBT ADMINISTRATION

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 School District issued a second refunding issue for the February 1996 issue in the amount of \$13,985,000. In November 2016, the School District issued a third refunding issue for the February 1996 issue in the amount of \$8,555,000. As of June 30, 2022, the amount of \$3,415,000 remains outstanding.

In March 2005, the School District issued General Obligation Bonds in the amount of \$13,775,000. The proceeds of this bond issue were placed in the School District's capital projects fund for use to provide funds for capital improvements to the School District's buildings and grounds. These improvements include additions, renovations, site improvements and various other projects. 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 2020, the School District issued a refunding issue for the October 2012 issue in the amount of \$11,400,000. As of June 30, 2022 the amount of \$11,210,000 remains outstanding.

The general obligation bonded debt of the School District is limited to 4% of the overage equalized assessed values of the total taxable property in the School District for the past three years. The legal debt limit at June 30, 2022 is \$55,894,676. General obligation authorized debt at June 30, 2022 is \$14,625,000, resulting in a legal debt margin of \$41,269,676.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
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Table 5 provides a summary of the School District’s outstanding long-term debt at June 30, 2022 with comparisons to June 30, 2021.

Table 5
Outstanding Long-Term Liabilities at Year-End

	06/30/22	06/30/21	Variance	
			Dollars	%
2012 refunding bonds for 2005 issue	\$ -	\$ 335,000	\$ (335,000)	100.00%
2016 refunding bonds for 2006 issue	3,415,000	4,525,000	(1,110,000)	-24.53%
2020 refunding bonds for 2012 issue	11,210,000	11,335,000	(125,000)	-1.10%
Unamortized Bond Premium	-	25,960	(25,960)	100.00%
PERS net pension liability	4,798,418	6,552,726	(1,754,308)	-26.77%
Capital lease	298,900	353,812	(54,912)	-15.52%
Compensated absences	700,976	729,007	(28,031)	-3.85%
Total	<u>\$ 20,423,294</u>	<u>\$ 23,856,505</u>	<u>\$ (3,433,211)</u>	-14.39%

FOR THE FUTURE

The Highland Park Borough Public School District is in fair financial condition presently. However, the state’s financial situation has resulted in only modest increases in state aid, and continues to under-fund the district, in comparison to the state’s funding formula. The result is that the burden of supporting schools relies increasingly upon the homeowner. The community’s plight is exacerbated by its primarily residential nature and the lack of room for many new tax ratables. 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.

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 BOROUGH PUBLIC SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 1,607,815	\$ 189,387	\$ 1,797,202
Due from other funds	-	120,405	120,405
Receivables, net	3,651,331	131,818	3,783,149
Inventory	-	11,814	11,814
Restricted assets			
Capital reserve account - cash	1,798,760	-	1,798,760
Emergency reserve account - cash	250,667	-	250,667
Maintenance reserve account - cash	375,639	-	375,639
Scholarship - cash	78,903	-	78,903
Student activities - cash	160,891	-	160,891
Unemployment claims - cash	97,668	-	97,668
Capital projects - cash	289,508	-	289,508
Capital assets, net			
Land and construction in progress	1,065,000	-	1,065,000
Other capital assets, net of depreciation and amortization	31,985,405	63,469	32,048,874
Total assets	41,361,587	516,893	41,878,480
Deferred outflows of resources			
Deferred amount on pension activity	1,411,646	-	1,411,646
Deferred amount on refunding bond issue	551,820	-	551,820
Total deferred outflows of resources	1,963,466	-	1,963,466
Liabilities			
Accounts payable	778,705	61,795	840,500
Due to other funds, net	120,405	-	120,405
Accrued interest	196,202	-	196,202
Payables to other governments	8,130	-	8,130
Payroll deductions and withholdings payable	259,251	-	259,251
Unearned revenue	107,336	15,809	123,145
Unemployment compensation	117,281	-	117,281
Other current liabilities	36,533	898	37,431
Long-term liabilities			
Due within one year	1,822,119	-	1,822,119
Due beyond one year	18,601,175	-	18,601,175
Total liabilities	22,047,137	78,502	22,125,639
Deferred inflows of resources			
Deferred amount on pension liability	3,006,648	-	3,006,648

See accompanying notes to financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 18,678,325	\$ 63,469	\$ 18,741,794
Restricted for			
Capital reserve fund	1,798,760	-	1,798,760
Emergency reserve fund	250,667	-	250,667
Maintenance reserve fund	375,639	-	375,639
Scholarship	78,903	-	78,903
Student activities	160,976	-	160,976
Unemployment claims	39,624	-	39,624
Capital projects fund	289,508	-	289,508
Debt service	7,668	-	7,668
Unrestricted	(3,408,802)	374,922	(3,033,880)
Total net position	<u>\$ 18,271,268</u>	<u>\$ 438,391</u>	<u>\$ 18,709,659</u>

See accompanying notes to financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2022

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 8,860,558	\$ 8,398,634	\$ 151,951	\$ 1,050,853	\$ -	\$ (16,056,388)	\$ -	\$ (16,056,388)
Special education	3,953,223	3,207,849	-	36,437	-	(7,124,635)	-	(7,124,635)
Other special instruction	484,864	503,190	-	177,187	-	(810,867)	-	(810,867)
Other instruction	958,268	484,043	-	-	-	(1,442,311)	-	(1,442,311)
Support services								
Tuition	2,964,063	-	-	422,341	-	(2,541,722)	-	(2,541,722)
Students and instruction related services	5,111,459	3,613,995	230,258	944,697	-	(7,550,499)	-	(7,550,499)
General and business administration services	1,410,214	637,091	-	-	-	(2,047,305)	-	(2,047,305)
School administration services	1,498,516	975,163	-	129,434	-	(2,344,245)	-	(2,344,245)
Plant operations and maintenance	2,787,676	230,630	8,258	7,230	-	(3,002,818)	-	(3,002,818)
Pupil transportation	2,473,281	8,075	-	875	-	(2,480,481)	-	(2,480,481)
Charter schools	230,166	-	-	-	-	(230,166)	-	(230,166)
Interest on long-term debt	440,420	-	-	-	-	(440,420)	-	(440,420)
Total governmental activities	<u>31,172,708</u>	<u>18,058,670</u>	<u>390,467</u>	<u>2,769,054</u>	<u>-</u>	<u>(46,071,857)</u>	<u>-</u>	<u>(46,071,857)</u>
Business-type activities								
Food service	897,673	-	46,198	1,076,937	-	-	225,462	225,462
Before and after school child care fund	302,748	-	244,333	-	-	-	(58,415)	(58,415)
Total business-type activities	<u>1,200,421</u>	<u>-</u>	<u>290,531</u>	<u>1,076,937</u>	<u>-</u>	<u>-</u>	<u>167,047</u>	<u>167,047</u>
Total primary government	<u>\$ 32,373,129</u>	<u>\$ 18,058,670</u>	<u>\$ 680,998</u>	<u>\$ 3,845,991</u>	<u>\$ -</u>	<u>(46,071,857)</u>	<u>167,047</u>	<u>(45,904,810)</u>
			General revenues, special items and transfers					
						29,056,364	-	29,056,364
						1,772,133	-	1,772,133
						18,655,779	-	18,655,779
						2,934	-	2,934
						(2,889)	-	(2,889)
						88,143	1,399	89,542
						<u>49,572,464</u>	<u>1,399</u>	<u>49,573,863</u>
						3,500,607	-	3,500,607
						14,770,661	-	14,770,661
						<u>\$ 18,271,268</u>	<u>\$ 438,391</u>	<u>\$ 18,709,659</u>

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 BOROUGH PUBLIC SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 1,600,147	\$ -	\$ -	\$ 7,668	\$ 1,607,815
Due from other funds	1,347,870	85	-	-	1,347,955
Receivables from other governments					
State	1,835,529	-	-	-	1,835,529
Federal	-	1,613,538	-	-	1,613,538
Local	116,109	5,100	-	-	121,209
Other accounts receivable	29,054	52,001	-	-	81,055
Restricted cash and equivalents	2,522,734	239,794	289,508	-	3,052,036
Total assets	\$ 7,451,443	\$ 1,910,518	\$ 289,508	\$ 7,668	\$ 9,659,137
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 551,558	\$ 227,147	\$ -	\$ -	\$ 778,705
Due to other funds	113,197	1,355,163	-	-	1,468,360
Payroll deductions and withholdings payable	259,251	-	-	-	259,251
Payable to other governments					
State	2,315	5,815	-	-	8,130
Other current liabilities	36,533	-	-	-	36,533
Unearned revenue	2,555	104,781	-	-	107,336
Unemployment compensation claims payable	117,281	-	-	-	117,281
Total liabilities	1,082,690	1,692,906	-	-	2,775,596

See accompanying notes to financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances (cont'd)					
Fund balances					
Restricted fund balance					
Capital reserve account	\$ 1,798,760	\$ -	\$ -	\$ -	\$ 1,798,760
Emergency reserve account	250,667	-	-	-	250,667
Maintenance reserve account	375,639	-	-	-	375,639
Scholarships	-	78,903	-	-	78,903
Student activities	-	160,976	-	-	160,976
Unemployment claims	39,624	-	-	-	39,624
Capital projects	-	-	289,508	-	289,508
Committed fund balance					
Year-end encumbrances	85,534	-	-	-	85,534
Assigned fund balance					
Designated for subsequent year's expenditures	2,002,210	-	-	-	2,002,210
Unassigned fund balance	1,816,319	(22,267)	-	7,668	1,801,720
Total fund balances	<u>6,368,753</u>	<u>217,612</u>	<u>289,508</u>	<u>7,668</u>	<u>6,883,541</u>
Total liabilities and fund balances	<u>\$ 7,451,443</u>	<u>\$ 1,910,518</u>	<u>\$ 289,508</u>	<u>\$ 7,668</u>	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$55,468,882 and the accumulated depreciation is \$22,418,477.	33,050,405
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(1,595,002)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(20,423,294)
For refunding bond issues, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a net 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. The original net deferred outflow is \$1,919,225 and the accumulated amortization is \$1,367,405.	551,820
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(196,202)</u>
Total net position of governmental activities	<u>\$ 18,271,268</u>

See accompanying notes to financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 29,056,364	\$ -	\$ -	\$ 1,772,133	\$ 30,828,497
Tuition - individuals	56,279	-	-	-	56,279
Tuition - other LEAs	95,672	-	-	-	95,672
Interest on investments	2,934	-	-	-	2,934
Rents and royalties	5,138	-	-	-	5,138
Local contributions	-	297,695	-	-	297,695
Miscellaneous	88,143	-	-	-	88,143
Total	29,304,530	297,695	-	1,772,133	31,374,358
State sources	13,145,544	310,851	(2,889)	9,801	13,463,307
Federal sources	28,034	2,390,766	-	-	2,418,800
Total revenues	42,478,108	2,999,312	(2,889)	1,781,934	47,256,465
Expenditures					
Current					
Instructional					
Regular instruction	8,042,938	817,620	-	-	8,860,558
Special education instruction	3,934,081	19,142	-	-	3,953,223
Other special instruction	346,473	138,391	-	-	484,864
Other instruction	958,268	-	-	-	958,268
Support service and undistributed costs					
Tuition	2,541,722	422,341	-	-	2,964,063
Student and instruction related services	3,995,335	1,116,124	-	-	5,111,459
General and business administrative services	1,410,214	-	-	-	1,410,214
School administrative services	1,369,082	129,434	-	-	1,498,516
Plant operations and maintenance	2,777,326	7,230	-	-	2,784,556
Pupil transportation	2,472,406	875	-	-	2,473,281
Unallocated benefits	11,904,419	136,999	-	-	12,041,418

See accompanying notes to financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 798,771	\$ 280,123	\$ -	\$ -	\$ 1,078,894
Charter school	230,166	-	-	-	230,166
Debt service					
Principal	137,259	-	-	1,570,000	1,707,259
Interest and other charges	54,023	-	-	250,964	304,987
Total expenditures	<u>40,972,483</u>	<u>3,068,279</u>	<u>-</u>	<u>1,820,964</u>	<u>45,861,726</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,505,625</u>	<u>(68,967)</u>	<u>(2,889)</u>	<u>(39,030)</u>	<u>1,394,739</u>
Other financing sources (uses)					
Transfers in (out)	(94,044)	94,044	-	-	-
Assets acquired under lease	82,347	-	-	-	82,347
Total other financing sources (uses)	<u>(11,697)</u>	<u>94,044</u>	<u>-</u>	<u>-</u>	<u>82,347</u>
Net change in fund balance	1,493,928	25,077	(2,889)	(39,030)	1,477,086
Fund balances, July 1	<u>4,874,825</u>	<u>192,535</u>	<u>292,397</u>	<u>46,698</u>	<u>5,406,455</u>
Fund balances, June 30	<u>\$ 6,368,753</u>	<u>\$ 217,612</u>	<u>\$ 289,508</u>	<u>\$ 7,668</u>	<u>\$ 6,883,541</u>

See accompanying notes to financial statements.

HIGHLAND PARK BOROUGH PUBLIC 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, 2022

Total net changes in fund balances - Governmental fund (from B-2) \$ 1,477,086

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 expenses.

This is the amount by which depreciation exceeds capital outlays in the period:

Capital outlays	\$ 1,078,894	
Depreciation and amortization expense	<u>(1,329,447)</u>	(250,553)

Repayment of debt principal and capital leases 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 principal payments	1,570,000	
Lease principal payments	<u>137,259</u>	1,707,259

Governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Amortization of bond premium		25,960
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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.

756,564

See accompanying notes to financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2022

In the Statement of Activities, deferred outflows for refunding bond costs are amortized to current year expenses over the amortization period.	\$ (174,030)
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.	12,637
Governmental funds report lease proceeds as financing sources whereas issuing debt increased long-term liabilities in the government-wide statements.	(82,347)
In the Statement of Activities, compensated absences and early retirement benefits 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>28,031</u>
Change in net position of governmental activities	<u><u>\$ 3,500,607</u></u>

See accompanying notes to financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Fund Net Position
June 30, 2022

	Food Service Fund	Before and After School Child Care Fund	Total
Asset			
Current assets			
Cash and cash equivalents	\$ 174,326	\$ 15,061	\$ 189,387
Due from other funds	122,939	-	122,939
Receivables from other governments			
State	1,360	-	1,360
Federal	110,536	-	110,536
Other receivables	19,922	-	19,922
Inventory	11,814	-	11,814
Total current assets	<u>440,897</u>	<u>15,061</u>	<u>455,958</u>
Noncurrent assets			
Capital assets	198,284	-	198,284
Less: accumulated depreciation	134,815	-	134,815
Total noncurrent assets	<u>63,469</u>	<u>-</u>	<u>63,469</u>
Total assets	<u>504,366</u>	<u>15,061</u>	<u>519,427</u>
Liabilities			
Current liabilities			
Due to other funds	-	2,534	2,534
Accounts payable	56,046	5,749	61,795
Unearned revenues			
Commodities	2,031	-	2,031
Prepaid sales	13,753	25	13,778
Other current liabilities	-	898	898
Total liabilities	<u>71,830</u>	<u>9,206</u>	<u>81,036</u>
Net position			
Net investment in capital assets	63,469	-	63,469
Unrestricted	369,067	5,855	374,922
Total net position	<u>\$ 432,536</u>	<u>\$ 5,855</u>	<u>\$ 438,391</u>

See accompanying notes to financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2022

	Food Service Fund	Before and After School Child Care Fund	Total
Operating revenues			
Charges for services			
Daily sales - non-reimbursable programs	\$ 22,095	\$ -	\$ 22,095
Special function sales	24,103	-	24,103
Before and after school child care service fees	-	244,333	244,333
Total operating revenues	<u>46,198</u>	<u>244,333</u>	<u>290,531</u>
Operating expenses			
Cost of sales - reimbursable programs	344,667	-	344,667
Cost of sales - nonreimbursable programs	22,850	-	22,850
Commodity costs	48,532	-	48,532
Salaries	259,248	247,416	506,664
Employee benefits	93,253	18,927	112,180
Purchased professional and technical services	5,111	750	5,861
Purchased property services	11,144	-	11,144
Other purchased services			
Management fee	5,623	-	5,623
Insurance	5,218	-	5,218
Other purchased services	35,838	16,586	52,424
General supplies	57,430	19,069	76,499
Depreciation	8,759	-	8,759
Total operating expenses	<u>897,673</u>	<u>302,748</u>	<u>1,200,421</u>
Operating income (loss)	<u>(851,475)</u>	<u>(58,415)</u>	<u>(909,890)</u>
Non-operating revenues (expenses)			
State sources			
State school lunch program	17,464	-	17,464
Federal sources			
National school breakfast program	177,596	-	177,596
National school lunch program			
Cash assistance	826,115	-	826,115
Non cash assistance (commodities)	48,532	-	48,532
Board contribution	7,230	-	7,230
Miscellaneous	1,399	-	1,399
Total non-operating revenues (expenses)	<u>1,078,336</u>	<u>-</u>	<u>1,078,336</u>
Change in net position	226,861	(58,415)	168,446
Net position, beginning	<u>205,675</u>	<u>64,270</u>	<u>269,945</u>
Net position, ending	<u>\$ 432,536</u>	<u>\$ 5,855</u>	<u>\$ 438,391</u>

See accompanying notes to financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

	Food Service Fund	Before and After School Child Care Fund	Total
Cash flows from operating activities			
Receipts from services provided (net)	\$ 47,598	\$ 244,333	\$ 291,931
Payments to employees	-	(247,481)	(247,481)
Payments for employee benefits	-	(18,927)	(18,927)
Payments to Food Service Management Co. (net)	(764,932)	-	(764,932)
Payments to vendors and customers (net)	(37,968)	(31,896)	(69,864)
Interfund activity	3,726	-	3,726
Net cash provided by (used for) operating activities	<u>(751,576)</u>	<u>(53,971)</u>	<u>(805,547)</u>
Cash flows from non-capital financing activities			
State sources	17,896	-	17,896
Federal sources	938,606	-	938,606
Interfund activity	(98,381)	-	(98,381)
Miscellaneous	74	-	74
Net cash provided by (used for) non-capital financing activities	<u>858,195</u>	<u>-</u>	<u>858,195</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	(7,800)	-	(7,800)
Net cash provided by (used for) capital and related financing activities	<u>(7,800)</u>	<u>-</u>	<u>(7,800)</u>
Net increase (decrease) in cash and cash equivalents	98,819	(53,971)	44,848
Cash and cash equivalents, beginning	<u>75,507</u>	<u>69,032</u>	<u>144,539</u>
Cash and cash equivalents, ending	<u>\$ 174,326</u>	<u>\$ 15,061</u>	<u>\$ 189,387</u>

See accompanying notes to financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows (continued)
For the Fiscal Year Ended June 30, 2022

	Food Service Fund	Before and After School Child Care Fund	Total
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ (851,475)	\$ (58,415)	\$ (909,890)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	8,759	-	8,759
Federal food donation program	48,532	-	48,532
(Increase) decrease in due from other funds	(36)	-	(36)
(Increase) decrease in accounts receivable	7,840	-	7,840
(Increase) decrease in inventory	(4,100)	-	(4,100)
Increase (decrease) in accounts payable	39,216	4,791	44,007
Increase (decrease) in due to other funds	-	(65)	(65)
Increase (decrease) in unearned revenues	1,034	-	1,034
Increase (decrease) in prepaid expenses	(1,346)	-	(1,346)
Increase (decrease) in other current liabilities	-	(282)	(282)
	<u>\$ (751,576)</u>	<u>\$ (53,971)</u>	<u>\$ (805,547)</u>
Net cash provided by (used for) operating activities	<u>\$ (751,576)</u>	<u>\$ (53,971)</u>	<u>\$ (805,547)</u>

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

The financial statements of the Highland Park Borough School District (the 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 over-all 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 to 12. The District had an approximate enrollment at June 30, 2022 of 1,611 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.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary 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.

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 postemployment healthcare benefits, are recorded only when payment is due.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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 collecting 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 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 non-operating 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.

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.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are 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.

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. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities. Amounts maintained for private purpose scholarship accounts are utilized for scholarship awards to qualifying students.

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.

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:

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 -

Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Proprietary Fund types

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 funds are comprised of the food service fund and the before and after school childcare fund.

All proprietary funds are accounted for on a current financial resource's 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) 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
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Fiduciary Fund types

The District does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, *Fiduciary Activities*.

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, if necessary, are 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 N.J.A.C. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution. Budget amendments during the fiscal year ended June 30, 2022 were insignificant.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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.

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 year 2021-2022 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

H. Short-term interfund receivable/payables

Short-term interfund receivables and payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

I. Inventories and prepaid items

Inventories and prepaid items, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditures during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as 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, 2022.

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:

Assets	Years
Building	45
Building improvements & portable classroom	20 - 45
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10
Vehicles	8

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by GASB Statement No. 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 employer's 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.

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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

Net position represents the difference between the sum of assets and deferred outflows of resources, and the sum of liabilities and deferred inflows of resources. In the government-wide financial statements, net position is classified into the following three components:

- *Net investment in Capital Assets* - This component represents capital assets, less accumulated depreciation and net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- *Restricted* - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- *Unrestricted* - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

O. 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 BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

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

P. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Q. 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.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has two items that qualify for reporting in this category, deferred amount on pension activity and deferred amount on a refunding bond issue. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

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 N.J.S.A. 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.

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

Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash and cash equivalents regardless of the date of maturity. As of June 30, 2022, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits and investments (continued)

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a 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.

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.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee's salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2022, the District's bank balances of \$5,876,820 were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	5,626,820
Total bank balances	\$ 5,876,820

Deposits at June 30, 2022 appear in the financial statements as summarized below:

Cash and cash equivalents		\$ 4,849,238
	<u>Ref.</u>	
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$ 1,607,815
Enterprise funds, Statement of Net Position	B-4	189,387
Restricted cash		
Governmental funds, Balance Sheet	B-1	3,052,036
Total cash		\$ 4,849,238

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 -

Capital assets

Capital asset activity for the fiscal year ended June 30, 2022 is as follows:

	Beginning Balance (as restated)	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated or amortized				
Land	\$ 415,000	\$ -	\$ -	\$ 415,000
Construction in progress	-	650,000	-	650,000
	<u>415,000</u>	<u>650,000</u>	<u>-</u>	<u>1,065,000</u>
Capital assets, being depreciated or amortized				
Land improvements	1,171,471	-	-	1,171,471
Building and improvements	51,175,264	245,371	-	51,420,635
Furniture and equipment	1,612,613	101,176	-	1,713,789
Vehicles	15,640	-	-	15,640
Right-to-use asset	-	82,347	-	82,347
Total	<u>53,974,988</u>	<u>428,894</u>	<u>-</u>	<u>54,403,882</u>
Accumulated depreciation and amortization				
Land improvements	895,126	29,928	-	925,054
Building and improvements	19,028,968	1,068,650	-	20,097,618
Furniture and equipment	1,149,296	219,889	-	1,369,185
Vehicles	15,640	-	-	15,640
Right-to-use asset	-	10,980	-	10,980
Total	<u>21,089,030</u>	<u>1,329,447</u>	<u>-</u>	<u>22,418,477</u>
Total capital assets, being depreciated, net	<u>32,885,958</u>	<u>(900,553)</u>	<u>-</u>	<u>31,985,405</u>
Governmental activities capital assets, net	<u>\$ 33,300,958</u>	<u>\$ (250,553)</u>	<u>\$ -</u>	<u>\$ 33,050,405</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture equipment	\$ 190,484	\$ 7,800	\$ -	\$ 198,284
Less: accumulated depreciation	(126,056)	(8,759)	-	(134,815)
Business type activities capital assets, net	<u>\$ 64,428</u>	<u>\$ (959)</u>	<u>\$ -</u>	<u>\$ 63,469</u>

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

Depreciation and amortization expense were charged to governmental functions in the current year as follows:

Instruction			
Regular	\$	534,286	
Special education		196,721	
Other special instruction		23,668	
Co-curricular activities		70,744	
Support services			
Student and instruction		261,869	
General and business administration		159,441	
School administration		75,483	
Plant and maintenance		7,235	
Total depreciation and amortization expense, governmental activities	\$	1,329,447	

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2022 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 16,195,000	\$ -	\$ 1,570,000	\$ 14,625,000	\$ 1,610,000
Unamortized bond premium	25,960	-	25,960	-	-
PERS net pension liability	6,552,726	-	1,754,308	4,798,418	-
Leases payable	353,812	82,347	137,259	298,900	166,050
Compensated absences payable	729,007	88,519	116,550	700,976	46,069
Total governmental activities long-term liabilities	\$ 23,856,505	\$170,866	\$ 3,604,077	\$ 20,423,294	\$ 1,822,119

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The compensated absences liability is paid in the current expenditures budget of the District's general fund and the other long-term debts are amortized over a determined period.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2022 including interest payments are listed as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,610,000	\$ 221,285	\$ 1,831,285
2024	1,625,000	201,818	1,826,818
2025	1,640,000	181,607	1,821,607
2026	1,885,000	160,579	2,045,579
2027	1,920,000	135,509	2,055,509
2028 - 2030	5,945,000	220,068	6,165,068
Total	<u>\$ 14,625,000</u>	<u>\$ 1,120,866</u>	<u>\$ 15,745,866</u>

General Obligation Bonds - General obligation school building bonds payable at June 30, 2022, with their outstanding balances are comprised of the following individual issues:

\$8,555,000 - 2016 general obligation refunding bonds, due in annual installments of \$935,000 to \$1,120,000 beginning February 15, 2018 through February 15, 2025, interest at 1.39%.	\$ 3,415,000
\$11,400,000 - 2020 general obligation refunding bonds, due in annual installments of \$65,000 to \$2,020,000 beginning March 1, 2020 through March 1, 2030, interest at 0.63% to 1.90%.	<u>11,210,000</u>
Totals	<u>\$ 14,625,000</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, 2022 is \$55,894,676. General obligation debt at June 30, 2022 is \$14,625,000, resulting in a legal debt margin of \$41,269,676.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

Leases payable - Leases payable at June 30, 2022, with their outstanding balances are comprised of the following:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 166,050	\$ 4,808	\$ 170,858
2024	72,747	1,521	74,268
2025	60,103	459	60,562
Total	<u>\$ 298,900</u>	<u>\$ 6,788</u>	<u>\$ 305,688</u>

\$222,389 - Communication system, commencing 3/25/2020, 0.56% interest, due in monthly installments beginning April 1, 2020 through March 31, 2025. \$ 123,040

\$87,347 - Copiers, commencing 10/25/2021, 2.88% interest, due in monthly installments beginning June 28, 2022 through May 28, 2025. 94,345

\$373,100 - Chromebooks, commencing 6/7/2019, 2.38% interest, due in annual installments beginning July 15, 2019 through July 15, 2022. 81,515

Totals \$ 298,900

Note 6 - Pension plans

Description of systems

Substantially all of the District's employees participate in one of the following defined benefit public employee retirement systems which have been established by state statute: The Teachers' Pension and Annuity Fund (TPAF), 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 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.

A. Public employees' retirement systems (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 the Division's annual financial statement which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Plan description (continued)

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

The following represents the membership tiers for PERS:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled 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 and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2021 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2021 measurement date.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Allocation methodology and reconciliation to financial statements (continued)

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. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2020 through June 30, 2021. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A 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 the State fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

The 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 employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in the 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.

The District's contractually required contribution rate for the year ended June 30, 2022 was 17.85% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate was 7.50% of base salary effective July 1, 2018.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2021:

Total pension liability	\$	4,798,418
Proportionate Share		.0467117600 %

Plan fiduciary net position as a percentage of the total pension liability	70.33%
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Components of net pension liability

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation rate	2.75%
Price	3.25%
Wage	

Salary increases (based on years of service)	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%

Investment rate of return	7.00%
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Preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 generational basis. Mortality improvement is based on Scale MP-2021.

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

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real assets	3.00%	7.40%
Real estate	8.00%	9.15%
High yield	2.00%	3.75%
Private credit	8.00%	7.60%
Investment grade credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk mitigation strategies	3.00%	3.35%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of as of June 30, 2021 measurement date, 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:

District's Proportionate Share of the net pension liability

At current discount rate (7.00%)	\$ 4,798,418
At a 1% lower rate (6.00%)	6,604,130
At a 1% higher rate (8.00%)	3,360,576

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2021 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 75,677	\$ 34,351
Changes of assumptions	24,990	1,708,268
Net difference between projected and actual earnings on pension plan investments	-	1,264,029
Changes in proportion and differences between District contributions and proportionate share of contributions	836,619	-
District contributions subsequent to the measurement date	547,049	-
Total	<u>\$ 1,484,335</u>	<u>\$ 3,006,648</u>

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) of \$547,049 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

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 fiscal year ended June 30, 2021 measurement date:

	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 119,314	\$ (43,637)	\$ 75,677
Changes of assumptions	212,578	(187,588)	24,990
Differences between expected and actual investment earnings	223,977	(223,977)	-
Deferred Inflows of Resources			
Differences between expected and actual experience	(23,173)	(11,178)	(34,351)
Changes of assumptions	(2,743,688)	1,035,420	(1,708,268)
Difference between projected and actual earnings on pension plan investments	-	(1,264,029)	(1,264,029)
Net of deferred inflows	<u>\$ (2,210,992)</u>	<u>\$ (694,989)</u>	<u>\$ (2,905,981)</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:

State Fiscal Year Ended June 30

2022	\$ (1,132,218)
2023	(808,401)
2024	(551,191)
2025	(414,332)
2026	161
Total	<u>\$ (2,905,981)</u>

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Pension expense (benefit)

For the year ended June 30, 2022, the District recognized net pension expense (benefit) of (\$354,893), which represents the District's proportionate share of allocable plan pension expense (benefit) of (\$655,269), plus the net amortization of deferred amounts from changes in proportion of \$407,848, plus other adjustments to the net pension liability of (\$107,472). 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, 2021 measurement date are as follows:

Service cost	\$	282,572
Interest on total pension liability		1,110,439
Benefit Changes		-
Member contributions		(229,898)
Administrative expense		4,019
Expected investment return net of investment expense		(605,809)
Pension expense related to specific liabilities of individual employers		(2,832)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		31,115
Changes of assumptions		(842,899)
Difference between projected and actual investment earnings on pension plan investments		(401,976)
Pension expense (benefit)	\$	<u>(655,269)</u>

B. Teachers' pension and annuity fund (TPAF)

Plan description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a 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 Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teachers' pension and annuity fund (TPAF) (continued)

Plan description (continued)

The following represents the membership Tiers for TPAF:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled 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 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The 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 the State fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

Special funding situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teachers' pension and annuity fund (TPAF) (continued)

Special funding situation

During the State fiscal year ended June 30, 2021, the State of New Jersey contributed \$3,534,766 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for TPAF for the fiscal year ended June 30, 2021 measurement date is as follows:

District proportionate share of net pension liability	\$ 89,931,772
Less: State proportionate share of net pension liability	31,943,778
Net pension liability	\$ 57,987,994

Proportionate share	.1206193788 %
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Plan fiduciary net position as a percentage of the total pension liability	35.52%
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Actuarial assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	
Through 2026	1.55 - 4.45%
Thereafter	2.75 - 5.65%
Investment rate of return	7.00%

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)
B. Teacher’s pension and annuity fund (TPAF) (continued)
Actuarial assumptions (continued)

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF’s target asset allocation as of June 30, 2021 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real assets	3.00%	7.40%
Real estate	8.00%	9.15%
High yield	2.00%	3.75%
Private credit	8.00%	7.60%
Investment grade credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk mitigation strategies	3.00%	3.35%

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)
B. Teacher's pension and annuity fund (TPAF) (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 based on 100% of actuarially determined contributions for the local employers.

Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the net pension liability of the State as of June 30, 2021 measurement date, 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:

District's Proportionate Share of the Net Pension Liability

At current discount rate (7.00%)	\$ 57,987,994
At a 1% lower rate (6.00%)	68,609,483
At a 1% higher rate (8.00%)	49,066,611

Pension Expense

The components of the contractually required contribution, which exclude amounts related to specific liabilities of individual employers, for the District for the year ended June 30, 2021 measurement date are as follows:

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Pension Expense (continued)

Service cost	\$ 2,118,307
Interest on total pension liability	5,653,317
Benefit Changes	-
Member contributions	(1,063,855)
Administrative expense	10,887
Expected investment return net of investment expense	(1,756,398)
Pension expense related to specific liabilities of individual employers	(485)
Recognition (amortization) of deferred inflows/outflows of resources	-
Differences between projected and actual experience	243,025
Changes of assumptions	(2,716,960)
Difference between projected and actual investment earnings on pension plan investments	-
	(1,123,355)
Pension expense	\$ 1,364,483

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 (\$8,400 in 2022) 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.

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year 2022 was \$3,074.

D. Other pension plan information

During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$1,119,420 to the TPAF for postretirement medical benefits, \$66,657 for non-contributory insurance premiums, \$2,171 for long-term disability insurance and \$4,724,552 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,045,107 during the fiscal year ended June 30, 2022 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 Statements No. 68.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as the employers) for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,650,970 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at <https://www.state.nj.us/treasury/taxation/payments-notices.shtml>.

Total OPEB liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the District.

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2021 measurement date is as follows:

State's proportionate share of the OPEB liability	60,007,650,970
District's proportionate share of the State's OPEB liability	66,063,109
Employer OPEB expense and related revenue	4,107,917
 Allocable proportionate percentage	 0.1100911433%

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)
Changes in the total OPEB liability

	Total OPEB Liability
Total OPEB liability at June 30, 2020	\$ 77,114,247
Service cost	4,099,527
Interest cost	1,713,746
Change of benefit terms	(70,316)
Differences between expected and actual experiences	(15,553,130)
Changes of assumptions	65,176
Member contributions	43,812
Gross benefit payments	(1,349,953)
Total OPEB liability at June 30, 2021	\$ 66,063,109

There were no changes of the benefit terms from June 30, 2020 to June 30, 2021.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% as of the June 30, 2020 plan measurement date to 2.16% as of the June 30, 2021 plan measurement date.

The total non-employer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	TPAF	PERS
	(based on years of service)	(based on years of service)
Salary increases		
Through 2026	1.55% - 4.45%	2.00% - 6.00%
Thereafter	2.75% - 5.65%	3.00% - 7.00%

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2013 - June 30, 2018 for TPAF and PERS, respectively.

Health care trend assumptions

For Pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2021 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Discount Rate (continued)

Total OPEB Liability (school retirees)

At current discount rate (2.16%)	\$ 66,063,109
At a 1% lower rate (1.16%)	79,133,234
At a 1% higher rate (3.16%)	55,771,170

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability, as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Total OPEB Liability (school retirees)

Healthcare cost trend rate	\$ 66,063,109
At a 1% lower rate (1% decrease)	53,478,301
At a 1% higher rate (1% increase)	82,963,576

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the fiscal year ended June 30, 2021, the District recognized OPEB expense (revenue) of \$4,107,917 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

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 Insurance
- Equitable
- TIAA-CREF
- Lincoln Investment Planning, Inc.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 9 - Interfund receivables and payables

The composition of interfund balances as of June 30, 2022 is as follows:

Fund	Receivable Fund	Payable Fund
General fund	\$ 1,347,870	\$ 113,197
Special revenue fund	85	1,355,163
Food service fund	122,939	-
Before and after school childcare fund	-	2,534
Total	\$ 1,470,894	\$ 1,470,894

The balance due from the general fund to the special revenue fund represents funds relating to the high school student activities account of \$85. The balance due from the special revenue fund to the general fund represents a loan from the general fund of \$1,347,870 due to cash flows related to the delayed receipt of grant revenues. The balance due from the general fund to the food service fund of \$113,112 represents transactions occurring in the general fund affecting the food service fund. The balance due from the special revenue fund to the food service fund of \$7,293 represents transactions occurring in the special revenue fund affecting the food service fund. The balance due to the food service fund from the before and after school care enterprise fund of \$2,534 represents transactions occurring in the before and after school care enterprise fund affecting the food service fund.

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2022 consisted of the following:

Food	\$ 6,253
Supplies	5,561
Total	\$ 11,814

Note 11 - Contingent liabilities

Litigation

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 District.

Amounts received, or receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the Grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

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 Annual Comprehensive Financial Report.

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 available for claims of the District's unemployment compensation insurance fund:

Fiscal Year	Board Transfer	Refund of Prior Year Expenditures	Employee Deposits	Amount Reimbursed	Ending Balance Available for Claims
2021 - 2022	\$ -	\$ 21,706	\$ -	\$ -	\$ 39,624
2020 - 2021	20,000	-	29,233	(83,705)	17,918
2019 - 2020	20,000	-	29,846	(90,224)	52,390

Note 13 - District reserve accounts

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). 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 N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 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.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - District reserve accounts (continued)

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 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 \$1,000,000 to their capital reserve account, \$100,000 to their emergency reserve and \$200,000 to their maintenance reserve account by Board Resolution in June 2022.

The following schedule is a summarization of the legal reserve accounts for the current fiscal year:

Reserve Type	Beginning Balance	District Contribution	Return of Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 1,310,760	\$ 1,000,000	\$ -	\$ 512,000	\$ 1,798,760
Emergency	150,667	100,000	-	-	250,667
Maintenance	197,761	200,000	65,378	87,500	375,639
Total	<u>\$ 1,659,188</u>	<u>\$ 1,300,000</u>	<u>\$ 65,378</u>	<u>\$ 599,500</u>	<u>\$ 2,425,066</u>

The June 30, 2022 LRFPP balance of local support costs of uncompleted capital projects exceeded the amount in capital reserve.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 14 - Fund balances

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2022 is as follows:

Restricted	
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	\$ 1,798,760
Emergency reserve account - Represents funds restricted to finance unanticipated general fund expenditures required for a thorough and efficient education.	250,667
Maintenance reserve account - Represents funds restricted for required maintenance of school facilities.	375,639
Unemployment - Represents funds accumulated for future unemployment claims	39,624
Committed	
Year-end encumbrance - Represents fund balance assigned for purchase orders that have been issued but goods or services were not received as of June 30.	85,534
Assigned	
Designated for subsequent year's expenditures - Represents amount appropriated in the succeeding year's budget to reduce tax requirements.	2,002,210
Unassigned	
Undesignated - Represents fund balance which has not been restricted designated.	2,233,961
Total fund balance - Budgetary basis (C-1)	<u>6,786,395</u>
Last state aid payments not recognized on GAAP basis	<u>(417,642)</u>
Total fund balance - GAAP basis (exhibit B-1)	<u><u>\$ 6,368,753</u></u>

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 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, 2022 is \$0.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 16 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2022 of (\$3,408,802) on Schedule A-1, Statement of Net Position. The deficit balance 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.

Note 17 - Deficit unassigned fund balance in the special revenue fund

The District has a deficit unassigned fund balance of (\$22,267) in the special revenue fund as of June 30, 2022 as reported in the fund statements. PL 2005, Chapter 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.

Note 18 - Restatement of prior year net position

During the fiscal year ended June 30, 2022, the District restated net position for governmental activities as of June 30, 2021 as a result of the implementation of GASB Statement No. 87:

	Governmental Activities
Net position, June 30, 2021	\$ 14,791,891
Additions	
Change in capital assets, net	156,445
Reductions	
Change in accrued interest	(4,253)
Change in leases payable	(173,422)
Net position, June 30, 2021, as restated	\$ 14,770,661

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 19 - Recent accounting pronouncements not yet effective

The following is of recent accounting pronouncements, which are not yet effective as of the year-end date of this report and which are expected to have a material impact on the District's financial reporting.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for reporting periods beginning after December 15, 2023. The District is evaluating the effect of the pronouncement on financial reporting.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement is effective for reporting periods beginning after June 15, 2022. The District is evaluating the effect of the pronouncement on financial reporting.

Note 20 - Risks and uncertainties

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (The COVID-19 outbreak) and the risks to the international community as a virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future results of operations.

Note 21 - Subsequent events

The District has evaluated subsequent events through April 5, 2023, which is the date the financial statements were available to be issued and other than the advance refunding issue detailed in note 5, no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 29,056,364	\$ -	\$ 29,056,364	\$ 29,056,364	\$ -
Tuition from individuals	70,000	-	70,000	56,279	(13,721)
Tuition from other LEAs within the state	100,000	-	100,000	95,672	(4,328)
Rents and royalties	5,000	-	5,000	5,138	138
Unrestricted miscellaneous revenues	73,700	-	73,700	69,370	(4,330)
Interest earned on maintenance reserve	280	-	280	-	(280)
Interest earned on capital reserve funds	1,000	-	1,000	-	(1,000)
Other restricted miscellaneous revenues	-	-	-	21,707	21,707
Total	<u>29,306,344</u>	<u>-</u>	<u>29,306,344</u>	<u>29,304,530</u>	<u>(1,814)</u>
State sources					
Categorical transportation aid	240,771	-	240,771	240,771	-
Extraordinary aid	600,000	-	600,000	856,505	256,505
Categorical special education aid	1,155,701	-	1,155,701	1,155,701	-
Equalization aid	2,978,764	-	2,978,764	2,978,764	-
Categorical security aid	47,872	-	47,872	47,872	-
Other state aid	-	-	-	926,783	926,783
TPAF Pension (on-behalf)	-	-	-	4,724,552	4,724,552
TPAF Non-contributory insurance	-	-	-	66,657	66,657
TPAF Social Security (reimbursed)	-	-	-	1,045,107	1,045,107
TPAF Postretirement benefits	-	-	-	1,119,420	1,119,420
TPAF Long-term disability insurance	-	-	-	2,171	2,171
Total	<u>5,023,108</u>	<u>-</u>	<u>5,023,108</u>	<u>13,164,303</u>	<u>8,141,195</u>
Federal sources					
Medicaid reimbursement	50,000	-	50,000	28,034	(21,966)
Total	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>28,034</u>	<u>(21,966)</u>
Total revenues	<u>\$ 34,379,452</u>	<u>\$ -</u>	<u>\$ 34,379,452</u>	<u>\$ 42,496,867</u>	<u>\$ 8,117,415</u>
Expenditures					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	\$ 489,558	\$ 418	\$ 489,976	\$ 489,943	\$ 33
Grades 1-5	2,630,333	5,418	2,635,751	2,611,608	24,143
Grades 6-8	1,639,140	49,435	1,688,575	1,665,523	23,052
Grades 9-12	2,624,850	(5,179)	2,619,671	2,619,671	-
Home instruction					
Salaries of teacher	15,991	14,689	30,680	30,680	-
Purchased professional - educational services	44,559	7,534	52,093	50,205	1,888
Regular programs - undistributed instruction					
Other salaries for instruction	175,684	(16,759)	158,925	156,494	2,431
Purchased professional - educational services	377,500	(19,320)	358,180	222,261	135,919
Other purchased services	77,401	8,241	85,642	60,710	24,932
General supplies	228,053	11,707	239,760	123,878	115,882
Textbooks	27,144	8,283	35,427	24,800	10,627
Other objects	1,662	136	1,798	1,798	-
Total	<u>8,331,875</u>	<u>64,603</u>	<u>8,396,478</u>	<u>8,057,571</u>	<u>338,907</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Special education					
Learning and/or language disabilities					
Salaries of teachers	\$ 418,254	\$ (16,489)	\$ 401,765	\$ 346,719	\$ 55,046
Other salaries for instruction	158,665	22,520	181,185	113,324	67,861
Purchased professional-educational services	-	8,361	8,361	6,841	1,520
Purchased technical services	-	377	377	377	-
Other purchased services	1,629	62	1,691	1,691	-
General supplies	7,150	(2,032)	5,118	4,873	245
Other objects	-	72	72	72	-
Total	<u>585,698</u>	<u>12,871</u>	<u>598,569</u>	<u>473,897</u>	<u>124,672</u>
Emotional regulation impairment					
Salaries of teachers	61,937	9,121	71,058	70,693	365
Other salaries for instruction	43,848	(21,993)	21,855	19,868	1,987
Purchased professional-educational services	361,044	(4,006)	357,038	352,688	4,350
General supplies	1,200	506	1,706	1,706	-
Total	<u>468,029</u>	<u>(16,372)</u>	<u>451,657</u>	<u>444,955</u>	<u>6,702</u>
Resource room/resource center					
Salaries of teachers	2,313,226	(122,415)	2,190,811	2,051,575	139,236
Other salaries for instruction	467,502	43,801	511,303	486,441	24,862
Other purchased services	4,300	-	4,300	3,932	368
General supplies	10,000	-	10,000	5,375	4,625
Total	<u>2,795,028</u>	<u>(78,614)</u>	<u>2,716,414</u>	<u>2,547,323</u>	<u>169,091</u>
Autism					
Salaries of teachers	275,141	66,068	341,209	277,690	63,519
Other salaries for instruction	81,442	(2,572)	78,870	58,397	20,473
Purchased professional-educational services	6,897	-	6,897	6,196	701
General supplies	4,491	1,060	5,551	5,494	57
Total	<u>367,971</u>	<u>64,556</u>	<u>432,527</u>	<u>347,777</u>	<u>84,750</u>
Preschool disabilities - part-time					
Salaries of teachers	98,429	13,470	111,899	105,551	6,348
Other salaries for instruction	18,215	(296)	17,919	12,682	5,237
General supplies	2,700	-	2,700	1,911	789
Total	<u>119,344</u>	<u>13,174</u>	<u>132,518</u>	<u>120,144</u>	<u>12,374</u>
Total special education	<u>4,336,070</u>	<u>(4,385)</u>	<u>4,331,685</u>	<u>3,934,096</u>	<u>397,589</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2022

	Unaudited		Actual	Variance Final to Actual	
	Original Budget	Budget Transfers			Final Budget
Expenditures (cont'd)					
Bilingual education - instruction					
Salaries of teachers	\$ 354,923	\$ -	\$ 354,923	\$ 342,831	\$ 12,092
Other purchased services	-	214	214	214	-
General supplies	3,845	2,251	6,096	3,428	2,668
Total	358,768	2,465	361,233	346,473	14,760
School-sponsored co/extra curricular activities - instruction					
Salaries	217,414	-	217,414	213,148	4,266
Purchased services	25,500	-	25,500	25,166	334
Supplies and materials	11,175	(1,200)	9,975	3,714	6,261
Other objects	8,126	-	8,126	5,094	3,032
Total	262,215	(1,200)	261,015	247,122	13,893
School-sponsored athletics - instruction					
Salaries	307,789	-	307,789	272,485	35,304
Purchased services	64,513	(1,971)	62,542	46,022	16,520
Supplies and materials	16,921	5,545	22,466	22,245	221
Other objects	14,125	1,971	16,096	16,096	-
Total	403,348	5,545	408,893	356,848	52,045
Other supplemental/at-risk programs - instruction					
Salaries of reading specialists	301,324	52,974	354,298	354,298	-
Total	301,324	52,974	354,298	354,298	-
Total instruction regular	\$ 13,993,600	\$ 120,002	\$ 14,113,602	\$ 13,296,408	\$ 817,194
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the state - regular	\$ -	\$ 7,200	\$ 7,200	\$ 7,200	\$ -
Tuition to other LEAs within the state - special	1,438,016	(624,669)	813,347	782,917	30,430
Tuition to cssd. & regional day schools	103,414	-	103,414	88,636	14,778
Tuition to priv. school for the disabled w/i state	1,508,053	-	1,508,053	1,154,014	354,039
Tuition to priv. sch. disabled & other LEAs-spl, o/s state	120,000	-	120,000	-	120,000
Tuition - other	478,628	127,140	605,768	508,955	96,813
Total	3,648,111	(490,329)	3,157,782	2,541,722	616,060
Undistributed expenditures - attendance & social work					
Salaries	183,323	5,959	189,282	182,290	6,992
Other purchased services	35,000	392	35,392	35,392	-
Total	218,323	6,351	224,674	217,682	6,992
Undistributed expenditures - health services					
Salaries	294,159	(3,391)	290,768	290,655	113
Purchased professional and technical services	31,500	19,537	51,037	51,037	-
Other purchased services	3,386	(364)	3,022	1,418	1,604
Supplies and materials	6,831	-	6,831	5,234	1,597
Other objects	270	-	270	170	100
Total	336,146	15,782	351,928	348,514	3,414

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - speech, ot, pt & related services					
Salaries	\$ 619,899	\$ (660)	\$ 619,239	\$ 600,398	\$ 18,841
Purchased professional - educational services	235,434	4,389	239,823	159,268	80,555
Supplies and materials	3,962	-	3,962	3,169	793
Total	<u>859,295</u>	<u>3,729</u>	<u>863,024</u>	<u>762,835</u>	<u>100,189</u>
Undistributed expend - other supp. service stds. - extra service					
Salaries	509,387	-	509,387	370,897	138,490
Purchased professional - educational services	331,618	(16,651)	314,967	121,277	193,690
Supplies and materials	8,770	-	8,770	3,176	5,594
Total	<u>849,775</u>	<u>(16,651)</u>	<u>833,124</u>	<u>495,350</u>	<u>337,774</u>
Undistributed expenditures - guidance					
Salaries of other professional staff	612,892	2,150	615,042	608,878	6,164
Salaries of secretarial and clerical assistants	61,722	(300)	61,422	61,324	98
Other salaries	-	2,170	2,170	1,666	504
Purchased professional - educational services	900	-	900	750	150
Other purchased professional and technical services	1,000	-	1,000	-	1,000
Other purchased services	12,975	(1,222)	11,753	9,971	1,782
Supplies and materials	2,334	3,213	5,547	5,356	191
Other objects	585	520	1,105	845	260
Total	<u>692,408</u>	<u>6,531</u>	<u>698,939</u>	<u>688,790</u>	<u>10,149</u>
Undistributed expenditures - child study teams					
Salaries of other professional staff	615,627	(28,392)	587,235	524,607	62,628
Salaries of secretarial and clerical assistants	145,022	7,057	152,079	146,609	5,470
Other salaries	2,132	12,285	14,417	13,890	527
Purchased professional - educational services	76,136	(3,458)	72,678	550	72,128
Other purchased professional and technical services	42,728	-	42,728	22,374	20,354
Other purchased services	26,491	32	26,523	20,516	6,007
Supplies and materials	12,678	4,005	16,683	16,683	-
Other objects	3,000	-	3,000	1,240	1,760
Total	<u>923,814</u>	<u>(8,471)</u>	<u>915,343</u>	<u>746,469</u>	<u>168,874</u>
Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	214,532	(56,262)	158,270	156,247	2,023
Salaries of other professional staff	19,776	-	19,776	15,522	4,254
Salaries of secretarial and clerical assist	4,153	-	4,153	2,184	1,969
Other purchased services	1,150	(605)	545	-	545
Supplies and materials	500	638	1,138	1,138	-
Other objects	1,575	(87)	1,488	900	588
Total	<u>241,686</u>	<u>(56,316)</u>	<u>185,370</u>	<u>175,991</u>	<u>9,379</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - edu. media service/sch. library					
Salaries	\$ 197,405	\$ 11,453	\$ 208,858	\$ 208,858	\$ -
Salaries of technology coordinators	162,731	12,426	175,157	172,930	2,227
Other purchased services	15,337	(1,816)	13,521	11,977	1,544
Supplies and materials	7,713	3,423	11,136	5,111	6,025
Total	383,186	25,486	408,672	398,876	9,796
Undistributed expenditures - instructional staff training services					
Salaries of supervisor of instruction	77,250	49,114	126,364	126,364	-
Other salaries	9,151	(534)	8,617	1,474	7,143
Purchased professional - educational services	48,707	(2,000)	46,707	15,433	31,274
Other purchased services	26,985	-	26,985	12,306	14,679
Supplies and materials	4,350	-	4,350	2,000	2,350
Other objects	3,304	55	3,359	3,359	-
Total	169,747	46,635	216,382	160,936	55,446
Undistributed expend. - support service - general admin.					
Salaries	304,817	(17,579)	287,238	287,238	-
Legal services	80,000	59,235	139,235	139,235	-
Audit fees	38,000	-	38,000	37,600	400
Architectural/engineering services	3,000	16,500	19,500	19,500	-
Other purchased professional services	25,000	(15,969)	9,031	9,031	-
Communications/telephone	102,463	(39,434)	63,029	62,479	550
BOE other purchased services	4,124	3,609	7,733	7,733	-
Misc. purch services	169,191	(3,064)	166,127	162,694	3,433
General supplies	9,683	(284)	9,399	9,399	-
BOE in-house training/meeting supplies	2,400	-	2,400	1,623	777
Miscellaneous expenditures	3,300	-	3,300	2,980	320
BOE membership dues and fees	15,000	(3,390)	11,610	11,610	-
Total	756,978	(376)	756,602	751,122	5,480
Undistributed expenditures - support service - school admin.					
Salaries of principals/assistant principals	802,001	22,144	824,145	808,234	15,911
Salaries of secretarial and clerical assistants	526,162	(28,333)	497,829	492,408	5,421
Other salaries	-	14,310	14,310	14,310	-
Purchased professional and technical services	3,600	9,924	13,524	13,524	-
Other purchased services	32,164	(2,783)	29,381	24,529	4,852
Supplies and materials	33,319	(2,637)	30,682	23,282	7,400
Other objects	6,650	1,775	8,425	8,425	-
Total	1,403,896	14,400	1,418,296	1,384,712	33,584

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - central services					
Salaries	\$ 461,657	\$ 98,431	\$ 560,088	\$ 559,544	\$ 544
Purchased professional services	8,044	44,035	52,079	51,977	102
Purchased technical services	20,900	(4,135)	16,765	15,350	1,415
Miscellaneous purchased services	28,788	(13,120)	15,668	15,668	-
Supplies and materials	17,780	(60)	17,720	14,784	2,936
Other objects	1,600	255	1,855	1,855	-
Total	538,769	125,406	664,175	659,178	4,997
Undistributed expenditures - admin. info. technology					
Salaries	54,244	(10,368)	43,876	41,255	2,621
Other purchased services	26,916	8,640	35,556	20,744	14,812
Supplies and materials	15,206	(4,803)	10,403	514	9,889
Total	96,366	(6,531)	89,835	62,513	27,322
Undistributed expenditures - req. maint. for school facilities					
Salaries	285,866	-	285,866	283,016	2,850
Cleaning, repair, and maintenance services	196,518	(49,052)	147,466	121,543	25,923
General supplies	62,486	16,351	78,837	77,769	1,068
Other objects	-	1,160	1,160	1,160	-
Total	544,870	(31,541)	513,329	483,488	29,841
Undistributed expenditures - custodial services					
Salaries	-	109	109	109	-
Salaries of non-instructional aides	68,169	79,255	147,424	133,386	14,038
Purchased professional and technical services	17,500	-	17,500	8,946	8,554
Cleaning, repair, and maintenance service	1,357,029	(25,647)	1,331,382	1,290,849	40,533
Other purchased property services	27,775	12,353	40,128	40,128	-
Insurance	55,693	(3,266)	52,427	46,594	5,833
General supplies	71,261	15,263	86,524	85,763	761
Energy (natural gas)	150,231	4,460	154,691	154,691	-
Energy (electricity)	310,626	11,757	322,383	322,383	-
Other objects	1,700	109	1,809	1,809	-
Total	2,059,984	94,393	2,154,377	2,084,658	69,719
Undistributed expenditures - care and upkeep of grounds					
Cleaning, repair, and maintenance service	95,435	-	95,435	92,467	2,968
General supplies	11,500	-	11,500	11,278	222
Total	106,935	-	106,935	103,745	3,190
Undistributed expenditures - security					
Salaries	88,184	4,450	92,634	92,634	-
Purchased professional and technical services	1,800	(662)	1,138	1,138	-
Cleaning, repair, and maintenance service	8,700	(630)	8,070	7,756	314
General supplies	4,000	-	4,000	3,907	93
Total	102,684	3,158	105,842	105,435	407

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - student trans. service					
Salaries for pupil trans. (betw. home & school) - reg.	\$ 6,960	\$ 16,179	\$ 23,139	\$ 9,592	\$ 13,547
Salaries for pupil trans. (betw. home & school) - sp.	6,960	16,180	23,140	9,592	13,548
Management fee - ESC & CTSA trans. program	62,981	5,510	68,491	68,491	-
Contract service-aid in lieu pymts. - non-public schl.	239,236	7,842	247,078	247,078	-
Contract service-aid in lieu pymts.-charter schl. stud.	25,750	(13,353)	12,397	9,000	3,397
Contract service (oth. than betw. home & schl)-vend.	139,580	-	139,580	121,198	18,382
Contract service (betw. home & school) - joint agree.	9,455	(3,722)	5,733	-	5,733
Contract service (sp. ed. stds.) - vendors	93,934	(68,440)	25,494	-	25,494
Contract service (reg. students) - ESCs & CTSA	398,520	207,136	605,656	605,656	-
Contract service (spl. ed. students) - ESCs & CTSA	1,201,528	200,174	1,401,702	1,401,702	-
General supplies	-	3,722	3,722	97	3,625
Total	2,184,904	371,228	2,556,132	2,472,406	83,726
Unallocated benefits - employee benefits					
Social Security contributions	350,000	80,492	430,492	375,041	55,451
Other retirement contributions - PERS	461,073	13,287	474,360	474,360	-
Other retirement contributions - regular	4,500	-	4,500	2,431	2,069
Unemployment compensation	20,000	-	20,000	-	20,000
Workmen's compensation	136,063	1,297	137,360	124,397	12,963
Health benefits	4,517,351	(552,095)	3,965,256	3,842,200	123,056
Tuition reimbursement	40,000	-	40,000	36,015	3,985
Other employee benefits	200,750	-	200,750	92,068	108,682
Unused sick payment to terminated/retired staff	46,700	1,300	48,000	-	48,000
Total	5,776,437	(455,719)	5,320,718	4,946,512	374,206
On-behalf TPAF Pension contribution	-	-	-	4,724,552	(4,724,552)
On-behalf TPAF Non-contributory insurance	-	-	-	66,657	(66,657)
On-behalf TPAF Postretirement medical benefits	-	-	-	1,119,420	(1,119,420)
On-behalf TPAF Long-term disability insurance	-	-	-	2,171	(2,171)
Reimbursed TPAF Social Security contribution	-	-	-	1,045,107	(1,045,107)
Total	-	-	-	6,957,907	(6,957,907)
Total undistributed expenditures	\$ 21,894,314	\$ (352,835)	\$ 21,541,479	\$ 26,548,841	\$ (5,007,362)
Total current	\$ 35,887,914	\$ (232,833)	\$ 35,655,081	\$ 39,845,249	\$ (4,190,168)
Capital outlay					
Equipment					
Grades 9-12	\$ -	\$ 10,623	\$ 10,623	\$ -	\$ 10,623
Special education - instruction					
Autism	-	4,000	4,000	4,000	-
Undistributed					
Undistributed expend. - support service - related & extra.	-	3,990	3,990	3,990	-
Undistributed expenditures - school admin.	-	2,341	2,341	2,341	-
Undistributed expenditures - central services	-	2,234	2,234	2,234	-
Undistributed expenditures - admin. info. technology	10,516	-	10,516	9,770	746
Undistributed expend. - req. maint. for school facilities	-	14,214	14,214	14,214	-
Total equipment	10,516	37,402	47,918	36,549	11,369

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Facilities acquisition and construction service					
Construction services	\$ 510,000	\$ 572,228	\$ 1,082,228	\$ 679,875	\$ 402,353
Lease purchase agreements - principal	-	44,274	44,274	44,274	-
Assessment for debt service on SDA funding	54,023	-	54,023	54,023	-
Total facilities acquisition and construction service	<u>564,023</u>	<u>616,502</u>	<u>1,180,525</u>	<u>778,172</u>	<u>402,353</u>
Assets acquired under leases (non-budgeted)					
Undistributed					
Undistributed expenditures - general admin.	-	-	-	82,347	(82,347)
Total assets acquired under leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,347</u>	<u>(82,347)</u>
Total capital outlay	<u>\$ 574,539</u>	<u>\$ 653,904</u>	<u>\$ 1,228,443</u>	<u>\$ 897,068</u>	<u>\$ 331,375</u>
Transfer of funds to charter schools	<u>\$ 314,618</u>	<u>\$ -</u>	<u>\$ 314,618</u>	<u>\$ 230,166</u>	<u>\$ 84,452</u>
Total expenditures	<u>\$ 36,777,071</u>	<u>\$ 421,071</u>	<u>\$ 37,198,142</u>	<u>\$ 40,972,483</u>	<u>\$ (3,774,341)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,397,619)</u>	<u>\$ (421,071)</u>	<u>\$ (2,818,690)</u>	<u>\$ 1,524,384</u>	<u>\$ 4,343,074</u>
Other financing sources (uses)					
Operating transfer out					
Transfer to special revenue fund - preschool programs	(94,044)	-	(94,044)	(94,044)	-
Leases (non-budgeted)	-	-	-	82,347	82,347
Total other financing sources (uses)	<u>(94,044)</u>	<u>-</u>	<u>(94,044)</u>	<u>(11,697)</u>	<u>82,347</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,491,663)	(421,071)	(2,912,734)	1,512,687	4,425,421
Fund balances, July 1	5,273,708	-	5,273,708	5,273,708	-
Fund balances, June 30	<u>\$ 2,782,045</u>	<u>\$ (421,071)</u>	<u>\$ 2,360,974</u>	<u>\$ 6,786,395</u>	<u>\$ 4,425,421</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (165,389)	\$ -	\$ (165,389)	\$ (165,389)	\$ -
Increase in capital reserve	-	1,000,000	1,000,000	1,000,000	-
Interest deposit to capital reserve	1,000	-	1,000	-	(1,000)
Withdrawal from capital reserve	(512,000)	-	(512,000)	(512,000)	-
Increase in emergency reserve	-	100,000	100,000	100,000	-
Increase in maintenance reserve	-	200,000	200,000	200,000	-
Interest earned on maintenance reserve	280	-	280	-	(280)
Withdrawal from maintenance reserve	(87,500)	-	(87,500)	(22,122)	65,378
Increase in unemployment compensation	-	-	-	21,706	21,706
Budgeted fund balance	(1,728,054)	(1,721,071)	(3,449,125)	890,492	4,339,617
Total	<u>\$ (2,491,663)</u>	<u>\$ (421,071)</u>	<u>\$ (2,912,734)</u>	<u>\$ 1,512,687</u>	<u>\$ 4,425,421</u>
Recapitulation of fund balance					
Restricted fund balance					
Capital reserve				\$ 1,798,760	
Emergency reserve				250,667	
Maintenance reserve				375,639	
Unemployment compensation				39,624	
Committed fund balance					
Year-end encumbrances				85,534	
Assigned fund balance					
Designated for subsequent year's expenditures				2,002,210	
Unassigned fund balance				<u>2,233,961</u>	
Fund balance per budgetary basis				6,786,395	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(417,642)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 6,368,753</u>	

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance
	Original Budget	Budget Transfers	Final Budget		Final to Actual
Revenues					
Local sources	\$ 157,428	\$ 248,469	\$ 405,897	\$ 297,098	\$ (108,799)
State sources	311,757	-	311,757	302,940	(8,817)
Federal sources	5,599,841	-	5,599,841	2,637,603	(2,962,238)
Total revenues	<u>6,069,026</u>	<u>248,469</u>	<u>6,317,495</u>	<u>3,237,641</u>	<u>(3,079,854)</u>
Other financing sources					
Transfer in from general fund	94,044	-	94,044	94,044	-
Total revenues and other financing sources	<u>\$ 6,163,070</u>	<u>\$ 248,469</u>	<u>\$ 6,411,539</u>	<u>\$ 3,331,685</u>	<u>\$ (3,079,854)</u>
Expenditures					
Instruction					
Salaries	\$ 1,026,711	\$ (87,404)	\$ 939,307	\$ 524,402	\$ 414,905
Other salaries - aides	173,248	(20,297)	152,951	152,951	-
Other salaries	-	91,239	91,239	27,370	63,869
Purchased professional and technical services	38,154	19,628	57,782	16,120	41,662
Other purchased services	104,732	10,374	115,106	80,816	34,290
General supplies	595,863	(98,651)	497,212	166,150	331,062
Textbooks	5,162	-	5,162	5,162	-
Other objects	5,243	-	5,243	-	5,243
Total	<u>1,949,113</u>	<u>(85,111)</u>	<u>1,864,002</u>	<u>972,971</u>	<u>891,031</u>
Support services					
Tuition	654,491	(91,865)	562,626	422,341	140,285
Salaries	350,773	(62,320)	288,453	97,945	190,508
Salaries of supervisors	277,389	33,008	310,397	284,327	26,070
Salaries of other professional staff	41,013	44,980	85,993	67,519	18,474
Other salaries	-	23,957	23,957	5,468	18,489
Employee benefits	226,547	37,846	264,393	136,999	127,394
Purchased professional and technical services	558,729	93,481	652,210	324,543	327,667
Purchased property services	19,327	-	19,327	11,461	7,866
Other purchased services	176,168	6,748	182,916	36,612	146,304
Transportation	875	-	875	875	-
Supplies and materials	199,757	54,276	254,033	172,368	81,665
Administrative (indirect) costs	14,898	-	14,898	14,698	200
Other objects	6,000	7,230	13,230	8,230	5,000
Student activities	-	209,583	209,583	209,583	-
Scholarships awarded	-	14,352	14,352	14,352	-
Total	<u>2,525,967</u>	<u>371,276</u>	<u>2,897,243</u>	<u>1,807,321</u>	<u>1,089,922</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (continued)					
Capital outlay					
Construction services	\$ 1,342,760	\$ (28,874)	\$ 1,313,886	\$ 414,985	\$ 898,901
Instructional equipment	283,000	(4,160)	278,840	78,840	200,000
Non-instructional equipment	62,230	(29,196)	33,034	33,034	-
Total	<u>1,687,990</u>	<u>(62,230)</u>	<u>1,625,760</u>	<u>526,859</u>	<u>1,098,901</u>
Total expenditures	<u>\$ 6,163,070</u>	<u>\$ 223,935</u>	<u>\$ 6,387,005</u>	<u>\$ 3,307,151</u>	<u>\$ 3,079,854</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 24,534	\$ 24,534	\$ 24,534	\$ -
Fund balances, July 1	<u>215,345</u>	<u>-</u>	<u>215,345</u>	<u>215,345</u>	<u>-</u>
Fund balances, June 30	<u>\$ 215,345</u>	<u>\$ 24,534</u>	<u>\$ 239,879</u>	<u>\$ 239,879</u>	<u>\$ -</u>
Recapitulation of fund balance					
Restricted fund balance					
Scholarships				\$ 78,903	
Student activities				<u>160,976</u>	
Fund balance per budgetary basis				<u>\$ 239,879</u>	

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Required Supplementary Information -Part II
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2022

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

Sources/Inflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 42,496,867	\$ 3,237,641
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	-	21,051
Outstanding encumbrances - current year	-	(249,236)
Prior year encumbrances canceled	-	(10,687)
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 expenses (GASB 33):		
State aid receivable prior year	398,883	22,810
State aid receivable current year	(417,642)	(22,267)
Total revenues (GAAP basis)	\$ 42,478,108	\$ 2,999,312

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Required Supplementary Information -Part II
Budget-to-GAAP Reconciliation (continued)
For the Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 40,972,483	\$ 3,307,151
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	-	21,051
Outstanding encumbrances - current year	-	(249,236)
Prior year encumbrances canceled	-	(10,687)
Total expenditures (GAAP basis)	\$ 40,972,483	\$ 3,068,279

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS (GASB 68) (UNAUDITED)**

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Fiscal Years

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
	Percentage	Value			
2013	0.0312791491%	\$ 5,978,067	\$ 2,226,899	268.45%	48.72%
2014	0.0324782489%	6,080,816	2,142,807	283.78%	52.08%
2015	0.0306383920%	6,877,705	2,185,869	314.64%	47.93%
2016	0.0307660282%	9,112,015	2,171,881	419.54%	40.14%
2017	0.0315452445%	7,343,229	2,428,069	302.43%	48.10%
2018	0.0360083800%	7,089,870	2,587,801	273.97%	53.60%
2019	0.0384449378%	6,927,195	2,759,310	251.05%	56.27%
2020	0.0401825655%	6,552,726	2,955,897	221.68%	58.32%
2021	0.0467117600%	4,798,418	3,132,125	153.20%	70.33%
2022	N/A	-	3,064,276	N/A	N/A

N/A = Information not available

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of District's Contributions
Public Employees Retirement System
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2013	\$ 235,776	\$ (235,776)	\$ -	\$ 3,064,276	7.69%
2014	235,682	(235,682)	-	3,132,125	7.52%
2015	267,746	(267,746)	-	2,955,897	9.06%
2016	263,408	(263,408)	-	2,759,310	9.55%
2017	273,321	(273,321)	-	2,587,801	10.56%
2018	292,223	(292,223)	-	2,428,069	12.04%
2019	358,167	(358,167)	-	2,171,881	16.49%
2020	373,956	(373,956)	-	2,185,869	17.11%
2021	439,577	(439,577)	-	2,142,807	20.51%
2022	547,049	(547,049)	-	2,226,899	24.57%

N/A = Information not available

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	<u>Proportionate share of net pension liability (asset)</u>			<u>Total</u>	<u>District's covered employee payroll</u>	<u>District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll</u>	<u>Plan fiduciary net position as as a percentage of the total pension liability</u>
	<u>District's proportion</u>		<u>State's proportion</u>				
	<u>Percentage</u>	<u>Value</u>					
2013	0.00%	\$ -	\$ 54,310,582	\$ 54,310,582	\$ 11,396,575	0.00%	33.76%
2014	0.00%	-	60,066,913	60,066,913	11,299,126	0.00%	33.64%
2015	0.00%	-	72,412,273	72,412,273	11,456,508	0.00%	28.71%
2016	0.00%	-	86,727,556	86,727,556	11,768,723	0.00%	22.33%
2017	0.00%	-	76,788,511	76,788,511	12,591,659	0.00%	25.41%
2018	0.00%	-	75,674,523	75,674,523	13,334,021	0.00%	26.49%
2019	0.00%	-	73,402,958	73,402,958	13,386,027	0.00%	26.95%
2020	0.00%	-	82,256,705	82,256,705	12,750,818	0.00%	24.60%
2021	0.00%	-	57,987,994	57,987,994	13,441,015	0.00%	35.52%
2022	N/A	N/A	-	-	14,605,160	N/A	N/A

N/A = Information not available

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of District's Contributions
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2013	\$ 694,372	\$ (694,372)	\$ -	\$ 11,396,575	6.09%
2014	475,442	(475,442)	-	11,299,126	4.21%
2015	619,400	(619,400)	-	11,456,508	5.41%
2016	882,683	(882,683)	-	11,768,723	7.50%
2017	1,276,366	(1,276,366)	-	12,591,659	10.14%
2018	1,794,249	(1,794,249)	-	13,334,021	13.46%
2019	2,401,589	(2,401,589)	-	13,386,027	17.94%
2020	2,789,030	(2,789,030)	-	12,750,818	21.87%
2021	3,572,970	(3,572,970)	-	13,441,015	26.58%
2022	3,534,766	(3,534,766)	-	14,605,160	24.20%

N/A = Information not available

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75) (UNAUDITED)**

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other
Postemployment Employee Benefits Liability
Last Ten Fiscal Years

	Proportionate share of other postemployment employee benefits liability (asset)			Total	District's covered employee payroll	District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other postemployment employee benefits liability
	District's proportion		State's				
	Percentage	Value	proportion				
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.00%	\$ -	\$ 60,279,079	\$ 60,279,079	\$ 15,179,460	0.00%	0.00%
2018	0.00%	-	52,824,578	52,824,578	15,762,090	0.00%	0.00%
2019	0.00%	-	48,553,308	48,553,308	15,557,908	0.00%	0.00%
2020	0.00%	-	77,114,247	77,114,247	14,936,687	0.00%	0.00%
2021	0.00%	-	66,063,109	66,063,109	15,583,822	0.00%	0.00%
2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Information not available

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2022

- Note 1 - Special funding situation - TPAF and other postretirement benefits
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 and other postretirement benefits (OPEB) 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 and OPEB 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 and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 5.40% in State fiscal year 2020 and 7.00% in State fiscal year 2021. The inflation rate was 2.75% in State fiscal year 2020 and 2.75% in State fiscal year 2021.
- Note 3 - Changes in assumptions – PERS
The discount rate was 7.00% in State fiscal year 2020 and 7.00% in State fiscal year 2021. The inflation rate was 2.75% for State fiscal year 2020 and 2.75% for State fiscal year 2021.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate decreased from 2.21% in State fiscal year 2020 to 2.16% in State fiscal year 2021. The inflation rate was 2.50% for State fiscal year 2020 and 2021.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.
- Note 6 - Changes in benefit term assumptions - other postretirement employee benefits
There was a decrease in liability from June 30, 2020 to June 30, 2021 due to employers adopting Chapter 44 provisions.

SPECIAL REVENUE FUND

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 BOROUGH PUBLIC SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	Total Brought Forward	ESSA Title IA	ESSA Title IIA	IDEA Basic	IDEA Preschool	Student Activities	Scholarships	Total
Revenues								
Local sources	\$ 48,629	\$ -	\$ -	\$ -	\$ -	\$ 230,258	\$ 18,211	\$ 297,098
State sources	302,940	-	-	-	-	-	-	302,940
Federal sources	1,907,995	195,889	34,480	485,465	13,774	-	-	2,637,603
Total revenues	<u>2,259,564</u>	<u>195,889</u>	<u>34,480</u>	<u>485,465</u>	<u>13,774</u>	<u>230,258</u>	<u>18,211</u>	<u>3,237,641</u>
Other financing sources								
Transfer from general fund	94,044	-	-	-	-	-	-	94,044
Total revenues and other financing sources	<u>\$ 2,353,608</u>	<u>\$ 195,889</u>	<u>\$ 34,480</u>	<u>\$ 485,465</u>	<u>\$ 13,774</u>	<u>\$ 230,258</u>	<u>\$ 18,211</u>	<u>\$ 3,331,685</u>
Expenditures								
Instruction								
Salaries of teachers	\$ 446,723	\$ 77,679	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 524,402
Other salaries - aides	140,156	-	-	-	12,795	-	-	152,951
Salaries of other professional staff	400	26,970	-	-	-	-	-	27,370
Purchased professional and technical services	12,153	3,967	-	-	-	-	-	16,120
Other purchased services	80,816	-	-	-	-	-	-	80,816
General supplies	137,959	28,191	-	-	-	-	-	166,150
Textbooks	5,162	-	-	-	-	-	-	5,162
Total	<u>823,369</u>	<u>136,807</u>	<u>-</u>	<u>-</u>	<u>12,795</u>	<u>-</u>	<u>-</u>	<u>972,971</u>
Support services								
Tuition	-	-	-	422,341	-	-	-	422,341
Salaries	91,743	-	3,878	2,324	-	-	-	97,945
Salaries of supervisors	284,327	-	-	-	-	-	-	284,327
Salaries of other professional staff	67,519	-	-	-	-	-	-	67,519
Other salaries	-	2,468	3,000	-	-	-	-	5,468
Employee benefits	97,192	38,124	526	178	979	-	-	136,999
Purchased professional and technical services	248,848	5,037	10,036	60,622	-	-	-	324,543
Purchased property services	11,461	-	-	-	-	-	-	11,461
Other purchased services	23,729	117	12,766	-	-	-	-	36,612
Transportation	875	-	-	-	-	-	-	875
Supplies and materials	169,456	1,238	1,674	-	-	-	-	172,368
Administrative (indirect) costs	-	12,098	2,600	-	-	-	-	14,698
Other objects	8,230	-	-	-	-	-	-	8,230
Student activities	-	-	-	-	-	209,583	-	209,583
Scholarships awarded	-	-	-	-	-	-	14,352	14,352
Total	<u>1,003,380</u>	<u>59,082</u>	<u>34,480</u>	<u>485,465</u>	<u>979</u>	<u>209,583</u>	<u>14,352</u>	<u>1,807,321</u>
Capital outlay								
Construction services	414,985	-	-	-	-	-	-	414,985
Instructional equipment	78,840	-	-	-	-	-	-	78,840
Non-instructional equipment	33,034	-	-	-	-	-	-	33,034
Total	<u>526,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>526,859</u>
Total expenditures	<u>\$ 2,353,608</u>	<u>\$ 195,889</u>	<u>\$ 34,480</u>	<u>\$ 485,465</u>	<u>\$ 13,774</u>	<u>\$ 209,583</u>	<u>\$ 14,352</u>	<u>\$ 3,307,151</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,675	\$ 3,859	\$ 24,534
Fund balances, July 1	-	-	-	-	-	140,301	75,044	215,345
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,976</u>	<u>\$ 78,903</u>	<u>\$ 239,879</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2022

	Total Brought Forward	Local Grants	Non-public Aid	Preschool Education Aid	ESSA Title III	ESSA Title III Immigration	ESSA Title IV	Total Carried Forward
Revenues								
Local sources	\$ -	\$ 48,629	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,629
State sources	34,600	-	45,668	222,672	-	-	-	302,940
Federal sources	1,883,248	-	-	-	11,348	310	13,089	1,907,995
Total revenues	<u>1,917,848</u>	<u>48,629</u>	<u>45,668</u>	<u>222,672</u>	<u>11,348</u>	<u>310</u>	<u>13,089</u>	<u>2,259,564</u>
Other financing sources								
Transfer from general fund	-	-	-	94,044	-	-	-	94,044
Total revenues and other financing sources	<u>\$ 1,917,848</u>	<u>\$ 48,629</u>	<u>\$ 45,668</u>	<u>\$ 316,716</u>	<u>\$ 11,348</u>	<u>\$ 310</u>	<u>\$ 13,089</u>	<u>\$ 2,353,608</u>
Expenditures								
Instruction								
Salaries of teachers	\$ 218,044	\$ -	\$ -	\$ 224,229	\$ 4,450	\$ -	\$ -	\$ 446,723
Other salaries - aides	70,896	-	-	69,260	-	-	-	140,156
Other salaries	112	-	-	-	-	288	-	400
Purchased professional and technical services	-	1,571	9,382	-	-	-	1,200	12,153
Other purchased services	62,801	18,015	-	-	-	-	-	80,816
General supplies	118,995	5,515	-	-	3,610	-	9,839	137,959
Textbooks	-	-	5,162	-	-	-	-	5,162
Total	<u>470,848</u>	<u>25,101</u>	<u>14,544</u>	<u>293,489</u>	<u>8,060</u>	<u>288</u>	<u>11,039</u>	<u>823,369</u>
Support services								
Tuition	-	-	-	-	-	-	-	-
Salaries of teachers	66,316	1,000	-	23,227	1,200	-	-	91,743
Salaries of supervisors	284,327	-	-	-	-	-	-	284,327
Salaries of other professional staff	67,519	-	-	-	-	-	-	67,519
Other salaries	-	-	-	-	-	-	-	-
Employee benefits	96,739	-	-	-	431	22	-	97,192
Purchased professional and technical services	212,133	4,416	30,249	-	-	-	2,050	248,848
Purchase property services	7,461	4,000	-	-	-	-	-	11,461
Other purchased services	16,413	5,879	-	-	1,437	-	-	23,729
Transportation	-	-	875	-	-	-	-	875
Supplies and materials	161,003	8,233	-	-	220	-	-	169,456
Administrative (indirect) costs	-	-	-	-	-	-	-	-
Other objects	8,230	-	-	-	-	-	-	8,230
Student activities	-	-	-	-	-	-	-	-
Scholarships awarded	-	-	-	-	-	-	-	-
Total	<u>920,141</u>	<u>23,528</u>	<u>31,124</u>	<u>23,227</u>	<u>3,288</u>	<u>22</u>	<u>2,050</u>	<u>1,003,380</u>
Capital outlay								
Construction services	414,985	-	-	-	-	-	-	414,985
Instructional equipment	78,840	-	-	-	-	-	-	78,840
Non-instructional equipment	33,034	-	-	-	-	-	-	33,034
Total	<u>526,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>526,859</u>
Total expenditures	<u>\$ 1,917,848</u>	<u>\$ 48,629</u>	<u>\$ 45,668</u>	<u>\$ 316,716</u>	<u>\$ 11,348</u>	<u>\$ 310</u>	<u>\$ 13,089</u>	<u>\$ 2,353,608</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances, July 1	-	-	-	-	-	-	-	-
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2022

	Total Brought Forward	ESSA Title I SIA	ACSERS	CARES Act	FEMA	School Based Youth Services Program	NSLP Equipment Grant	Total Carried Forward
Revenues								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	34,600	-	-	-	-	-	-	34,600
Federal sources	1,281,575	9,150	269,154	179	15,519	300,441	7,230	1,883,248
Total revenues	1,316,175	9,150	269,154	179	15,519	300,441	7,230	1,917,848
Other financing sources								
Transfer from general fund	-	-	-	-	-	-	-	-
Total revenues and other financing sources	\$ 1,316,175	\$ 9,150	\$ 269,154	\$ 179	\$ 15,519	\$ 300,441	\$ 7,230	\$ 1,917,848
Expenditures								
Instruction								
Salaries of teachers	\$ 161,302	\$ -	\$ 56,742	\$ -	\$ -	\$ -	\$ -	\$ 218,044
Other salaries - aides	-	-	70,896	-	-	-	-	70,896
Other salaries	112	-	-	-	-	-	-	112
Purchased professional and technical services	-	-	-	-	-	-	-	-
Other purchased services	62,801	-	-	-	-	-	-	62,801
General supplies	118,995	-	-	-	-	-	-	118,995
Textbooks	-	-	-	-	-	-	-	-
Total	343,210	-	127,638	-	-	-	-	470,848
Support services								
Tuition	-	-	-	-	-	-	-	-
Salaries of teachers	57,749	8,500	-	67	-	-	-	66,316
Salaries of supervisors	-	-	-	-	-	284,327	-	284,327
Salaries of other professional staff	66,777	-	742	-	-	-	-	67,519
Other salaries	-	-	-	-	-	-	-	-
Employee benefits	80,436	650	15,653	-	-	-	-	96,739
Purchased professional and technical services	83,771	-	125,121	112	-	3,129	-	212,133
Purchase property services	-	-	-	-	7,461	-	-	7,461
Other purchased services	11,504	-	-	-	-	4,909	-	16,413
Transportation	-	-	-	-	-	-	-	-
Supplies and materials	145,869	-	-	-	8,058	7,076	-	161,003
Administrative (indirect) costs	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	1,000	7,230	8,230
Student activities	-	-	-	-	-	-	-	-
Scholarships awarded	-	-	-	-	-	-	-	-
Total	446,106	9,150	141,516	179	15,519	300,441	7,230	920,141
Capital outlay								
Construction services	414,985	-	-	-	-	-	-	414,985
Instructional equipment	78,840	-	-	-	-	-	-	78,840
Non-instructional equipment	33,034	-	-	-	-	-	-	33,034
Total	526,859	-	-	-	-	-	-	526,859
Total expenditures	\$ 1,316,175	\$ 9,150	\$ 269,154	\$ 179	\$ 15,519	\$ 300,441	\$ 7,230	\$ 1,917,848
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances, July 1	-	-	-	-	-	-	-	-
Fund balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2022

	Total Brought Forward	CRRSA ESSER II	CRRSA Mental Health	CRRSA Learning Acceleration	ARP IDEA Basic	ARP IDEA Preschool	Total Carried Forward
Revenues							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	34,600	-	-	-	-	-	34,600
Federal sources	520,634	692,215	21,495	27,857	12,541	6,833	1,281,575
Total revenues	<u>555,234</u>	<u>692,215</u>	<u>21,495</u>	<u>27,857</u>	<u>12,541</u>	<u>6,833</u>	<u>1,316,175</u>
Other financing sources							
Transfer from general fund	-	-	-	-	-	-	-
Total revenues and other financing sources	<u>\$ 555,234</u>	<u>\$ 692,215</u>	<u>\$ 21,495</u>	<u>\$ 27,857</u>	<u>\$ 12,541</u>	<u>\$ 6,833</u>	<u>\$ 1,316,175</u>
Expenditures							
Instruction							
Salaries of teachers	\$ -	\$ 151,667	\$ -	\$ 3,288	\$ -	\$ 6,347	\$ 161,302
Other salaries - aides	-	-	-	-	-	-	-
Other salaries	112	-	-	-	-	-	112
Purchased professional and technical services	-	-	-	-	-	-	-
Other purchased services	10,472	52,329	-	-	-	-	62,801
General supplies	18,060	80,280	-	20,655	-	-	118,995
Textbooks	-	-	-	-	-	-	-
Total	<u>28,644</u>	<u>284,276</u>	<u>-</u>	<u>23,943</u>	<u>-</u>	<u>6,347</u>	<u>343,210</u>
Support services							
Tuition	-	-	-	-	-	-	-
Salaries of teachers	6,215	44,703	6,831	-	-	-	57,749
Salaries of supervisors	-	-	-	-	-	-	-
Salaries of other professional staff	4,394	62,383	-	-	-	-	66,777
Other salaries	-	-	-	-	-	-	-
Employee benefits	820	78,355	523	252	-	486	80,436
Purchased professional and technical services	61,169	-	8,061	2,000	12,541	-	83,771
Purchase property services	-	-	-	-	-	-	-
Other purchased services	5,476	1,038	3,328	1,662	-	-	11,504
Transportation	-	-	-	-	-	-	-
Supplies and materials	65,656	77,461	2,752	-	-	-	145,869
Administrative (indirect) costs	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-
Scholarships awarded	-	-	-	-	-	-	-
Total	<u>143,730</u>	<u>263,940</u>	<u>21,495</u>	<u>3,914</u>	<u>12,541</u>	<u>486</u>	<u>446,106</u>
Capital outlay							
Construction services	382,860	32,125	-	-	-	-	414,985
Instructional equipment	-	78,840	-	-	-	-	78,840
Non-instructional equipment	-	33,034	-	-	-	-	33,034
Total	<u>382,860</u>	<u>143,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>526,859</u>
Total expenditures	<u>\$ 555,234</u>	<u>\$ 692,215</u>	<u>\$ 21,495</u>	<u>\$ 27,857</u>	<u>\$ 12,541</u>	<u>\$ 6,833</u>	<u>\$ 1,316,175</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances, July 1	-	-	-	-	-	-	-
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2022

	ARP ARP ESSER II	ARP Accelerated Learning Coach and Educator Support	ARP NJTSS Mental Health Support Staffing	SDA Emergent Needs	Total Carried Forward
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	34,600	34,600
Federal sources	480,330	32,001	8,303	-	520,634
Total revenues	<u>480,330</u>	<u>32,001</u>	<u>8,303</u>	<u>34,600</u>	<u>555,234</u>
Other financing sources					
Transfer from general fund	-	-	-	-	-
Total revenues and other financing sources	<u>\$ 480,330</u>	<u>\$ 32,001</u>	<u>\$ 8,303</u>	<u>\$ 34,600</u>	<u>\$ 555,234</u>
Expenditures					
Instruction					
Salaries of teachers	\$ -	\$ -	\$ -	\$ -	\$ -
Other salaries - aides	-	-	-	-	-
Other salaries	-	-	112	-	112
Purchased professional and technical services	-	-	-	-	-
Other purchased services	10,472	-	-	-	10,472
General supplies	18,060	-	-	-	18,060
Textbooks	-	-	-	-	-
Total	<u>28,532</u>	<u>-</u>	<u>112</u>	<u>-</u>	<u>28,644</u>
Support services					
Tuition	-	-	-	-	-
Salaries of teachers	6,215	-	-	-	6,215
Salaries of supervisors	-	-	-	-	-
Salaries of other professional staff	-	-	4,394	-	4,394
Other salaries	-	-	-	-	-
Employee benefits	475	-	345	-	820
Purchased professional and technical services	31,192	26,525	3,452	-	61,169
Purchase property services	-	-	-	-	-
Other purchased services	-	5,476	-	-	5,476
Transportation	-	-	-	-	-
Supplies and materials	65,656	-	-	-	65,656
Administrative (indirect) costs	-	-	-	-	-
Other objects	-	-	-	-	-
Student activities	-	-	-	-	-
Scholarships awarded	-	-	-	-	-
Total	<u>103,538</u>	<u>32,001</u>	<u>8,191</u>	<u>-</u>	<u>143,730</u>
Capital outlay					
Construction services	348,260	-	-	34,600	382,860
Instructional equipment	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total	<u>348,260</u>	<u>-</u>	<u>-</u>	<u>34,600</u>	<u>382,860</u>
Total expenditures	<u>\$ 480,330</u>	<u>\$ 32,001</u>	<u>\$ 8,303</u>	<u>\$ 34,600</u>	<u>\$ 555,234</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances, July 1	-	-	-	-	-
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance Final to Actual
Expenditures			
Instruction			
Salaries of teachers	\$ 224,229	\$ 224,229	\$ -
Salaries of other instructional staff	69,260	69,260	-
	<u>293,489</u>	<u>293,489</u>	<u>-</u>
Support services			
Salaries	23,227	23,227	-
	<u>23,227</u>	<u>23,227</u>	<u>-</u>
Total expenditures	<u>\$ 316,716</u>	<u>\$ 316,716</u>	<u>\$ -</u>

Calculation of Budget & Carryover

Total revised 2021 - 2022 Preschool education aid allocation	\$ 222,672
Add: actual ECPA/PEA carryover (June 30, 2021)	-
Add: budgeted transfer from general fund	94,044
Total preschool education aid funds available for 2021 - 2022 budget	<u>316,716</u>
Less: 2021 - 2022 budgeted preschool education aid	<u>316,716</u>
Available and unbudgeted preschool education aid funds as of June 30, 2022	-
Add: 2021 - 2022 unexpended preschool education aid	<u>-</u>
2021 - 2022 Actual carryover preschool education aid	<u>\$ -</u>
2021 - 2022 Preschool education aid carryover budgeted for preschool programs 2022 - 2023	<u>\$ -</u>

See independent auditors' report.

CAPITAL PROJECTS FUND

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 BOROUGH PUBLIC SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2022

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/22
			Prior Years	Current Year	
Bartle School window replacement	06/05/14	\$ 1,038,029	\$ 748,521	\$ -	\$ 289,508
		<u>\$ 1,038,029</u>	<u>\$ 748,521</u>	<u>\$ -</u>	<u>\$ 289,508</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures,
and Changes in Net Position - Budgetary Basis
For the Fiscal Year Ended June 30, 2022

Revenues and other financing sources	
State sources - SDA aid	\$ (197,821)
Excess (deficiency) of revenues over (under) expenditures	(197,821)
Fund balance - beginning	487,329
Fund balance - ending	\$ 289,508
<u>Reconciliation of Fund Balance Difference for GAAP Purposes</u>	
Fund balance - Budgetary basis (Schedule F-2)	\$ 289,508
Fund balance - GAAP basis (Schedule B-1)	\$ 289,508
<u>Reconciliation of Financial Assistance Difference for GAAP Purposes</u>	
State financial assistance - budgetary basis (Schedule F-2)	\$ (197,821)
Adjustment to GAAP basis	194,932
State financial assistance - GAAP basis (Schedule B-2)	\$ (2,889)

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC 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, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	\$ 741,510	\$ -	\$ 741,510	\$ 741,510
State sources - NJ SDA ROD grant	494,340	(197,821)	296,519	296,519
Total revenues	<u>1,235,850</u>	<u>(197,821)</u>	<u>1,038,029</u>	<u>1,038,029</u>
Expenditures and other financing uses				
Purchased professional and technical services	67,500	-	67,500	67,500
Construction services	681,021	-	681,021	681,021
Return of unused local funding to general fund	-	-	-	289,508
Total expenditures	<u>748,521</u>	<u>-</u>	<u>748,521</u>	<u>1,038,029</u>
Excess (deficiency) of revenues over (under)				
Expenditures	<u>\$ 487,329</u>	<u>\$ (197,821)</u>	<u>\$ 289,508</u>	<u>\$ -</u>

Additional Project Information

Project number	2150-085-14-1001
Grant date	6/5/2014
Bond authorized date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 1,235,850
Reduced authorized cost	(197,821)
Revised authorized cost	1,038,029
Percentage completion	72%

See independent auditors' report.

PROPRIETARY FUND

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.

See Statements B-4, B-5, and B-6.

FIDUCIARY FUNDS

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

(NOT APPLICABLE TO THIS REPORT)

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 leases, and early retirement program.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2022

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/21	Issued	Retired	Balance 06/30/22
			Date	Amount					
Refunding School Bonds of 2012	10/25/12	\$ 13,640,000	N/A	\$ -	4.00%	\$ 335,000	\$ -	\$ 335,000	\$ -
Refunding School Bonds of 2016	11/22/16	8,555,000	02/15/23	1,155,000	1.39%	4,525,000	-	1,110,000	3,415,000
			02/15/24	1,140,000	1.39%	-	-	-	-
			02/15/25	1,120,000	1.39%	-	-	-	-
Refunding School Bonds of 2020	9/30/20	11,400,000	03/01/23	455,000	0.75%	11,335,000	-	125,000	11,210,000
			03/01/24	485,000	0.90%	-	-	-	-
			03/01/25	520,000	1.05%	-	-	-	-
			03/01/26	1,885,000	1.33%	-	-	-	-
			03/01/27	1,920,000	1.45%	-	-	-	-
			03/01/28	1,945,000	1.73%	-	-	-	-
			03/01/29	1,980,000	1.80%	-	-	-	-
03/01/30	2,020,000	1.90%	-	-	-	-			
						<u>\$ 16,195,000</u>	<u>\$ -</u>	<u>\$ 1,570,000</u>	<u>\$ 14,625,000</u>

See independent auditor's report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Leases - General Fund
For the Fiscal Year Ended June 30, 2022

Description	Date of Lease	Amount of Original Issue	Balance 07/01/21	Issued	Retired	Balance 06/30/22
Communication System	7/1/2020	\$ 222,389	\$ 167,314	\$ -	\$ 44,274	\$ 123,040
Chromebooks	6/7/2019	373,100	186,498	-	92,153	94,345
Copier machines	10/25/2021	87,347	-	82,347	832	81,515
			<u>\$ 353,812</u>	<u>\$ 82,347</u>	<u>\$ 137,259</u>	<u>\$ 298,900</u>

See independent auditor's report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Debt service tax levy	\$ 1,772,133	\$ -	\$ 1,772,133	\$ 1,772,133	\$ -
State sources					
Debt service aid	9,801	-	9,801	9,801	-
Total revenues	<u>1,781,934</u>	<u>-</u>	<u>1,781,934</u>	<u>1,781,934</u>	<u>-</u>
Expenditures					
Regular debt service					
Redemption of bond principal	1,570,000	-	1,570,000	1,570,000	-
Interest on bonds	250,964	-	250,964	250,964	-
Total expenditures	<u>1,820,964</u>	<u>-</u>	<u>1,820,964</u>	<u>1,820,964</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(39,030)	-	(39,030)	(39,030)	-
Fund balance, July 1	<u>46,698</u>	<u>-</u>	<u>46,698</u>	<u>46,698</u>	<u>-</u>
Fund balance, June 30	<u>\$ 7,668</u>	<u>\$ -</u>	<u>\$ 7,668</u>	<u>\$ 7,668</u>	<u>\$ -</u>
Recapitulation of excess (deficiency) of revenue over (under) expenditures					
Budgeted fund balance	<u>\$ (39,030)</u>	<u>\$ -</u>	<u>\$ (39,030)</u>	<u>\$ (39,030)</u>	<u>\$ -</u>

See independent auditors' report.

STATISTICAL SECTION

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.	J-1 to J-5
REVENUE CAPACITY	
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
DEBT CAPACITY	
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
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
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 are derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.	
The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.	

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Government activities										
Net investment in capital assets	\$ 15,424,132	\$ 15,927,934	\$ 16,630,941	\$ 17,173,416	\$ 16,000,463	\$ 16,223,900	\$ 16,505,506	\$ 16,992,076	\$ 17,675,363	\$ 18,678,325
Restricted	1,344,634	1,295,867	1,488,895	1,105,455	1,582,914	1,296,983	1,083,512	1,435,015	2,231,545	3,001,745
Unrestricted	(721,513)	(6,362,501)	(6,538,377)	(5,858,310)	(5,399,100)	(6,009,634)	(6,332,804)	(5,673,297)	(5,115,017)	(3,408,802)
Total governmental activities	\$ 16,047,253	\$ 10,861,300	\$ 11,581,459	\$ 12,420,561	\$ 12,184,277	\$ 11,511,249	\$ 11,256,214	\$ 12,753,794	\$ 14,791,891	\$ 18,271,268
Business-type activities										
Net investment in capital assets	\$ 26,770	\$ 33,107	\$ 42,020	\$ 49,377	\$ 43,204	\$ 36,363	\$ 42,372	\$ 63,528	\$ 64,428	\$ 63,469
Unrestricted	234,305	263,567	300,611	374,784	426,375	440,833	451,576	341,569	205,517	374,922
Total business-type activities	\$ 261,075	\$ 296,674	\$ 342,631	\$ 424,161	\$ 469,579	\$ 477,196	\$ 493,948	\$ 405,097	\$ 269,945	\$ 438,391
District-wide										
Net investment in capital assets	\$ 15,450,902	\$ 15,961,041	\$ 16,672,961	\$ 17,222,793	\$ 16,043,667	\$ 16,260,263	\$ 16,547,878	\$ 17,055,604	\$ 17,739,791	\$ 18,741,794
Restricted	1,344,634	1,295,867	1,488,895	1,105,455	1,582,914	1,296,983	1,083,512	1,435,015	2,231,545	3,001,745
Unrestricted	(487,208)	(6,098,934)	(6,237,766)	(5,483,526)	(4,972,725)	(5,568,801)	(5,881,228)	(5,331,728)	(4,909,500)	(3,033,880)
Total district-wide	\$ 16,308,328	\$ 11,157,974	\$ 11,924,090	\$ 12,844,722	\$ 12,653,856	\$ 11,988,445	\$ 11,750,162	\$ 13,158,891	\$ 15,061,836	\$ 18,709,659

*

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular	\$ 11,057,689	\$ 11,258,338	\$ 13,827,267	\$ 15,105,204	\$ 16,376,975	\$ 18,002,294	\$ 17,449,280	\$ 16,004,769	\$ 18,043,621	\$ 17,259,192
Special education	3,663,691	3,752,569	4,553,786	4,479,743	4,953,646	5,960,160	6,126,788	6,689,067	8,247,901	7,161,072
Other special education	596,341	733,884	774,195	712,296	888,524	1,580,181	1,043,841	1,098,176	1,123,988	988,054
Other instruction	833,214	867,842	938,732	1,250,193	1,621,534	1,391,901	1,290,609	1,195,927	1,169,014	1,442,311
Support services										
Tuition	1,902,117	1,963,823	1,978,369	2,290,325	2,357,430	2,735,626	2,996,466	3,340,324	3,071,281	2,964,063
Student and instruction related services	4,662,007	4,285,857	4,871,894	5,417,343	6,839,448	7,846,773	7,786,113	7,413,039	9,057,324	8,725,454
General and business administrative services	1,767,011	1,577,180	1,976,727	1,798,719	1,985,785	1,907,551	1,842,097	1,755,234	2,113,509	2,047,305
School administration	1,628,626	1,554,762	1,792,284	1,964,659	2,302,957	2,614,282	2,795,569	2,737,032	2,861,773	2,473,679
Plant operations and maintenance	2,237,883	1,992,071	2,407,329	2,734,852	2,651,875	2,523,099	2,608,318	2,925,188	2,857,362	3,018,306
Pupil transportation	1,312,460	1,309,393	1,405,434	1,299,670	1,951,983	1,946,823	2,123,382	1,732,599	1,364,769	2,481,356
Transfer to charter schools	326,707	326,357	394,775	386,002	388,784	340,461	335,512	293,186	246,678	230,166
Interest on long term debt	1,111,490	1,121,718	1,082,075	1,034,427	698,742	623,716	584,341	560,470	605,601	440,420
Total governmental activities expenses	31,099,236	30,743,794	36,002,867	38,473,433	43,017,683	47,472,867	46,982,316	45,745,011	50,762,821	49,231,378
Business-type activities										
Food services	554,527	588,168	584,567	587,347	618,367	628,191	634,725	488,437	253,445	897,673
Other	302,036	274,970	300,133	303,049	370,663	374,038	382,942	343,817	140,359	302,748
Total business-type activities	856,563	863,138	884,700	890,396	989,030	1,002,229	1,017,667	832,254	393,804	1,200,421
Total district expenses	\$ 31,955,799	\$ 31,606,932	\$ 36,887,567	\$ 39,363,829	\$ 44,006,713	\$ 48,475,096	\$ 47,999,983	\$ 46,577,265	\$ 51,156,625	\$ 50,431,799

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program revenues										
Governmental activities										
Charges for services										
Regular instruction	\$ 61,062	\$ 57,441	\$ 48,734	\$ 50,339	\$ 46,902	\$ 70,668	\$ 151,501	\$ 159,845	\$ 40,239	\$ 151,951
Special education instruction	30,464	68,799	36,016	20,687	-	-	-	-	-	-
Student and instruction related services	280	-	-	-	1,408	485	-	-	-	230,258
General and business administrative services	137	168	4	-	-	-	-	-	-	-
Plant operations and maintenance	28,346	29,554	75,108	121,145	172,616	63,951	49,326	36,881	75,315	8,258
Operating grants and contributions	2,294,897	1,419,517	1,334,920	1,546,537	1,467,247	1,477,792	1,577,442	1,434,318	2,087,438	2,769,054
Capital grants and contributions	64,903	19,640	235,293	44,475	-	(32,939)	-	-	-	-
Total governmental activities program revenues	<u>2,480,089</u>	<u>1,595,119</u>	<u>1,730,075</u>	<u>1,783,183</u>	<u>1,688,173</u>	<u>1,579,957</u>	<u>1,778,269</u>	<u>1,631,044</u>	<u>2,202,992</u>	<u>3,159,521</u>
Business-type activities										
Charges for services										
Food service	289,781	306,373	298,563	293,412	299,870	289,002	306,704	212,932	4,784	46,198
Other	310,673	315,652	322,526	366,190	386,754	375,432	373,331	271,471	23,785	244,333
Operating grants and contributions	275,729	301,212	309,568	312,324	349,560	345,412	354,384	258,480	225,937	1,076,937
Total business-type activities program revenues	<u>876,183</u>	<u>923,237</u>	<u>930,657</u>	<u>971,926</u>	<u>1,036,184</u>	<u>1,009,846</u>	<u>1,034,419</u>	<u>742,883</u>	<u>254,506</u>	<u>1,367,468</u>
Total district - program revenues	<u>\$ 3,356,272</u>	<u>\$ 2,518,356</u>	<u>\$ 2,660,732</u>	<u>\$ 2,755,109</u>	<u>\$ 2,724,357</u>	<u>\$ 2,589,803</u>	<u>\$ 2,812,688</u>	<u>\$ 2,373,927</u>	<u>\$ 2,457,498</u>	<u>\$ 4,526,989</u>
Net (expense) revenues										
Governmental activities	\$ (28,619,147)	\$ (29,148,675)	\$ (34,272,792)	\$ (36,690,250)	\$ (41,329,510)	\$ (45,892,910)	\$ (45,204,047)	\$ (44,113,967)	\$ (48,559,829)	\$ (46,071,857)
Business-type activities	19,620	60,099	45,957	81,530	47,154	7,617	16,752	(89,371)	(139,298)	167,047
Total district-wide net expenses	<u>\$ (28,599,527)</u>	<u>\$ (29,088,576)</u>	<u>\$ (34,226,835)</u>	<u>\$ (36,608,720)</u>	<u>\$ (41,282,356)</u>	<u>\$ (45,885,293)</u>	<u>\$ (45,187,295)</u>	<u>\$ (44,203,338)</u>	<u>\$ (48,699,127)</u>	<u>\$ (45,904,810)</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General revenues and other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 21,291,605	\$ 21,717,437	\$ 23,208,941	\$ 24,207,999	\$ 25,154,671	\$ 26,084,657	\$ 27,136,379	\$ 27,928,070	\$ 28,486,632	\$ 29,056,364
Taxes levied for debt service	2,056,929	1,967,946	2,008,923	1,989,143	2,019,359	1,719,912	1,865,526	1,864,666	1,869,473	1,772,133
Unrestricted grants and contributions	6,136,322	5,947,416	9,716,309	11,248,257	13,903,853	17,363,231	15,881,088	15,503,139	20,188,703	18,655,779
Investment earnings	2,197	1,827	6,058	7,739	11,170	21,744	28,592	20,870	2,524	2,934
Capital grants deobligated	-	-	-	-	-	-	-	-	-	(2,889)
Miscellaneous income	143,730	87,345	92,720	76,214	44,173	30,338	53,819	30,222	50,594	88,143
Special item - gain (loss) on disposal of capital assets	-	(1,864)	-	-	-	-	-	-	-	-
Special item - insurance proceeds for storm damage	35,761	-	-	-	-	-	-	-	-	-
Operating transfers in/(out)	25,000	(15,000)	(40,000)	-	(40,000)	-	(16,392)	(20,000)	-	-
Total governmental activities	<u>29,691,544</u>	<u>29,705,107</u>	<u>34,992,951</u>	<u>37,529,352</u>	<u>41,093,226</u>	<u>45,219,882</u>	<u>44,949,012</u>	<u>45,326,967</u>	<u>50,597,926</u>	<u>49,572,464</u>
Business-type activities										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	-	500	-	-	-	-	-	520	4,146	1,399
Transfers in/(out)	(25,000)	(25,000)	-	-	-	-	-	-	-	-
Special item - prior year accounts receivable canceled	-	-	-	-	(1,736)	-	-	-	-	-
Total business-type activities	<u>(25,000)</u>	<u>(24,500)</u>	<u>-</u>	<u>-</u>	<u>(1,736)</u>	<u>-</u>	<u>-</u>	<u>520</u>	<u>4,146</u>	<u>1,399</u>
Total district-wide	<u>\$ 29,666,544</u>	<u>\$ 29,680,607</u>	<u>\$ 34,992,951</u>	<u>\$ 37,529,352</u>	<u>\$ 41,091,490</u>	<u>\$ 45,219,882</u>	<u>\$ 44,949,012</u>	<u>\$ 45,327,487</u>	<u>\$ 50,602,072</u>	<u>\$ 49,573,863</u>
Change in net position										
Governmental activities	\$ 1,072,397	\$ 556,432	\$ 720,159	\$ 839,102	\$ (236,284)	\$ (673,028)	\$ (255,035)	\$ 1,213,000	\$ 2,038,097	\$ 3,500,607
Business-type activities	(5,380)	35,599	45,957	81,530	45,418	7,617	16,752	(88,851)	(135,152)	168,446
Total district	<u>\$ 1,067,017</u>	<u>\$ 592,031</u>	<u>\$ 766,116</u>	<u>\$ 920,632</u>	<u>\$ (190,866)</u>	<u>\$ (665,411)</u>	<u>\$ (238,283)</u>	<u>\$ 1,124,149</u>	<u>\$ 1,902,945</u>	<u>\$ 3,669,053</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Restricted	\$ 1,462,579	\$ 552,234	\$ 1,152,936	\$ 857,435	\$ 1,132,873	\$ 998,967	\$ 791,115	\$ 910,428	\$ 1,677,105	\$ 2,464,690
Committed	219,233	628,454	295,676	738,735	262,967	151,576	214,397	179,439	165,389	85,534
Assigned	680,000	400,000	400,000	700,000	800,000	999,990	1,000,000	1,728,054	1,728,054	2,002,210
Unassigned	359,524	388,364	509,412	529,052	521,488	100,153	(103,276)	86,440	1,304,277	1,816,319
Total general fund	<u>\$ 2,721,336</u>	<u>\$ 1,969,052</u>	<u>\$ 2,358,024</u>	<u>\$ 2,825,222</u>	<u>\$ 2,717,328</u>	<u>\$ 2,250,686</u>	<u>\$ 1,902,236</u>	<u>\$ 2,904,361</u>	<u>\$ 4,874,825</u>	<u>\$ 6,368,753</u>
								*		
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 232,190	\$ 215,345	\$ 239,879
Capital projects fund	120,353	717,541	364,602	297,888	297,888	292,397	292,397	292,397	292,397	289,508
Assigned, reported in										
Debt service fund	50,250	26,092	21,225	-	152,153	5,619	-	-	39,030	-
Unassigned, reported in										
Special revenue fund	(28,859)	(30,488)	(32,231)	(27,875)	(22,649)	(25,262)	(28,298)	(25,120)	(22,810)	(22,267)
Debt service fund	-	-	-	-	-	-	-	-	7,668	7,668
Total all other governmental funds	<u>\$ 141,744</u>	<u>\$ 713,145</u>	<u>\$ 353,596</u>	<u>\$ 270,013</u>	<u>\$ 427,392</u>	<u>\$ 272,754</u>	<u>\$ 264,099</u>	<u>\$ 499,467</u>	<u>\$ 531,630</u>	<u>\$ 514,788</u>
								*		

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax levy	\$ 23,348,534	\$ 23,685,383	\$ 25,217,864	\$ 26,197,142	\$ 27,174,030	\$ 27,804,569	\$ 29,001,905	\$ 29,792,736	\$ 30,356,105	\$ 30,828,497
Tuition charges	90,521	126,209	84,750	71,026	46,310	70,668	151,501	159,845	40,239	151,951
Interest earnings	2,197	1,827	6,058	7,739	11,170	21,744	28,592	20,870	2,524	2,934
Miscellaneous	1,034,900	109,456	173,101	118,508	71,217	119,059	152,027	106,110	197,206	390,976
State sources	6,710,432	6,498,687	6,990,035	7,434,050	7,874,267	8,397,167	9,116,056	9,877,603	11,200,975	13,466,196
State sources - capital projects	64,903	19,640	235,293	44,475	51,108	(32,939)	-	-	-	(2,889)
Federal sources	778,930	805,729	732,653	876,023	929,356	1,227,511	1,260,494	1,144,062	1,707,496	2,418,800
Total revenues	32,030,417	31,246,931	33,439,754	34,748,963	36,157,458	37,607,779	39,710,575	41,101,226	43,504,545	47,256,465
Expenditures										
Instruction										
Regular instruction	7,335,202	7,511,275	7,867,272	7,933,174	7,997,787	8,243,236	8,237,931	7,661,144	7,831,094	8,042,938
Special education instruction	2,413,925	2,464,384	2,594,131	2,356,648	2,406,856	2,684,226	2,947,544	3,368,163	3,831,453	3,934,081
Other special instruction	264,405	273,745	222,516	271,245	300,803	367,728	338,675	385,556	344,576	346,473
Other instruction	580,783	597,520	621,901	751,555	886,365	917,096	889,692	821,559	781,789	958,268
Support services										
Tuition	1,583,577	1,638,311	1,759,536	1,980,136	2,054,796	2,393,205	2,561,687	2,952,506	2,716,149	2,541,722
Student and inst related services	2,947,208	2,748,630	2,719,938	2,871,595	3,333,212	3,686,999	3,944,110	3,818,973	4,114,003	3,995,335
General administration	657,647	629,571	870,571	754,044	734,919	686,492	651,577	612,400	677,889	751,036
School administration services	988,977	970,007	976,782	1,064,649	1,127,893	1,201,330	1,314,897	1,304,183	1,336,279	1,306,568
Central services	424,193	418,742	414,785	427,213	446,396	462,444	442,066	460,846	486,117	659,178
Administrative information technology	49,416	45,699	101,644	52,905	56,525	53,190	63,171	91,544	98,398	62,514
Plant operations and maintenance	2,190,994	1,963,783	2,339,513	2,589,595	2,449,410	2,330,679	2,306,110	2,659,344	2,539,825	2,777,326
Pupil transportation	1,301,430	1,299,566	1,396,218	1,283,568	1,942,433	1,942,731	2,118,685	1,722,364	1,351,041	2,472,406
Employee benefits	3,877,541	4,282,640	4,440,405	4,541,301	4,973,847	5,514,689	5,812,025	5,588,332	5,359,188	5,013,169
On-behalf TPAF Pension and Social Security contributions	2,341,289	2,108,950	2,475,847	2,810,755	3,242,341	3,896,231	4,459,028	4,764,358	5,671,998	6,891,250
Capital outlay	950,456	550,329	131,586	537,291	229,182	37,402	59,643	232,782	291,606	798,771
Transfers to charter schools	326,707	326,357	394,775	386,002	388,784	340,461	335,512	293,186	246,678	230,166
Special revenue funds	2,343,162	1,434,213	1,352,979	1,568,729	1,560,153	1,540,399	1,637,210	1,463,301	2,162,679	3,068,279
Capital projects fund	245,342	49,100	588,232	111,189	49,369	-	-	-	152,201	-
Debt service										
Principal	988,096	1,032,261	1,074,558	1,095,000	1,175,000	1,330,000	1,360,000	1,385,000	1,485,000	1,707,259
Interest and other charges	1,087,932	1,067,731	1,027,142	978,754	761,271	600,521	571,725	542,772	409,311	304,987
Total expenditures	32,898,282	31,412,814	33,370,331	34,365,348	36,117,342	38,229,059	40,051,288	40,128,313	41,887,274	45,861,726

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Excess (deficiency) of revenues over (under) expenditures	\$ (867,865)	\$ (165,883)	\$ 69,423	\$ 383,615	\$ 40,116	\$ (621,280)	\$ (340,713)	\$ 972,913	\$ 1,617,271	\$ 1,394,739
Other financing sources (uses)										
Leases (non-budgeted)	49,116	-	-	-	-	-	-	-	225,488	82,347
Proceeds from refunding bond issue	13,640,000	-	-	-	8,555,000	-	-	-	11,400,000	-
Payment to refunding bond escrow agent	(13,949,447)	-	-	-	(8,505,631)	-	-	-	(11,240,132)	-
Premium on bond issue	441,318	-	-	-	-	-	-	-	-	-
Premium on note issue	584	-	-	-	-	-	-	-	-	-
Insurance claim proceeds for storm	35,761	-	-	-	-	-	-	-	-	-
Transfers in (out)	25,000	(15,000)	(40,000)	-	(40,000)	-	(16,392)	(20,000)	-	-
Total other financing sources (uses)	242,332	(15,000)	(40,000)	-	9,369	-	(16,392)	(20,000)	385,356	82,347
Net change in fund balances	\$ (625,533)	\$ (180,883)	\$ 29,423	\$ 383,615	\$ 49,485	\$ (621,280)	\$ (357,105)	\$ 952,913	\$ 2,002,627	\$ 1,477,086
Debt service as a percentage of non-capital expenditures	7.01%	7.31%	6.88%	6.55%	5.71%	5.32%	5.08%	5.08%	4.79%	4.67%

Source: District Records

Note: 1) Non-capital expenditures are total expenditures less capital outlay.
2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Interest income	\$ 2,197	\$ 1,827	\$ 6,058	\$ 7,739	\$ 11,170	\$ 21,744	\$ 28,592	\$ 20,870	\$ 2,524	\$ 2,934
Mortgage loan proceeds	49,158	-	-	-	-	-	-	-	-	-
Rentals	11,085	20,995	45,600	40,883	50,124	50,258	49,326	36,881	600	5,138
Prior year										
Account balance canceled	9,387	1,164	1,610	-	3,522	3,400	1,032	-	81	395
Refund	2,982	14,740	9,074	3,086	2,362	18,051	25,089	21,125	45,723	57,145
Outstanding checks voided	-	517	-	-	-	-	-	-	-	-
E-Rate rebates	7,791	165	-	-	-	-	-	-	-	-
Miscellaneous refunds	512	-	26	-	-	-	-	-	-	-
Restitution	-	-	-	-	-	-	-	-	-	-
Donations and local contributions	1,880	-	-	-	-	-	-	-	-	-
Tuition	90,521	126,209	84,750	71,026	46,310	70,668	151,501	159,845	40,239	151,951
Proceeds from sale of assets	-	289	-	-	2,880	-	-	-	-	-
Lawsuit settlement proceeds	-	-	-	-	-	-	-	-	-	-
Energy rebates	3,475	8,808	8,743	8,776	5,781	7,920	15,120	8,852	3,178	4,243
Local contributions	-	-	-	2,386	-	-	-	-	-	-
Miscellaneous	707	261	313	77	929	967	12,578	245	1,612	26,360
Annual totals	<u>\$ 179,695</u>	<u>\$ 174,975</u>	<u>\$ 156,174</u>	<u>\$ 133,973</u>	<u>\$ 123,078</u>	<u>\$ 173,008</u>	<u>\$ 283,238</u>	<u>\$ 247,818</u>	<u>\$ 93,957</u>	<u>\$ 248,166</u>

Source: District Records

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

	Fiscal year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Vacant land	\$ 4,941,000	\$ 4,979,000	\$ 8,369,600	\$ 9,602,600	\$ 6,955,000	\$ 5,950,000	\$ 5,974,600	\$ 11,011,600	\$ 9,316,600	\$ 5,691,600
Residential	409,902,700	410,935,400	410,880,200	416,431,100	426,818,300	433,001,900	440,976,400	443,108,400	448,316,500	459,794,400
Commercial	47,375,500	47,800,300	49,270,000	49,201,300	48,868,800	48,762,700	46,938,300	46,282,000	46,956,100	46,435,400
Industrial	2,808,400	2,487,800	2,330,600	2,330,600	2,330,600	2,330,600	1,764,200	1,764,200	1,764,200	1,764,200
Apartment	76,839,300	76,781,000	76,368,600	76,368,600	76,368,600	76,368,600	77,023,200	80,814,900	80,383,200	80,383,200
Total assessed value	541,866,900	542,983,500	547,219,000	553,934,200	561,341,300	566,413,800	572,676,700	582,981,100	586,736,600	594,068,800
Public utilities (a)	40	42	43	43	44	42	41	41	41	42
Net valuation taxable	\$ 541,866,940	\$ 542,983,542	\$ 547,219,043	\$ 553,934,243	\$ 561,341,344	\$ 566,413,842	\$ 572,676,741	\$ 582,981,141	\$ 586,736,641	\$ 594,068,842
Estimated actual county equalized value	\$ 1,371,814,938	\$ 1,288,828,726	\$ 1,271,124,317	\$ 1,294,238,828	\$ 1,294,238,828	\$ 1,362,134,950	\$ 1,404,307,850	\$ 1,409,869,748	\$ 1,416,896,018	\$ 1,416,810,975
Percentage of net valuation to estimated actual equalized value	39.50%	42.13%	43.05%	42.80%	43.37%	41.58%	40.78%	41.35%	41.41%	41.93%
Total direct school tax rate (b)	\$ 4.334	\$ 4.545	\$ 4.600	\$ 4.870	\$ 4.789	\$ 5.001	\$ 5.176	\$ 5.156	\$ 5.205	\$ 5.236

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 equipment of telephone and messenger system companies.
- (b) Tax rates are per \$100.

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC 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				
2013	\$ 3.952	\$ 0.382	\$ 4.334	\$ 1.858	\$ 0.974	\$ 7.166	
2014	4.167	0.378	4.545	1.985	0.948	7.478	
2015	4.234	0.366	4.600	2.075	0.927	7.602	
2016	4.500	0.370	4.870	2.115	0.913	7.898	
2017	4.433	0.356	4.789	2.163	0.904	7.856	
2018	4.692	0.309	5.001	2.219	0.955	8.175	
2019	4.843	0.333	5.176	2.287	0.952	8.415	
2020	4.833	0.323	5.156	2.308	0.945	8.409	
2021	4.884	0.321	5.205	2.352	0.957	8.514	
2022	4.935	0.301	5.236	2.366	0.921	8.523	

Sources: Municipal Tax Collector

Note: N.J.S.A. 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.

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Principal Property Taxpayers,
Current Year and Nine Years Ago

	2022			2013		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Merriwold Assoc., LLC	\$ 11,420,400	1	1.92%	\$ -		-
Treetops at Highlands LLC	8,000,000	2	1.35%	8,000,000	1	1.48%
Cedar Arms Associates LLC	5,220,000	3	0.88%	5,220,000	2	0.96%
Crowells Highlands LLC and Donaldson	5,019,800	4	0.84%	5,019,800	3	0.93%
CLA Management Company	4,994,800	5	0.84%	4,994,800	4	0.92%
Rutgers University c/o Richardson	4,922,100	6	0.83%	4,922,100	5	0.91%
Cedar Holding Associates	4,871,600	7	0.82%	4,871,600	6	0.90%
Orchard Gardens LLC	4,600,300	8	0.77%	4,600,300	7	0.85%
Highland Montgomery LLC	3,704,000	9	0.62%	3,704,000	8	0.68%
Parktown Garden Apartments (#202)	2,856,000	10	0.48%	-		-
East Coast Harper & Highland House/Garden	-		-	3,544,600	9	0.65%
Highland Park Manor LLC	-		-	2,712,600	10	0.50%
	<u>\$ 55,609,000</u>		<u>9.35%</u>	<u>\$ 47,589,800</u>		<u>8.78%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years

Year Ending June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2013	\$ 23,348,534	\$ 23,348,534	100.00%
2014	23,685,383	23,685,383	100.00%
2015	25,217,864	25,217,864	100.00%
2016	26,197,142	26,197,142	100.00%
2017	27,174,030	27,174,030	100.00%
2018	27,804,569	27,804,569	100.00%
2019	29,001,905	29,001,905	100.00%
2020	29,792,736	29,792,736	100.00%
2021	30,356,105	30,356,105	100.00%
2022	30,828,497	30,828,497	100.00%

Source: 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.

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities Leases	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation		Bond Anticipation Notes (BANs)				
		Leases						
2013	\$ 25,167,703	\$ -	\$ -	\$ 1,085,996	\$ -	\$ 26,253,699	3.50%	\$ 1,860
2014	24,160,000	-	49,116	1,085,996	-	25,295,112	3.44%	1,792
2015	23,110,000	-	24,558	-	-	23,134,558	3.06%	1,637
2016	22,015,000	-	-	-	-	22,015,000	2.87%	1,564
2017	21,080,000	-	-	-	-	21,080,000	2.68%	1,507
2018	19,750,000	-	-	-	-	19,750,000	2.46%	1,422
2019	18,390,000	-	-	-	-	18,390,000	2.20%	1,332
2020	17,005,000	-	-	-	-	17,005,000	1.98%	1,241
2021	16,195,000	-	353,812	-	-	16,548,812	1.83%	1,218
2022	14,625,000	-	298,900	-	-	14,923,900	N/A	997

Notes: 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.

N/A Information is not available

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC 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		
2013	\$ 25,167,703	\$ -	\$ 25,167,703	4.64%	\$ 1,783
2014	24,160,000	-	24,160,000	4.45%	1,711
2015	23,110,000	-	23,110,000	4.22%	1,635
2016	22,015,000	-	22,015,000	3.97%	1,564
2017	21,080,000	-	21,080,000	3.76%	1,507
2018	19,750,000	-	19,750,000	3.49%	1,422
2019	18,390,000	-	18,390,000	3.21%	1,332
2020	17,005,000	-	17,005,000	2.92%	1,241
2021	16,195,000	-	16,195,000	2.76%	1,192
2022	14,625,000	-	14,625,000	2.46%	977

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

- (a) See Exhibit NJ J-6 for property tax data.
- (b) Population data can be found in Exhibit J-14.

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2021

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Governmental Unit			
Debt repaid with property taxes			
Municipality	\$ 15,596,626	100.00%	\$ 15,596,626
County general obligation debt	640,138,221	1.18%	<u>7,523,392</u>
Subtotal, overlapping debt			23,120,018
School district direct debt			<u>16,195,000</u>
Total direct and overlapping debt			<u><u>\$ 39,315,018</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.

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized Valuation Basis
	2021 \$ 1,399,324,112
	2020 1,407,826,853
	2019 <u>1,384,949,698</u>
	<u>\$ 4,192,100,663</u>
Average equalized valuation of taxable property	<u>\$ 1,397,366,888</u>
Debt limit (4.0% of average equalization value)	\$ 55,894,676
Total net debt applicable to limit	<u>14,625,000</u>
Legal debt margin	<u>\$ 41,269,676</u>

	Fiscal Year				
	2018	2019	2020	2021	2022
Debt limit	\$ 51,671,859	\$ 53,143,871	\$ 57,868,370	\$ 55,756,354	\$ 55,894,676
Total net debt applicable	<u>19,750,000</u>	<u>18,390,000</u>	<u>17,005,000</u>	<u>16,195,000</u>	<u>14,625,000</u>
Legal debt margin	<u>\$ 31,921,859</u>	<u>\$ 34,753,871</u>	<u>\$ 40,863,370</u>	<u>\$ 39,561,354</u>	<u>\$ 41,269,676</u>
Total net debt applicable to the limit as a percentage of debt limit	38.22%	34.60%	29.39%	29.05%	26.17%

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt limit	\$ 55,296,999	\$ 53,323,946	\$ 52,100,526	\$ 51,013,507	\$ 50,540,439
Total net debt applicable	<u>28,030,227</u>	<u>24,160,000</u>	<u>23,110,000</u>	<u>22,015,000</u>	<u>21,080,000</u>
Legal debt margin	<u>\$ 27,266,772</u>	<u>\$ 29,163,946</u>	<u>\$ 28,990,526</u>	<u>\$ 28,998,507</u>	<u>\$ 29,460,439</u>
Total net debt applicable to the limit as a percentage of debt limit	50.69%	45.31%	44.36%	43.16%	41.71%

Source: Equalized Valuation Basis were obtained from the Annual Report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 18A:24-19.

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2013	14,118	\$ 749,086,962	\$ 53,059	7.80%
2014	14,119	735,811,685	52,115	4.40%
2015	14,135	756,236,635	53,501	3.60%
2016	14,075	767,678,650	54,542	3.30%
2017	13,989	786,279,723	56,207	3.00%
2018	13,891	804,136,099	57,889	2.70%
2019	13,802	835,669,694	60,547	2.30%
2020	13,705	858,823,825	62,665	6.70%
2021	13,592	905,770,880	66,640	4.80%
2022	14,968	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 U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago

2022

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2013

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

**HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years**

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction										
Regular	117.1	116.5	119.4	119.1	119.7	118.4	116.1	110.1	110.9	113.4
Special education	56.8	60.8	49.6	52.3	53.9	54.9	66.7	67.1	72.2	72.7
Other instruction	7.1	6.1	5.3	9.1	9.6	9.1	10.1	9.8	8.6	10.8
Support services										
Student and instruction related services	46.0	34.8	42.4	48.1	53.6	51.1	55.0	59.3	61.3	62.2
General administration	2.2	3.2	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0
School administration services	12.2	14.7	14.4	18.4	15.6	14.6	15.4	15.4	15.1	15.5
Central services	5.5	4.5	4.5	4.5	4.5	4.2	4.2	4.2	4.7	4.4
Administrative information technology	0.5	0.5	0.5	0.5	0.5	0.5	0.8	0.8	0.9	0.8
Plant operations and maintenance	2.3	1.6	3.2	5.5	5.7	7.0	9.9	8.5	8.3	11.3
Total	<u>249.7</u>	<u>242.7</u>	<u>242.3</u>	<u>260.5</u>	<u>266.1</u>	<u>262.8</u>	<u>280.2</u>	<u>277.2</u>	<u>284.0</u>	<u>293.1</u>

Source: District Personnel Records

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 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
2013	1,521	\$ 29,626,456	\$ 19,478	9.65%	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%
2016	1,600	31,643,114	19,777	2.35%	144	1 to 22.25	1,600.3	1,497.9	1.19%	93.60%
2017	1,598	33,902,520	21,216	7.28%	148	1 to 21.42	1,598.2	1,487.1	-0.13%	93.05%
2018	1,605	36,261,136	22,593	6.49%	144	1 to 21.25	1,605.3	1,522.8	0.44%	94.86%
2019	1,599	38,059,920	23,802	5.35%	145	1 to 21.39	1,610.3	1,532.7	0.31%	95.18%
2020	1,609	37,967,759	23,597	-0.86%	148	1 to 20.99	1,604.1	1,545.2	-0.39%	96.33%
2021	1,552	39,549,156	25,483	7.99%	144	1 to 16.65	1,533.3	1,461.2	-4.42%	95.30%
2022	1,611	43,050,709	26,723	4.87%	154	1 to 16.44	1,576.5	1,428.3	2.82%	90.60%

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).

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Elementary</u>										
Irving School (1915)										
Square feet	54,521	54,521	54,521	54,521	54,521	54,521	54,521	54,521	54,521	54,521
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	335	336	332	309	315	338	309	298	248	265
Bartle School (1966)										
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	422	448	473	461	484	478	461	470	438	445
<u>Middle School</u>										
Highland Park Middle School (1998)										
Square feet	78,744	78,744	78,744	78,744	78,744	78,744	78,744	78,744	78,744	78,744
Capacity (students)	350	350	350	350	350	350	350	350	350	350
Enrollment	355	349	339	344	361	362	360	372	364	361
<u>High School</u>										
Highland Park High School (1925)										
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	451	460	474	497	511	480	472	441	477	484
<u>Other</u>										
Maintenance Building (1925)										
Square feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<u>Number of schools at June 30, 2022:</u>										
Elementary and middle school	3									
High school	1									
Other	1									

Source: District Facilities Office

Note: 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.

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facilities
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities

Fiscal Year Ending	Bartle Elementary School	Irving Elementary School	Highland Park Middle & High School	Total
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
2016	124,101	70,604	354,583	549,288
2017	151,436	69,127	295,393	515,956
2018	54,780	83,895	214,875	353,550
2019	97,194	68,916	266,391	432,501
2020	113,398	83,380	250,311	447,089
2021	142,848	100,457	245,531	488,836
2022	70,768	126,249	286,471	483,488
Total school facilities	<u>\$ 1,062,070</u>	<u>\$ 786,662</u>	<u>\$ 2,611,960</u>	<u>\$ 4,460,692</u>

Note: School Facilities as Defined Under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Insurance Schedule
June 30, 2022
(Unaudited)

	Coverage	Deductible
School Commercial Package Policy - Utica Mutual		
Property-Blanket Building & Contents	\$ 89,883,331	\$ 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	20,000,000	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 - Zurich Insurance Company		
Policy Limit	6,000,000	-
 Worker's Compensation - NJ School Board Assoc		
Employer's Liability	3,000,000	-
 Supplemental Indemnity - NJ School Board Assoc.		
Principal Sum - Weekly Benefit	2,500	-
 NJ CAP Excess Liability - Fireman's Fund Insurance		
Excess Liability	25,000,000	-
 Cyber Liability - BCS Insurance		
Environmental Liability - Syndicate	1,000,000	10,000
 Public Employees' Faithful Performance - Western Surety Company		
Treasurer of School Monies Bond	255,000	-
Business Administrator's Bond	100,000	-

Source: District Records

See independent auditors' report.

SINGLE AUDIT SECTION

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART I**



Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Honorable President and
Members of the Board of Education
Highland Park Borough Public School
District Highland Park, 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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Highland Park Borough Public School District (the District) in the County of Middlesex, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 5, 2023.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow Management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 or significant deficiencies may exist that were not identified.

We did identify certain deficiencies in internal control, described in the Schedule of Findings and Questioned Costs as items 2022-001 and 2022-003 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Highland Park Borough Public School District's Response to Findings

Highland Park Borough Public School District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BKC, CPAs, PC



Michael A. Holk, CPA, PSA
NO. 20CS00265600

April 5, 2023
Flemington, New Jersey



Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance
and the New Jersey OMB Circular 15-08**

Honorable President and
Members of the Board of Education
Highland Park Borough Public School District
Highland Park, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Highland Park Borough Public School District's (the District) compliance with the types of compliance requirements as subject to audit in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2022. The District'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.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and the New Jersey OMB's Circulars 15-08 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2022-002. Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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 and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and 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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



BKC, CPAs, PC



Michael A. Holk, CPA,
PSA NO. 20CS00265600

April 5, 2023
Flemington, New Jersey

SUPPLEMENTARY INFORMATION

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2022

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance 06/30/21	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2022				
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor		
General Fund																	
U.S. Departments of Education and Health & Human Services																	
Medical Assistance Program Cluster	93.778	2105NJ5MAP	N/A	\$ 28,034	07/01/21	06/30/22	\$ -	\$ -	\$ 28,034	\$ 28,034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund																	
U.S. Departments of Education and Health & Human Services passed through State Department of Education																	
School Based Youth Services Program	93.558	N/A	22AEMP	327,563	07/01/21	06/30/22	-	-	327,563	300,441	-	-	-	-	27,122	-	-
U.S. Department of Education passed through State Department of Education																	
IDEA (Special Education Cluster)																	
IDEA Basic	84.027A	H027A200100	IDEA-2150-20	420,207	07/01/19	06/30/20	(198,092)	-	198,092	-	-	-	-	-	-	-	-
IDEA Basic	84.027A	H027A200100	IDEA-2150-21	432,929	07/01/21	06/30/22	(158,690)	(263,846)	432,929	10,393	-	-	-	-	-	-	-
IDEA Basic	84.027A	H027A210100	IDEA-2150-22	425,772	07/01/21	06/30/22	-	263,846	155,904	475,072	-	-	-	(55,322)	-	-	-
IDEA Preschool	84.173A	H173A200114	IDEA-2150-21	13,547	07/01/20	06/30/22	(13,547)	-	13,547	-	-	-	-	-	-	-	-
IDEA Preschool	84.173A	H173A210114	IDEA-2150-22	13,774	07/01/21	06/30/22	-	-	-	13,774	-	-	-	(13,774)	-	-	-
Total IDEA (Special Education Cluster)							(370,329)	-	800,472	499,239	-	-	-	(69,096)	-	-	-
ESSA Title I A	84.010A	S010A200030	ESSA-2150-21	296,420	07/01/20	06/30/21	(144,334)	(64,753)	265,706	56,619	-	-	-	-	-	-	-
ESSA Title I A	84.010A	S010A210030	ESSA-2150-22	312,007	07/01/21	06/30/22	-	64,753	41,612	139,270	-	-	-	(32,905)	-	-	-
ESSA Title I SIA A Reallocated	84.010A	S010A200030	ESSA-2150-21	9,733	07/01/20	06/30/21	(2,325)	-	2,325	-	-	-	-	-	-	-	-
ESSA Title I SIA A	84.010A	S010A190030	ESSA-2150-20	10,600	07/01/19	06/30/20	(1,968)	-	1,968	-	-	-	-	-	-	-	-
ESSA Title I SIA A	84.010A	S010A200030	ESSA-2150-21	12,800	07/01/20	06/30/21	(7,445)	(4,301)	12,661	915	-	-	-	-	-	-	-
ESSA Title I SIA A	84.010A	S010A210030	ESSA-2150-22	10,000	07/01/21	06/30/22	-	4,301	871	8,235	-	-	-	(3,063)	-	-	-
ESSA Title II A	84.367A	S367A190029	ESSA-2150-20	51,214	07/01/19	06/30/20	(14,770)	(2,449)	31,962	14,743	-	-	-	-	-	-	-
ESSA Title II A	84.367A	S367A200029	ESSA-2150-21	49,473	07/01/20	06/30/21	(2,780)	(12,279)	14,947	-	112	-	-	-	-	-	-
ESSA Title II A	84.367A	S367A210029	ESSA-2150-22	57,691	07/01/21	06/30/22	-	14,728	-	19,737	-	-	-	(5,009)	-	-	-
ESSA Title III	84.365A	S365A190030	ESSA-2150-20	22,561	07/01/19	06/30/20	(6,147)	-	6,147	-	-	-	-	-	-	-	-
ESSA Title III	84.365A	S365A200030	ESSA-2150-21	24,968	07/01/20	06/30/21	(10,176)	(4,669)	16,651	1,806	-	-	-	-	-	-	-
ESSA Title III	84.365A	S365A210030	ESSA-2150-22	20,770	07/01/21	06/30/22	-	4,669	-	9,542	-	-	-	(4,873)	-	-	-
ESSA Title III Immigrant	84.365A	S365A190030	ESSA-2150-20	10,143	07/01/19	06/30/20	(228)	(805)	1,033	-	-	-	-	-	-	-	-
ESSA Title III Immigrant	84.365A	S365A210030	ESSA-2150-22	7,975	07/01/21	06/30/22	-	805	-	310	-	-	-	-	495	-	-
ESSA Title IV A	84.424A	S424A190031	ESSA-2150-20	18,385	07/01/19	06/30/20	(9,442)	-	9,442	-	-	-	-	-	-	-	-
ESSA Title IV A	84.424A	S424A200031	ESSA-2150-21	21,783	07/01/20	06/30/21	(18,613)	(4,667)	21,783	-	1,497	-	-	-	-	-	-
ESSA Title IV A	84.424A	S424A210031	ESSA-2150-22	21,637	07/01/21	06/30/22	-	4,667	7,622	13,089	-	-	-	(800)	-	-	-
FEMA	97.036	N/A	FEMA-2150-21	46,753	07/01/20	06/30/21	(21,535)	-	-	15,519	23,111	-	-	(13,943)	-	-	-
ACSERS Program	21.027	SLFRFDOE1SES	ACSER-1050-22	269,154	07/01/21	06/30/22	-	-	-	269,154	-	-	-	(269,154)	-	-	-
COVID-19																	
CARES Act	84.425	S425D200027	CARES-2150-21	265,617	03/13/20	09/30/22	(46,451)	-	-	179	-	-	-	(46,630)	-	-	-
Digital Divide Grant	84.425	S425D200027	CARES-2150-21	155,017	07/01/20	06/30/21	(3,776)	-	-	-	3,776	-	-	-	-	-	-
CRSSA - ESSER II	84.425	S425D200027	CRSSA-2150-23	971,654	03/13/20	09/30/23	(106,962)	-	-	692,215	(21,535)	-	-	(820,712)	-	-	-
CRRSA - Learning Acceleration	84.425D	S425D210027	CRSSA-2150-23	62,356	03/13/20	09/30/23	-	-	-	27,857	-	-	-	(27,857)	-	-	-
CRRSA - Mental Health	84.425D	S425D210027	CRSSA-2150-23	45,000	03/13/20	09/30/23	-	-	-	21,495	-	-	-	(21,495)	-	-	-
ARP - ESSER																	
ARP - ESSER II	84.425U	S425U210027	ESSER-2150-24	2,183,730	03/13/20	09/30/24	-	-	-	480,330	-	-	-	(480,330)	-	-	-
NJTSS Mental Health Support Staffing	84.425U	S425U210027	ESSER-2150-24	88,501	03/13/20	09/30/24	-	-	-	8,303	-	-	-	(8,303)	-	-	-
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	ESSER-2150-24	144,395	03/13/20	09/30/24	-	-	-	32,001	-	-	-	(32,001)	-	-	-
ARP IDEA Basic	84.027X	H027X210100	ARP-2150-22	80,327	07/01/21	06/30/22	-	-	-	12,541	-	-	-	(12,541)	-	-	-
ARP IDEA Preschool	84.173X	H173X210114	ARP-2150-22	6,833	07/01/21	06/30/22	-	-	-	6,833	-	-	-	(6,833)	-	-	-

See independent auditors' report

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2022

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance 06/30/21	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment/	Adjustment/	Balance June 30, 2022		
					From	To					Repayment of Prior Year Balance	Repayment of Prior Year Balance	Accounts Receivable	Deferred Revenue	Due to Grantor
Special Revenue Fund (continued)															
U.S. Department of Agriculture passed through State Department of Agriculture National School Lunch Program Equipment Grant	10.579	02302150	N/A	\$ 7,230	07/01/21	06/30/22	\$ -	\$ -	\$ -	\$ 7,230	\$ -	\$ -	\$ (7,230)	\$ -	\$ -
Total Special Revenue Fund							(767,281)	-	1,562,765	2,637,603	6,961	-	(1,862,775)	27,617	-
Enterprise Fund															
U.S. Department of Agriculture passed through State Department of Agriculture Child Nutrition Cluster National School Lunch Program Non-Cash Assistance (Commodities)	10.555	211NJ304N1099	N/A	30,606	10/01/20	09/30/21	997	-	-	997	-	-	-	-	-
Non-Cash Assistance (Commodities)	10.555	221NJ304N1099	N/A	49,566	10/01/21	09/30/22	-	-	49,566	47,535	-	-	-	2,031	-
Cash Assistance	10.555	211NJ304N1099	N/A	124,129	10/01/20	09/30/21	(37,808)	-	37,808	-	-	-	-	-	-
Cash Assistance	10.555	221NJ304N1099	N/A	742,825	10/01/21	09/30/22	-	-	683,750	742,825	-	-	(59,075)	-	-
Emergency Operational Cost Program	10.555	201NJ304N1099	N/A	46,491	07/01/21	06/30/22	-	-	46,491	46,491	-	-	-	-	-
School Breakfast Program	10.553	211NJ304N1099	N/A	64,148	10/01/20	09/30/21	(7,623)	-	7,623	-	-	-	-	-	-
School Breakfast Program Total Child Nutrition Cluster	10.553	211NJ304N1099	N/A	177,596	10/01/21	09/30/22	-	-	161,692	177,596	-	-	(15,904)	-	-
P-EBT Supply Chain	10.649	2022225900941	N/A	35,557	07/01/21	06/30/22	(44,434)	-	986,930	1,015,444	-	-	(74,979)	2,031	-
P-EBT Administrative	10.649	2022225900941	N/A	628	07/01/21	06/30/22	-	-	-	35,557	-	-	(35,557)	-	-
P-EBT Administrative	10.649	2022225900941	N/A	614	07/01/20	06/30/21	-	-	614	614	-	-	-	-	-
Total Enterprise Fund							(44,434)	-	988,172	1,052,243	-	-	(110,536)	2,031	-
Total Federal Awards							\$ (811,715)	\$ -	\$ 2,578,971	\$ 3,717,880	\$ 6,961	\$ -	\$ (1,973,311)	\$ 29,648	\$ -

See independent auditors' report

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2022

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2021		Cash Received	Budgetary Expenditure	Repayment of Prior Year Balances	Adjustment	Balance June 30, 2022			Memo	
					Deferred Rev. (Accts. Rec)	Due to Grantor					Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
General Fund															
State Department of Education															
Special Education Categorical Aid	22-495-034-5120-089	\$ 1,155,701	07/01/21	06/30/22	\$ -	\$ -	\$ 1,046,577	\$ 1,155,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,124	\$ 1,155,701
Equalization Aid	22-495-034-5120-078	2,978,764	07/01/21	06/30/22	-	-	2,697,501	2,978,764	-	-	-	-	-	281,263	2,978,764
Security Aid	22-495-034-5120-084	47,872	07/01/21	06/30/22	-	-	43,352	47,872	-	-	-	-	-	4,520	47,872
Transportation Aid	22-495-034-5120-014	240,771	07/01/21	06/30/22	-	-	218,037	240,771	-	-	-	-	-	22,734	240,771
Extraordinary Aid	21-495-034-5120-044	952,329	07/01/20	06/30/21	(952,329)	-	952,329	-	-	-	-	-	-	-	952,329
Extraordinary Aid	22-495-034-5120-044	856,505	07/01/21	06/30/22	-	-	-	856,505	-	-	(856,505)	-	-	-	856,505
Non-Public Transportation Aid	21-495-034-5120-014	68,440	07/01/20	06/30/21	(68,440)	-	68,440	-	-	-	-	-	-	-	68,440
Non-Public Transportation Aid	22-495-034-5120-014	75,690	07/01/21	06/30/22	-	-	-	75,690	-	-	(75,690)	-	-	-	75,690
Maintenance of Equity Aid	22-495-034-5120-128	851,093	07/01/21	06/30/22	-	-	-	851,093	-	-	(851,093)	-	-	-	851,093
On-Behalf TPAF Pension Contribution - Post Retirement Medical	22-495-034-5094-001	1,119,420	07/01/21	06/30/22	-	-	1,119,420	1,119,420	-	-	-	-	-	-	1,119,420
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	22-495-034-5094-004	66,657	07/01/21	06/30/22	-	-	66,657	66,657	-	-	-	-	-	-	66,657
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	22-495-034-5094-004	2,171	07/01/21	06/30/22	-	-	2,171	2,171	-	-	-	-	-	-	2,171
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	22-495-034-5094-002	4,724,552	07/01/21	06/30/22	-	-	4,724,552	4,724,552	-	-	-	-	-	-	4,724,552
Reimbursed TPAF Social Security Contribution	21-495-034-5094-003	977,065	07/01/20	06/30/21	(48,335)	2,315	48,335	-	-	-	-	-	2,315	-	977,065
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	1,045,107	07/01/21	06/30/22	-	-	992,866	1,045,107	-	-	(52,241)	-	-	-	1,045,107
Total General Fund					(1,069,104)	2,315	11,980,237	13,164,303	-	-	(1,835,529)	-	2,315	417,641	15,162,137
Special Revenue Fund															
State Department of Education															
Preschool Education Aid	21-495-034-5120-086	228,100	07/01/20	06/30/21	(22,810)	-	22,810	-	-	-	-	-	-	-	-
Preschool Education Aid	22-495-034-5120-086	222,672	07/01/21	06/30/22	-	-	200,405	222,672	-	-	(22,267)	-	-	-	222,672
Non-Public Aid															
Textbook Aid	21-100-034-5120-064	5,437	07/01/20	06/30/21	-	1,402	-	-	1,402	-	-	-	-	-	4,035
Textbook Aid	22-100-034-5120-064	5,162	07/01/21	06/30/22	-	-	5,162	5,162	-	-	-	-	-	-	5,162
Nursing Services	21-100-034-5120-070	11,526	07/01/20	06/30/21	-	689	-	-	689	-	-	-	-	-	10,837
Nursing Services	22-100-034-5120-070	12,768	07/01/21	06/30/22	-	-	12,768	12,768	-	-	-	-	-	-	12,768
Security Aid	21-100-034-5120-509	19,775	07/01/20	06/30/21	-	9	-	-	9	-	-	-	-	-	19,766
Security Aid	22-100-034-5120-509	19,950	07/01/21	06/30/22	-	-	19,950	17,480	-	-	-	-	2,470	-	17,480
Technology Initiative Aid	22-100-034-5120-373	3,612	07/01/21	06/30/22	-	-	3,612	3,612	-	-	-	-	-	-	464
Auxiliary Aid															
Transportation Aid	22-100-034-5120-068	875	07/01/21	06/30/22	-	-	875	875	-	-	-	-	-	-	875
Compensatory Education	21-100-034-5120-067	15,676	07/01/20	06/30/21	-	12,886	-	-	12,886	-	-	-	-	-	2,790
Compensatory Education	22-100-034-5120-067	896	07/01/21	06/30/22	-	-	896	-	-	-	-	-	896	-	896
Handicapped Aid															
Examination and Classification	20-100-034-5120-066	2,978	07/01/19	06/30/20	-	65	-	-	65	-	-	-	-	-	-
Examination and Classification	21-100-034-5120-066	2,599	07/01/20	06/30/21	-	2,599	-	-	2,599	-	-	-	-	-	-
Examination and Classification	21-100-034-5120-066	2,979	07/01/20	06/30/21	-	2,979	-	-	2,979	-	-	-	-	-	1,326
Examination and Classification	22-100-034-5120-066	1,326	07/01/21	06/30/22	-	-	1,326	-	-	-	-	-	1,326	-	2,660
Examination and Classification	22-100-034-5120-066	2,660	07/01/21	06/30/22	-	-	2,660	2,466	-	-	-	-	194	-	-
Supplemental Instruction	21-100-034-5120-066	6,476	07/01/20	06/30/21	-	6,476	-	-	6,476	-	-	-	-	-	3,304
Supplemental Instruction	22-100-034-5120-066	3,304	07/01/21	06/30/22	-	-	3,304	3,304	-	-	-	-	-	-	-
Corrective Speech	22-100-034-5120-066	930	07/01/21	06/30/22	-	-	930	-	-	-	-	-	930	-	930
SDA Emergent and Capital															
Maintenance Needs	22-100-034-5120-519	37,602	07/01/21	06/30/22	-	-	37,602	34,600	-	-	-	3,002	-	-	-
Total Special Revenue Fund					(22,810)	27,105	312,300	302,939	27,105	-	(22,267)	3,002	5,816	-	308,878

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2022

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To		Balance June 30, 2021		Cash Received	Budgetary Expenditure	Repayment of Prior Year		Balance June 30, 2022			Memo		
					Deferred Rev. (Accts. Rec)	Due to Grantor			Balances	Adjustment	Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure	
Debt Service Fund																
Debt Service Aid - State Support	22-495-034-5120-017	\$ 9,801	07/01/21	06/30/22	\$ -	\$ -	\$ 9,801	\$ 9,801	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,801
Capital Projects Fund																
NJ School Development Authority																
Bartle School Window Replacement	2150-085-14-1001	296,519	Not applicable		(494,340)	-	296,519	(197,821)	-	-	-	-	-	-	-	296,519
Enterprise Fund																
State Department Of Agriculture																
State School Lunch Program	22-100-010-3350-023	17,464	07/01/21	06/30/22	-	-	16,104	17,464	-	-	(1,360)	-	-	-	-	17,464
State School Lunch Program	21-100-010-3350-023	6,851	07/01/20	06/30/21	(1,792)	-	1,792	-	-	-	-	-	-	-	-	6,851
Total Enterprise Fund					(1,792)	-	17,896	17,464	-	-	(1,360)	-	-	-	-	24,315
Total State Financial Assistance					<u>\$ (1,588,046)</u>	<u>\$ 29,420</u>	<u>\$ 12,616,753</u>	13,296,686	<u>\$ 27,105</u>	<u>\$ -</u>	<u>\$ (1,859,156)</u>	<u>\$ 3,002</u>	<u>\$ 8,131</u>	<u>\$ 417,641</u>	<u>\$ 15,801,650</u>	
Less: On-Behalf TPAF Pension System Contributions																
On-Behalf TPAF Pension Contribution -																
Teachers' Pension & Annuity Fund	22-495-034-5094-002							4,724,552								
On-Behalf TPAF Pension Contribution -																
Non-Contributory Insurance	22-495-034-5094-004							66,657								
On-Behalf TPAF Pension Contribution -																
Postretirement Medical	22-495-034-5094-001							1,119,420								
On-Behalf TPAF Pension Contribution -																
Long-Term Disability Insurance	22-495-034-5094-004							2,171								
Total for State Financial Assistance - Major Program Determination								<u>\$ 7,383,886</u>								

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2022

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the Highland Park Borough Public School District. The District is defined in Note 1 (A) to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on 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 financial statements

The basic 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$18,759) for the general fund, (\$238,329) for the special revenue fund and \$194,932 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 a reconciliation of the budgetary basis to the modified accrual basis of accounting for the capital projects fund.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2022

Note 3 - Relationship of financial statements (continued)

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

	Federal	State	Total
General fund	\$ 28,034	\$ 13,145,544	\$ 13,173,578
Special revenue fund	2,390,766	310,851	2,701,617
Capital projects fund	-	(2,889)	(2,889)
Debt service fund	-	9,801	9,801
Food service fund	1,052,243	17,464	1,069,707
Total awards and financial assistance	<u>\$ 3,471,043</u>	<u>\$ 13,480,771</u>	<u>\$ 16,951,814</u>

Note 4 - Relationship to federal and state financial reports

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

Note 5 - 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, 2022. 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 fiscal year ended June 30, 2022.

Note 6 - Adjustments on the Schedule of Federal Awards

On Schedule A; the adjustments of \$112 for the ESSA Title II A program for fiscal year 2021; \$1,497 for ESSA Title IV for the fiscal year 2021 and \$1,576 for FEMA for fiscal year 2021 represent prior year encumbrances canceled in the current year. The adjustment of \$3,776 for the COVID-19 Digital Divide Grant represents adjustments to activity to correspond to board financial reports. In addition, the District determined that a reclassification of prior year expenditures charged to FEMA was necessary and reclassified \$21,535 of expenses to the CRRSA ESSER II Grant.

Note 7 - Indirect costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART II**

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified? Yes X No
 2. Were significant deficiencies identified? X Yes None reported

Noncompliance material to basic financial statements noted? Yes X No

Federal Awards

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes X No
 2. Were significant deficiencies identified? Yes X None reported

What was the type of auditor's report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a)? Yes X No

Identification of Major Programs:

CFDA Number(s)	FEIN Number(s)	Name of Federal Program or Cluster
<u>10.555 & 10.553</u>	<u>221NJ304N1099</u>	<u>Child Nutrition Cluster</u>

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? X Yes No

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section I - Summary of Auditor's Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? Yes No

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes No
 2. Were there significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

What was the type of auditor's report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable? Yes No

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
<u>22-495-034-5120-089</u>	<u>State Aid Public Cluster:</u>
<u>22-495-034-5120-078</u>	<u>Special Education Categorical Aid</u>
<u>22-495-034-5120-084</u>	<u>Equalization Aid</u>
<u>22-495-034-5120-128</u>	<u>Security Aid</u>
	<u>Maintenance of Equity Aid</u>

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the general-purpose financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey

Finding 2022-001

Type: Internal control over financial reporting.

Criteria: Staffing of the business office should be adequate to ensure effective and efficient business office operations.

Condition: The business office is not currently staffed to ensure timely and accurate financial reporting.

Cause: Unknown

Effect: The business office is not currently staffed to ensure timely and accurate financial reporting.

Recommendation: The District should perform a review of the staffing of the business office to determine if it is adequate for the effective completion of the duties required of the office.

Views of Responsible Officials and Planned Corrective Action (unaudited): The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

This was a finding in the prior year.

Finding 2022-003

Type: Internal control over financial reporting.

Criteria: Outstanding balances due to the District from individuals participating in the school breakfast and lunch programs should be reviewed for accuracy.

Condition: Outstanding balances due to the District included amounts that were aged.

Cause: Unknown

Effect: Outstanding balances due to the District were not collected in a timely manner.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section II - Financial Statement Findings (continued)

Finding 2022-003 (continued)

Recommendation: The District should make a continuing effort to investigate and adjust outstanding balances due to the District in a timely manner.

Views of Responsible Officials and Planned Corrective Action (unaudited): The responsible officials agree with the finding and will address the matter as part of their corrective action plan which includes working together more closely with the food service manager and continuously scrutinizing outstanding balances.

This was a finding in the prior year.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Sections II and III
For the Fiscal Year Ended June 30, 2022

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

Finding 2022-002

Criteria: Bank account reconciliations should agree with board secretary records and not include aged reconciling items.

Condition: Bank account reconciliations included reconciling items in excess of one year old. These items were excluded, in some instances, from the board secretary records.

Cause: Unknown

Effect: Bank reconciliations prepared by the treasurer include aged reconciling items in excess of one year old and outstanding checks not reflected in the board secretary records.

Recommendation: Investigate and adjust outstanding checks and reconciling items not in agreement with the board secretary records and liquidate amounts due within District bank accounts in a timely manner.

Views of Responsible Officials and Planned Corrective Action (unaudited): The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

This was a finding in the prior year.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2022

Status of Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year findings with the exception of 2021-001, 2021-002 and 2021-003 which are repeated as findings 2022-001, 2022-002 and 2022-003 respectively.