

**HIGHLAND PARK BOROUGH
PUBLIC SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2023

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



**HIGHLAND PARK BOROUGH PUBLIC
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

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HIGHLAND PARK PUBLIC SCHOOLS

435 Mansfield Street
Highland Park, NJ 08904
Tel: 732-571-2400
www.hpschools.net

Dr. Kristina Susca
Superintendent

Denise M. DeRosa
School Business Administrator

December 14, 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, 2023 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Management of the 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 four 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 2022-2023 Fiscal Year with an average enrollment of 1,581 students, which is 5 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 seven years.

Average Daily Enrollment		
Fiscal Year	Student Enrollment	Percent Change
2022-23	1,581	0.31%
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.

Since the passage of Senate Bill 2 (S-2) in July 2018, the District received increases in its state aid allocations. Current projections indicate in fiscal year 2024-2025 the district will be fully funded under the provisions of the School Funding Reform Act.

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.

Past 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 also 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.

The most recent facilities project focused on the expansion of the District's preschool program to a full day program. The District invested funds to lease four modular classrooms which will allow the District to educate approximately sixty general education preschool students. The District is exploring other funding sources to continue to expand facilities to house additional preschoolers in order to close the opportunity and achievement gaps.

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, 2023.

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 Susca
Superintendent of Schools



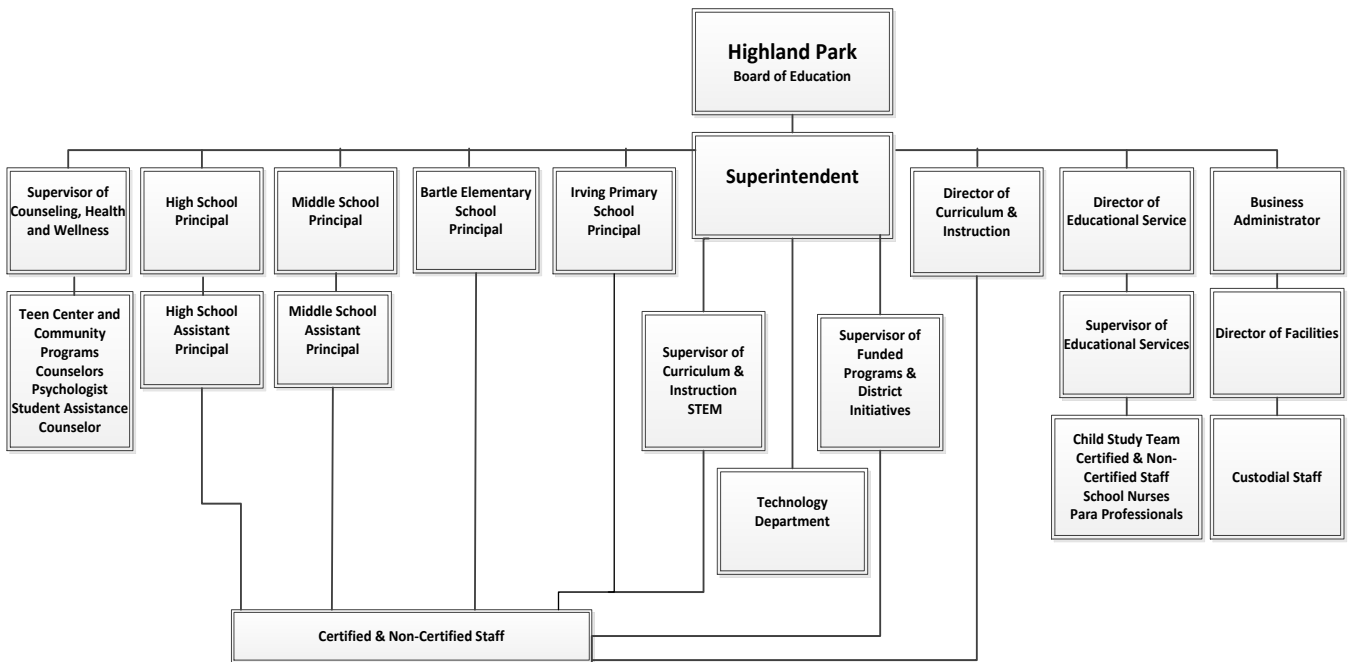
Denise M. DeRosa
Business Administrator/Board Secretary

POLICY

HIGHLAND PARK BOARD OF EDUCATION

Section: Administration
1110 Organizational Chart
Page 1 of 1

ORGANIZATIONAL CHART 2022-2023



Revised: September 12, 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, 2023**

Members of the Board of Education	Title	Term Expires
Ms. Marilyn Pruce	President	12/31/2024
Mr. Mark Krieger	Vice-President	12/31/2025
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
Ms. Jennifer Voorhees		12/31/2025
Mr. Christopher Woodward		12/31/2025

Other Officials	Title
Dr. Kristina Susca	Superintendent of Schools
Ms. Linda 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, 2023**

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School Board Attorney

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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, 2023, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the 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.

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 December 14, 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

December 14, 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, 2023
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, 2023. 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 2023 are as follows:

- General revenues accounted for \$48,945,914 in revenues, or 91.79% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,376,634, or 8.21% of total revenues of \$53,322,548.
- The School District had \$50,506,017 in expenses; only \$4,376,634 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 \$43,786,497 in revenues and \$43,819,945 in expenditures. After accounting for net other financing sources of \$850,118; the general fund's balance increased by \$816,670 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, 2023
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 2023?" 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, 2023, and a comparison with net position as of June 30, 2022. The comparison between the years shows an increase in total net position of \$2,816,531.

Table 1
Net Position

	06/30/23	06/30/22	Variance	
			Dollars	%
Current & other assets	\$ 9,747,521	\$ 8,764,606	\$ 982,915	11.21%
Capital assets	33,366,281	33,113,874	252,407	0.76%
Total assets	<u>43,113,802</u>	<u>41,878,480</u>	<u>1,235,322</u>	2.95%
Deferred amount on refunding bond issue	450,145	551,820	(101,675)	-18.43%
Deferred pension activity	<u>1,593,817</u>	<u>1,411,646</u>	<u>182,171</u>	12.90%
Total deferred outflow of resources	<u>2,043,962</u>	<u>1,963,466</u>	<u>80,496</u>	4.10%
Long-term liabilities	20,658,043	20,423,294	234,749	1.15%
Other liabilities	<u>1,975,767</u>	<u>1,702,345</u>	<u>273,422</u>	16.06%
Total liabilities	<u>22,633,810</u>	<u>22,125,639</u>	<u>508,171</u>	2.30%
Deferred pension activity	<u>997,764</u>	<u>3,006,648</u>	<u>(2,008,884)</u>	-66.81%
Total deferred inflow of resources	<u>997,764</u>	<u>3,006,648</u>	<u>(2,008,884)</u>	-66.81%
Net position				
Net investment in capital assets	20,013,347	18,741,794	1,271,553	6.78%
Restricted	4,159,938	3,001,745	1,158,193	38.58%
Unrestricted	<u>(2,647,095)</u>	<u>(3,033,880)</u>	<u>386,785</u>	-12.75%
Total net position	<u>\$ 21,526,190</u>	<u>\$ 18,709,659</u>	<u>\$ 2,816,531</u>	15.05%

Total assets increased by \$1,235,322. The increase in current and other assets is a result of increases in cash and cash equivalents offset by decreases in accounts receivable.

The unrestricted net position at June 30, 2023 of (\$2,647,095) 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, 2023 with comparisons to fiscal year ending June 30, 2022.

Table 2
Changes in Net Position

	Fiscal Year Ending		Variance	
	06/30/23	06/30/22	Dollars	%
Revenues				
Program revenues				
Charges for services	\$ 1,133,844	\$ 680,998	\$ 452,846	66.50%
Operating grants	3,242,790	3,845,991	(603,201)	-15.68%
General revenues				
Property taxes	31,451,059	30,828,497	622,562	2.02%
Unrestricted grants	17,100,144	18,655,779	(1,555,635)	-8.34%
Other	394,711	89,587	305,124	340.59%
Total revenues	<u>53,322,548</u>	<u>54,100,852</u>	<u>(778,304)</u>	-1.44%
Program expenses				
Instruction				
Regular	17,115,899	17,259,192	(143,293)	-0.83%
Special	7,728,405	8,149,126	(420,721)	-5.16%
Other	1,411,099	1,442,311	(31,212)	-2.16%
Support services				
Tuition	3,149,694	2,964,063	185,631	6.26%
Student & instructional staff	9,190,111	8,725,454	464,657	5.33%
General & business administration	1,893,928	2,047,305	(153,377)	-7.49%
School administration	2,582,670	2,473,679	108,991	4.41%
Maintenance	2,896,414	3,018,306	(121,892)	-4.04%
Transportation	2,995,598	2,481,356	514,242	20.72%
Charter schools	217,504	230,166	(12,662)	-5.50%
Interest on long-term debt	254,544	440,420	(185,876)	-42.20%
Food service	813,138	897,673	(84,535)	-9.42%
Community service programs	257,013	302,748	(45,735)	-15.11%
Total expenses	<u>50,506,017</u>	<u>50,431,799</u>	<u>74,218</u>	0.15%
Increase (decrease) in net position	<u>\$ 2,816,531</u>	<u>\$ 3,669,053</u>	<u>\$ (852,522)</u>	-23.24%

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Governmental Activities

Property taxes made up 60.29% of revenues for governmental funds for the Highland Park Borough Public School District for fiscal year 2023. The District’s total revenues for governmental funds were \$52,168,325 for the fiscal year ended June 30, 2023. 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 \$54,197.
- Charges for services represent \$275,042 of revenue, or 31.71%. 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 \$533,661.

Before and After School Child Care Program

- The Before and After School Child Care Program had revenues of \$286,888 and operating expenses of \$257,013. The net profit for fiscal year 2023 was \$29,875.

Table 3 provides a summary of the School District’s cost of governmental services in fiscal year ending June 30, 2023 with comparisons to fiscal year ending June 30, 2022.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/23	06/30/22	06/30/23	06/30/22
Instruction	\$ 26,255,403	\$ 26,850,629	\$ 25,199,522	\$ 25,434,201
Support services				
Tuition	3,149,694	2,964,063	2,657,956	2,541,722
Student & instructional staff	9,190,111	8,725,454	7,659,638	7,550,499
General & business administration	1,893,928	2,047,305	1,893,928	2,047,305
School administration	2,582,670	2,473,679	2,460,693	2,344,245
Plant operations & maintenance	2,896,414	3,018,306	2,834,151	3,002,818
Pupil transportation	2,995,598	2,481,356	2,994,003	2,480,481
Charter schools	217,504	230,166	217,504	230,166
Interest on long-term debt	254,544	440,420	254,544	440,420
Total expenses	<u>\$ 49,435,866</u>	<u>\$ 49,231,378</u>	<u>\$ 46,171,939</u>	<u>\$ 46,071,857</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 66.76%, continues to be from local sources including tax levy, outside tuition, and miscellaneous revenues. State aid and federal aid represents approximately 33.24% of the total revenues.

The following schedule presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2023:

Revenues	Amount	Percentage of Total	Increase/ (Decrease) From Prior Year	Percentage Increase (Decrease)
Local Sources				
Tax levy				
General	\$ 29,637,491	60.95%	\$ 581,127	2.00%
Debt service	1,813,568	3.73%	41,435	2.34%
Other revenues	1,007,829	2.07%	461,968	84.63%
State Aid	13,670,347	28.12%	207,040	1.54%
Federal Aid	2,493,198	5.13%	74,398	3.08%
Total	<u>\$ 48,622,433</u>	100.00%	<u>\$ 1,365,968</u>	2.89%

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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, 2023:

<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	\$ 44,963,510	92.24%	\$ 2,423,090	5.70%
Capital outlay	1,608,813	3.30%	529,919	49.12%
Charter schools	217,504	0.45%	(12,662)	-5.50%
Debt service				
Principal	1,681,705	3.45%	(25,554)	-1.50%
Interest	275,307	0.56%	(29,680)	-9.73%
Total	<u>\$ 48,746,839</u>	100.00%	<u>\$ 2,885,113</u>	6.29%

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 2023 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

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
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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 2023 and 2022. At the end of fiscal year 2023, the District had \$33,366,281 invested in land, buildings, capital lease, machinery and equipment.

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

	06/30/23	06/30/22	Variance	
			Dollars	%
Land	\$ 415,000	\$ 415,000	\$ -	0.00%
Construction in progress	1,112,202	650,000	462,202	71.11%
Land improvements	217,931	246,417	(28,486)	-11.56%
Buildings & improvements	30,250,457	31,323,017	(1,072,560)	-3.42%
Leased assets	690,190	71,367	618,823	867.10%
Furniture & equipment	680,501	408,073	272,428	66.76%
Total	<u>\$ 33,366,281</u>	<u>\$ 33,113,874</u>	<u>\$ 252,407</u>	0.76%

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, 2023, the amount of \$2,260,000 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, 2023 the amount of \$10,755,000 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, 2023 is \$58,556,760. General obligation authorized debt at June 30, 2023 is \$13,015,000, resulting in a legal debt margin of \$45,541,760.

Table 5 provides a summary of the School District’s outstanding long-term debt at June 30, 2023 with comparisons to June 30, 2022.

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Table 5
Outstanding Long-Term Liabilities at Year-End

	06/30/23	06/30/22	Variance	
			Dollars	%
2016 refunding bonds for 2006 issue	\$ 2,260,000	\$ 3,415,000	\$ (1,155,000)	-33.82%
2020 refunding bonds for 2012 issue	10,755,000	11,210,000	(455,000)	-4.06%
PERS net pension liability	6,391,643	4,798,418	1,593,225	33.20%
Lease payable	788,079	298,900	489,179	163.66%
Compensated absences	463,321	700,976	(237,655)	-33.90%
Total	<u>\$ 20,658,043</u>	<u>\$ 20,423,294</u>	<u>\$ 234,749</u>	1.15%

FOR THE FUTURE

The Highland Park Borough Public School District is in good financial condition presently. The state’s financial situation has resulted in 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.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary’s Office, Highland Park Board of Education, 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, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 3,156,150	\$ 334,012	\$ 3,490,162
Due from other funds	-	8,724	8,724
Receivables, net	1,916,138	110,405	2,026,543
Inventory	-	22,122	22,122
Restricted assets			
Capital reserve account - cash	3,088,256	-	3,088,256
Emergency reserve account - cash	280,151	-	280,151
Maintenance reserve account - cash	452,255	-	452,255
Scholarship - cash	75,602	-	75,602
Student activities - cash	180,078	-	180,078
Unemployment claims - cash	123,628	-	123,628
Capital assets, net			
Land and construction in progress	1,527,202	-	1,527,202
Other capital assets, net of depreciation and amortization	31,743,637	95,442	31,839,079
Total assets	42,543,097	570,705	43,113,802
Deferred outflows of resources			
Deferred amount on pension activity	1,593,817	-	1,593,817
Deferred amount on refunding bond issue	450,145	-	450,145
Total deferred outflows of resources	2,043,962	-	2,043,962
Liabilities			
Accounts payable	1,490,033	27,953	1,517,986
Due to other funds, net	8,724	-	8,724
Accrued interest	73,764	-	73,764
Accrued salaries	106,424	-	106,424
Payables to other governments	7,316	-	7,316
Payroll deductions and withholdings payable	55,401	-	55,401
Unearned revenue	81,863	19,391	101,254
Unemployment compensation	67,467	-	67,467
Other current liabilities	36,533	898	37,431
Long-term liabilities			
Due within one year	1,883,095	-	1,883,095
Due beyond one year	18,774,948	-	18,774,948
Total liabilities	22,585,568	48,242	22,633,810
Deferred inflows of resources			
Deferred amount on pension liability	997,764	-	997,764

See accompanying notes to the financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net position			
Net investment in capital assets	\$ 19,917,905	\$ 95,442	\$ 20,013,347
Restricted for			
Capital reserve fund	3,088,256	-	3,088,256
Emergency reserve fund	280,151	-	280,151
Maintenance reserve fund	452,255	-	452,255
Scholarship	75,602	-	75,602
Student activities	180,163	-	180,163
Unemployment claims	83,510	-	83,510
Debt service	1	-	1
Unrestricted	<u>(3,074,116)</u>	<u>427,021</u>	<u>(2,647,095)</u>
Total net position	<u><u>\$ 21,003,727</u></u>	<u><u>\$ 522,463</u></u>	<u><u>\$ 21,526,190</u></u>

See accompanying notes to the financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2023

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	\$ 8,922,651	\$ 8,193,248	\$ 207,268	\$ 609,100	\$ -	\$ (16,299,531)	\$ -	\$ (16,299,531)
Special education	3,685,037	3,065,138	-	20,233	-	(6,729,942)	-	(6,729,942)
Other special instruction	501,965	476,265	-	219,280	-	(758,950)	-	(758,950)
Other instruction	938,261	472,838	-	-	-	(1,411,099)	-	(1,411,099)
Support services								
Tuition	3,149,694	-	-	491,738	-	(2,657,956)	-	(2,657,956)
Students and instruction related services	5,720,377	3,469,734	321,013	1,209,460	-	(7,659,638)	-	(7,659,638)
General and business administration services	1,377,694	516,234	-	-	-	(1,893,928)	-	(1,893,928)
School administration services	1,653,229	929,441	-	121,977	-	(2,460,693)	-	(2,460,693)
Plant operations and maintenance	2,821,655	74,759	44,340	17,923	-	(2,834,151)	-	(2,834,151)
Pupil transportation	2,993,112	2,486	-	1,595	-	(2,994,003)	-	(2,994,003)
Charter schools	217,504	-	-	-	-	(217,504)	-	(217,504)
Interest on long-term debt	254,544	-	-	-	-	(254,544)	-	(254,544)
Total governmental activities	<u>32,235,723</u>	<u>17,200,143</u>	<u>572,621</u>	<u>2,691,306</u>	<u>-</u>	<u>(46,171,939)</u>	<u>-</u>	<u>(46,171,939)</u>
Business-type activities								
Food service	813,138	-	275,042	551,484	-	-	13,388	13,388
Before and after school child care fund	257,013	-	286,181	-	-	-	29,168	29,168
Total business-type activities	<u>1,070,151</u>	<u>-</u>	<u>561,223</u>	<u>551,484</u>	<u>-</u>	<u>-</u>	<u>42,556</u>	<u>42,556</u>
Total primary government	<u>\$ 33,305,874</u>	<u>\$ 17,200,143</u>	<u>\$ 1,133,844</u>	<u>\$ 3,242,790</u>	<u>\$ -</u>	<u>(46,171,939)</u>	<u>42,556</u>	<u>(46,129,383)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						29,637,491	-	29,637,491
Property taxes levied for debt service						1,813,568	-	1,813,568
Federal and state aid not restricted						17,100,144	-	17,100,144
Investment earnings						129,204	-	129,204
Miscellaneous income						223,991	41,516	265,507
Total general revenues and special items						<u>48,904,398</u>	<u>41,516</u>	<u>48,945,914</u>
Change in net position						2,732,459	84,072	2,816,531
Net position - beginning						18,271,268	438,391	18,709,659
Net position - ending						<u>\$ 21,003,727</u>	<u>\$ 522,463</u>	<u>\$ 21,526,190</u>

See accompanying notes to the 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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 3,156,149	\$ -	\$ -	\$ 1	\$ 3,156,150
Due from other funds	122,608	85	-	-	122,693
Receivables from other governments					
State	1,322,740	-	-	-	1,322,740
Federal	-	477,191	-	-	477,191
Local	36,363	3,741	-	-	40,104
Other accounts receivable	11,217	64,886	-	-	76,103
Restricted cash and equivalents	3,944,290	255,680	-	-	4,199,970
Total assets	\$ 8,593,367	\$ 801,583	\$ -	\$ 1	\$ 9,394,951
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 1,138,929	\$ 351,104	\$ -	\$ -	\$ 1,490,033
Due to other funds	875	130,542	-	-	131,417
Payroll deductions and withholdings payable	55,401	-	-	-	55,401
Accrued salaries	106,424	-	-	-	106,424
Payable to other governments					
State	2,315	5,001	-	-	7,316
Other current liabilities	36,533	-	-	-	36,533
Unearned revenue	-	81,863	-	-	81,863
Unemployment compensation claims payable	67,467	-	-	-	67,467
Total liabilities	1,407,944	568,510	-	-	1,976,454

See accompanying notes to the financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2023

	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	\$ 3,088,256	\$ -	\$ -	\$ -	\$ 3,088,256
Emergency reserve account	280,151	-	-	-	280,151
Maintenance reserve account	452,255	-	-	-	452,255
Scholarships	-	75,602	-	-	75,602
Student activities	-	180,163	-	-	180,163
Unemployment claims	83,510	-	-	-	83,510
Committed fund balance					
Year-end encumbrances	433,600	-	-	-	433,600
Assigned fund balance					
Designated for subsequent year's expenditures	1,999,817	-	-	-	1,999,817
Unassigned fund balance	847,834	(22,692)	-	1	825,143
Total fund balances	<u>7,185,423</u>	<u>233,073</u>	<u>-</u>	<u>1</u>	<u>7,418,497</u>
Total liabilities and fund balances	<u>\$ 8,593,367</u>	<u>\$ 801,583</u>	<u>\$ -</u>	<u>\$ 1</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 \$57,077,695 and the accumulated depreciation is \$23,806,856.	33,270,839
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	596,053
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.	(20,658,043)
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 \$1,469,080.	450,145
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(73,764)</u>
Total net position of governmental activities	<u>\$ 21,003,727</u>

See accompanying notes to the 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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 29,637,491	\$ -	\$ -	\$ 1,813,568	\$ 31,451,059
Tuition - individuals	47,579	-	-	-	47,579
Tuition - other LEAs	159,689	-	-	-	159,689
Interest on investments	129,204	-	-	-	129,204
Rents and royalties	44,340	-	-	-	44,340
Local contributions	-	403,026	-	-	403,026
Miscellaneous	223,991	-	-	-	223,991
Total	30,242,294	403,026	-	1,813,568	32,458,888
State sources	13,331,309	328,989	-	10,049	13,670,347
Federal sources	212,894	2,280,304	-	-	2,493,198
Total revenues	43,786,497	3,012,319	-	1,823,617	48,622,433
Expenditures					
Current					
Instructional					
Regular instruction	8,366,643	654,486	-	-	9,021,129
Special education instruction	3,665,919	19,118	-	-	3,685,037
Other special instruction	333,059	168,906	-	-	501,965
Other instruction	938,261	-	-	-	938,261
Support service and undistributed costs					
Tuition	2,657,956	491,738	-	-	3,149,694
Student and instruction related services	4,691,011	1,029,366	-	-	5,720,377
General and business administrative services	1,377,694	-	-	-	1,377,694
School administrative services	1,524,300	128,929	-	-	1,653,229
Plant operations and maintenance	2,803,732	17,923	-	-	2,821,655
Pupil transportation	2,991,517	1,595	-	-	2,993,112
Unallocated benefits	12,996,867	104,490	-	-	13,101,357

See accompanying notes to the 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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 1,129,754	\$ 479,059	\$ -	\$ -	\$ 1,608,813
Charter school	217,504	-	-	-	217,504
Debt service					
Principal	71,705	-	-	1,610,000	1,681,705
Interest and other charges	54,023	-	-	221,284	275,307
Total expenditures	<u>43,819,945</u>	<u>3,095,610</u>	<u>-</u>	<u>1,831,284</u>	<u>48,746,839</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(33,448)</u>	<u>(83,291)</u>	<u>-</u>	<u>(7,667)</u>	<u>(124,406)</u>
Other financing sources (uses)					
Transfers in (out)	190,756	98,752	(289,508)	-	-
Assets acquired under lease	659,362	-	-	-	659,362
Total other financing sources (uses)	<u>850,118</u>	<u>98,752</u>	<u>(289,508)</u>	<u>-</u>	<u>659,362</u>
Net change in fund balance	816,670	15,461	(289,508)	(7,667)	534,956
Fund balances, July 1	<u>6,368,753</u>	<u>217,612</u>	<u>289,508</u>	<u>7,668</u>	<u>6,883,541</u>
Fund balances, June 30	<u>\$ 7,185,423</u>	<u>\$ 233,073</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 7,418,497</u>

See accompanying notes to the 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, 2023

Total net changes in fund balances - Governmental fund (from B-2) \$ 534,956

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 capital outlays exceeds depreciation in the period:

Capital outlays	\$ 1,608,813	
Depreciation and amortization expense	<u>(1,388,379)</u>	220,434

Repayment of debt principal and 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	1,610,000	
Lease principal payments	<u>170,183</u>	1,780,183

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.

597,830

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, 2023

<p>In the Statement of Activities, deferred outflows for refunding bond costs are amortized to current year expenses over the amortization period.</p>	<p>\$ (101,675)</p>
<p>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.</p>	<p>122,438</p>
<p>Governmental funds report lease proceeds as financing sources whereas issuing debt increased long-term liabilities in the government-wide statements.</p>	<p>(659,362)</p>
<p>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.</p>	<p><u>237,655</u></p>
<p>Change in net position of governmental activities</p>	<p><u><u>\$ 2,732,459</u></u></p>

See accompanying notes to the financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Fund Net Position
June 30, 2023

	Food Service Fund	Before and After School Child Care Fund	Total
Asset			
Current assets			
Cash and cash equivalents	\$ 297,134	\$ 36,878	\$ 334,012
Due from other funds	8,724	-	8,724
Receivables from other governments			
State	3,123	-	3,123
Federal	77,050	-	77,050
Other receivables	30,232	-	30,232
Inventory	22,122	-	22,122
Total current assets	<u>438,385</u>	<u>36,878</u>	<u>475,263</u>
Noncurrent assets			
Capital assets	240,874	-	240,874
Less: accumulated depreciation	145,432	-	145,432
Total noncurrent assets	<u>95,442</u>	<u>-</u>	<u>95,442</u>
Total assets	<u>533,827</u>	<u>36,878</u>	<u>570,705</u>
Liabilities			
Current liabilities			
Accounts payable	27,703	250	27,953
Unearned revenues			
Commodities	3,964	-	3,964
Prepaid sales	15,427	-	15,427
Other current liabilities	-	898	898
Total liabilities	<u>47,094</u>	<u>1,148</u>	<u>48,242</u>
Net position			
Net investment in capital assets	95,442	-	95,442
Unrestricted	391,291	35,730	427,021
Total net position	<u>\$ 486,733</u>	<u>\$ 35,730</u>	<u>\$ 522,463</u>

See accompanying notes to the 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, 2023

	Food Service Fund	Before and After School Child Care Fund	Total
Operating revenues			
Charges for services			
Daily sales - reimbursable programs	\$ 230,067	\$ -	\$ 230,067
Daily sales - non-reimbursable programs	19,292	-	19,292
Special function sales	25,683	-	25,683
Before and after school child care service fees	-	286,181	286,181
Total operating revenues	<u>275,042</u>	<u>286,181</u>	<u>561,223</u>
Operating expenses			
Cost of sales - reimbursable programs	247,546	-	247,546
Cost of sales - nonreimbursable programs	84,155	-	84,155
Commodity costs	58,453	-	58,453
Salaries	246,471	186,289	432,760
Employee benefits	80,417	14,251	94,668
Purchased professional and technical services	5,351	-	5,351
Purchased property services	9,120	-	9,120
Rental of land and buildings	-	35,000	35,000
Other purchased services			
Management fee	28,658	-	28,658
Insurance	4,287	-	4,287
Other purchased services	6,595	15,960	22,555
General supplies	31,468	5,513	36,981
Depreciation	10,617	-	10,617
Total operating expenses	<u>813,138</u>	<u>257,013</u>	<u>1,070,151</u>
Operating income (loss)	<u>(538,096)</u>	<u>29,168</u>	<u>(508,928)</u>
Non-operating revenues (expenses)			
State sources			
State school breakfast program	4,543	-	4,543
State school lunch program	12,356	-	12,356
Federal sources			
National school breakfast program	79,691	-	79,691
National school lunch program			
Cash assistance	328,339	-	328,339
Non-cash assistance (commodities)	58,453	-	58,453
Supply chain assistance	50,179	-	50,179
Board contribution	17,923	-	17,923
Miscellaneous	40,809	707	41,516
Total non-operating revenues (expenses)	<u>592,293</u>	<u>707</u>	<u>593,000</u>
Change in net position	54,197	29,875	84,072
Net position, beginning	<u>432,536</u>	<u>5,855</u>	<u>438,391</u>
Net position, ending	<u>\$ 486,733</u>	<u>\$ 35,730</u>	<u>\$ 522,463</u>

See accompanying notes to the financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

	Food Service Fund	Before and After School Child Care Fund	Total
Cash flows from operating activities			
Receipts from services provided (net)	\$ 267,020	\$ 286,156	\$ 553,176
Payments to employees	-	(186,289)	(186,289)
Payments for employee benefits	-	(14,251)	(14,251)
Payments to Food Service Management Co. (net)	(766,316)	-	(766,316)
Payments to vendors and customers (net)	(14,471)	(61,972)	(76,443)
Interfund activity	3,590	(2,534)	1,056
Net cash provided by (used for) operating activities	<u>(510,177)</u>	<u>21,110</u>	<u>(489,067)</u>
Cash flows from non-capital financing activities			
State sources	15,136	-	15,136
Federal sources	491,695	-	491,695
Interfund activity	110,012	-	110,012
Board contribution	17,923	-	17,923
Miscellaneous	40,809	707	41,516
Net cash provided by (used for) non-capital financing activities	<u>675,575</u>	<u>707</u>	<u>676,282</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	(42,590)	-	(42,590)
Net cash provided by (used for) capital and related financing activities	<u>(42,590)</u>	<u>-</u>	<u>(42,590)</u>
Net increase (decrease) in cash and cash equivalents	122,808	21,817	144,625
Cash and cash equivalents, beginning	<u>174,326</u>	<u>15,061</u>	<u>189,387</u>
Cash and cash equivalents, ending	<u>\$ 297,134</u>	<u>\$ 36,878</u>	<u>\$ 334,012</u>

See accompanying notes to the financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows (continued)
For the Fiscal Year Ended June 30, 2023

	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)	\$ (538,096)	\$ 29,168	\$ (508,928)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	10,617	-	10,617
Federal food donation program	58,453	-	58,453
(Increase) decrease in due from other funds	4,203	-	4,203
(Increase) decrease in accounts receivable	(10,310)	-	(10,310)
(Increase) decrease in inventory	(10,308)	-	(10,308)
Increase (decrease) in accounts payable	(28,343)	(5,499)	(33,842)
Increase (decrease) in due to other funds	-	(2,534)	(2,534)
Increase (decrease) in unearned revenues	3,607	-	3,607
Increase (decrease) in prepaid expenses	-	(25)	(25)
Net cash provided by (used for) operating activities	<u>\$ (510,177)</u>	<u>\$ 21,110</u>	<u>\$ (489,067)</u>

See accompanying notes to the 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, 2023 of 1,582 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
-----------	----------

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, 2023 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 2022-2023 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, 2023.

J. Capital assets

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

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

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

<u>Assets</u>	<u>Years</u>
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, 2023, 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, 2023, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	8,443,859
Total bank balances	\$ 8,693,589

Deposits at June 30, 2023 appear in the financial statements as summarized below:

Cash and cash equivalents		\$ 7,690,132
Unrestricted cash		
Governmental funds, Balance Sheet	<u>Ref.</u> B-1	\$ 3,156,150
Enterprise funds, Statement of Net Position	B-4	334,012
Restricted cash		
Governmental funds, Balance Sheet	B-1	4,199,970
Total cash		\$ 7,690,132

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, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated or amortized				
Land	\$ 415,000	\$ -	\$ -	\$ 415,000
Construction in progress	650,000	462,202	-	1,112,202
	<u>1,065,000</u>	<u>462,202</u>	<u>-</u>	<u>1,527,202</u>
Capital assets, being depreciated or amortized				
Land improvements	1,171,471	-	-	1,171,471
Building and improvements	51,420,635	-	-	51,420,635
Furniture and equipment	1,713,789	440,347	-	2,154,136
Vehicles	15,640	46,902	-	62,542
Right-to-use asset	82,347	659,362	-	741,709
Total	<u>54,403,882</u>	<u>1,146,611</u>	<u>-</u>	<u>55,550,493</u>
Accumulated depreciation and amortization				
Land improvements	925,054	28,486	-	953,540
Building and improvements	20,097,618	1,072,560	-	21,170,178
Furniture and equipment	1,369,185	243,863	-	1,613,048
Vehicles	15,640	2,931	-	18,571
Right-to-use asset	10,980	40,539	-	51,519
Total	<u>22,418,477</u>	<u>1,388,379</u>	<u>-</u>	<u>23,806,856</u>
Total capital assets, being depreciated, net	<u>31,985,405</u>	<u>(241,768)</u>	<u>-</u>	<u>31,743,637</u>
Governmental activities capital assets, net	<u>\$ 33,050,405</u>	<u>\$ 220,434</u>	<u>\$ -</u>	<u>\$ 33,270,839</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture equipment	\$ 198,284	\$ 42,590	\$ -	\$ 240,874
Less: accumulated depreciation	(134,815)	(10,617)	-	(145,432)
Business type activities capital assets, net	<u>\$ 63,469</u>	<u>\$ 31,973</u>	<u>\$ -</u>	<u>\$ 95,442</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	\$	579,453	
Special education		189,058	
Other special instruction		24,393	
Co-curricular activities		71,501	
Support services			
Student and instruction		309,619	
General and business administration		115,550	
School administration		86,194	
Plant and maintenance		12,611	
Total depreciation and amortization expense, governmental activities	\$	1,388,379	

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2023 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 14,625,000	\$ -	\$ 1,610,000	\$ 13,015,000	\$ 1,625,000
PERS net pension liability	4,798,418	1,593,225	-	6,391,643	-
Leases payable	298,900	659,362	170,183	788,079	258,095
Compensated absences payable	700,976	-	237,655	463,321	-
Total governmental activities long-term liabilities	\$ 20,423,294	\$2,252,587	\$ 2,017,838	\$ 20,658,043	\$ 1,883,095

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, 2023 including interest payments are listed as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,945,000	107,669	2,052,669
2029 - 2030	4,000,000	112,400	4,112,400
Total	<u>\$ 13,015,000</u>	<u>\$ 899,582</u>	<u>\$ 13,914,582</u>

General Obligation Bonds - General obligation school building bonds payable at June 30, 2023, 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%.	\$ 2,260,000
\$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>10,755,000</u>
Totals	<u>\$ 13,015,000</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, 2023 is \$58,556,760. General obligation debt at June 30, 2023 is \$13,015,000, resulting in a legal debt margin of \$45,541,760.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

Leases payable - Leases payable at June 30, 2023, with their outstanding balances are comprised of the following:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 258,095	\$ 12,072	\$ 270,167
2025	247,180	19,530	266,710
2026	138,473	11,963	150,436
2027	144,331	6,105	150,436
Total	<u>\$ 788,079</u>	<u>\$ 49,670</u>	<u>\$ 837,749</u>

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

\$ 78,517

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

54,333

\$99,192 - Modular classrooms, commencing 3/10/2023, 4.60% interest, due in monthly installments beginning July 1, 2023 through June 1, 2025.

95,059

\$560,170 - Chromebooks, commencing 5/17/23, 4.23% interest, due in annual installments beginning August 15, 2023 through August 15, 2026.

560,170

Totals

\$ 788,079

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, 2022 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, 2022 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, 2021 through June 30, 2022. 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 2022, 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, 2023 was 16.96% 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)

Special funding situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be 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 under this legislation 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 related to this legislation. 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 collective 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.

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, 2022:

Total pension liability	\$	6,391,643
Proportionate Share		0.0423529470%
Plan fiduciary net position as a percentage of the total pension liability		62.91%

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

Inflation rate	2.75%
Price	3.25%
Wage	
Salary increases (based on years of service)	2.75 - 6.55%
Investment rate of return	7.00%

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 (continued)

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

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022 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, 2022 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%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers 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 projected benefit payments and the municipal bond rate was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of as of June 30, 2022 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%)	\$	6,391,643
At a 1% lower rate (6.00%)		8,280,931
At a 1% higher rate (8.00%)		4,883,981

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2022 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 46,132	\$ 40,682
Changes of assumptions	19,803	957,082
Net difference between projected and actual earnings on pension plan investments	264,544	-
Changes in proportion and differences between District contributions and proportionate share of contributions	729,247	-
District contributions subsequent to the measurement date	534,091	-
Total	<u>\$ 1,593,817</u>	<u>\$ 997,764</u>

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 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, 2023, the plan measurement date is June 30, 2022) of \$534,091 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

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, 2022 measurement date:

	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	\$ 75,677	\$ (29,545)	\$ 46,132
Changes of assumptions	24,990	(5,187)	19,803
Differences between expected and actual investment earnings	-	264,544	264,544
Deferred inflows of resources			
Differences between expected and actual experience	(34,351)	(6,331)	(40,682)
Changes of assumptions	(1,708,268)	751,186	(957,082)
Difference between projected and actual earnings on pension plan investments	(1,264,029)	1,264,029	-
Net of deferred inflows	\$ (2,905,981)	\$ 2,238,696	\$ (667,285)

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)

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 (benefits) as follows:

<u>Fiscal Year Ended June 30,</u>	
2023	\$ (548,269)
2024	(279,325)
2025	(136,221)
2026	297,183
2027	(653)
Total	<u>\$ (667,285)</u>

Pension expense (benefit)

For the year ended June 30, 2023, the District recognized net pension expense (benefit) of (\$63,740), which represents the District's proportionate share of allocable plan pension expense (benefit) of (\$462,887), plus the net amortization of deferred amounts from changes in proportion of \$458,878, plus other adjustments to the net pension liability of (\$59,731). The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense (benefit) related to specific liabilities of individual employers, for the District for the year ending June 30, 2022 measurement date are as follows:

Service cost	\$ 308,084
Interest on total pension liability	1,235,643
Benefit Changes	3,585
Member contributions	(256,925)
Administrative expense	5,518
Expected investment return net of investment expense	(824,830)
Pension expense related to specific liabilities of individual employers	(4,426)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	14,628
Changes of assumptions	(923,649)
Difference between projected and actual investment earnings on pension plan investments	(20,515)
Pension expense (benefit)	<u>\$ (462,887)</u>

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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.

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 contribution policy for TPAF is set by N.J.S.A. 18A:66 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. For the fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

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

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.

During the State fiscal year ended June 30, 2022, the State of New Jersey contributed \$4,803,277 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, 2022 measurement date is as follows:

District proportionate share of net pension liability	\$ 87,447,404
Less: State proportionate share of net pension liability	28,234,169
Net pension liability	<u>\$ 59,213,235</u>
Proportionate share	0.1147667511%
Plan fiduciary net position as a percentage of the total pension liability	32.29%

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Actuarial assumptions

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

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

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

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

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's pension and annuity fund (TPAF) (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, 2022 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, 2022 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%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 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 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

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, 2022 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%)	\$	59,213,235
At a 1% lower rate (6.00%)		69,428,776
At a 1% higher rate (8.00%)		50,607,925

Pension expense (benefit)

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, 2022 measurement date are as follows:

Service cost	\$	1,369,333
Interest on total pension liability		5,897,613
Benefit Changes		-
Member contributions		(1,039,653)
Administrative expense		14,479
Expected investment return net of investment expense		(2,272,382)
Pension expense related to specific liabilities of individual employers		(453)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		229,958
Changes of assumptions		(2,745,966)
Difference between projected and actual investment earnings on pension plan investments		140,665
Pension expense (benefit)	\$	<u>1,593,594</u>

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 (\$9,000 in 2023) 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.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

C. Defined contribution retirement program (continued)

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 2023 was \$3,153.

D. Other pension plan information

During the year ended June 30, 2023, the State of New Jersey contributed \$1,298,614 to the TPAF for postretirement medical benefits, \$67,645 for non-contributory insurance premiums, \$2,300 for long-term disability insurance, and \$4,875,736 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 \$1,062,409 during the year ended June 30, 2023 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 Statement No. 68.

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 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 fiscal year 2022, the State paid OPEB benefits for 161,238 State and local retirees.

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).

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 2022 total OPEB liability of \$50,646,462,966 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at <https://www.state.nj.us/treasury/taxation/payments-notice.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, 2022 measurement date is as follows:

State’s proportionate share of the OPEB liability	50,646,462,966
District’s proportionate share of the State’s OPEB liability	54,617,206
Employer OPEB expense and related revenue	1,938,850
Allocable proportionate percentage	0.1078401191%

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, 2021	\$ 66,063,109
Service cost	3,537,970
Interest cost	1,447,416
Change of benefit terms	-
Differences between expected and actual experiences	(392,019)
Changes of assumptions	(14,651,555)
Member contributions	45,994
Gross benefit payments	(1,433,709)
Total OPEB liability at June 30, 2022	\$ 54,617,206

There were no changes of the benefit terms from June 30, 2021 to June 30, 2022.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% as of the June 30, 2021 plan measurement date to 3.54% as of the June 30, 2022 plan measurement date.

The total non-employer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF	PERS
	(based on years of service)	(based on years of service)
Salary increases	2.75% - 4.25%	2.75% - 6.55%

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.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF and PERS.

Health care trend assumptions

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

Discount rate

The discount rate for June 30, 2022 was 3.54%. 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, 2022 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:

Total OPEB Liability (school retirees)

At current discount rate (3.54%)	\$	54,617,206
At a 1% lower rate (2.54%)		64,196,780
At a 1% higher rate (4.54%)		46,939,656

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	\$	54,617,206
At a 1% lower rate (1% decrease)		45,144,459
At a 1% higher rate (1% increase)		67,060,234

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expense (revenue) of \$1,938,850 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.

Note 9 - Interfund receivables and payables

The composition of interfund balances as of June 30, 2023 is as follows:

Fund	Receivable Fund	Payable Fund
General fund	\$ 122,608	\$ 875
Special revenue fund	85	130,542
Food service fund	8,724	-
Total	\$ 131,417	\$ 131,417

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 \$122,608 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 \$790 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 \$7,934 represents transactions occurring in the special revenue fund affecting the food service fund.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2023 consisted of the following:

Food	\$ 16,621
Supplies	5,501
Total	\$ 22,122

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.

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
2022 - 2023	\$ -	\$ 43,886	\$ 33,893	\$ -	\$ 150,977
2021 - 2022	-	21,706	33,575	-	73,198
2020 - 2021	20,000	-	-	83,706	17,917

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

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.

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, \$29,484 to their emergency reserve and \$200,000 to their maintenance reserve account by Board Resolution in June 2023.

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	\$ 1,798,760	\$ 1,000,000	\$ 310,626	\$ 21,130	\$ 3,088,256
Emergency	250,667	29,484	-	-	280,151
Maintenance	375,639	200,000	4,316	127,700	452,255
Total	<u>\$ 2,425,066</u>	<u>\$ 1,229,484</u>	<u>\$ 314,942</u>	<u>\$ 148,830</u>	<u>\$ 3,820,662</u>

The June 30, 2023 LRFP 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, 2023 is as follows:

Restricted

Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	\$ 3,088,256
Emergency reserve account - Represents funds restricted to finance unanticipated general fund expenditures required for a thorough and efficient education.	280,151
Maintenance reserve account - Represents funds restricted for required maintenance of school facilities.	452,255
Unemployment - Represents funds accumulated for future unemployment claims	83,510

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.	433,600
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Assigned

Designated for subsequent year's expenditures - Represents amount appropriated in the succeeding year's budget to reduce tax requirements.	1,999,817
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Unassigned

Undesignated - Represents fund balance which has not been restricted designated.	1,331,448
Total fund balance - Budgetary basis (C-1)	7,669,037
Last state aid payments not recognized on GAAP basis	(483,614)
Total fund balance - GAAP basis (exhibit B-1)	\$ 7,185,423

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, 2023 is \$0.

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, 2023 of (\$3,074,116) 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.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

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

The District has a deficit unassigned fund balance of (\$22,692) in the special revenue fund as of June 30, 2023 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 - 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.

Note 19 - Subsequent events

The District has evaluated subsequent events through December 14, 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, 2023

	Unaudited		Actual	Variance Final to Actual
	Original Budget	Budget Transfers		
Revenues				
Local sources				
Local tax levy	\$ 29,637,491	\$ -	\$ 29,637,491	\$ 29,637,491
Tuition from individuals	70,000	-	70,000	47,579
Tuition from other LEAs within the state	100,000	-	100,000	159,689
Rents and royalties	5,000	-	5,000	44,340
Unrestricted miscellaneous revenues	58,700	-	58,700	353,195
Interest earned on current expense emergency reserve	20	-	20	-
Interest earned on maintenance reserve	280	-	280	-
Interest earned on capital reserve funds	1,000	-	1,000	-
Total	<u>29,872,491</u>	<u>-</u>	<u>29,872,491</u>	<u>30,242,294</u>
State sources				
Categorical transportation aid	240,771	-	240,771	240,771
Extraordinary aid	600,000	-	600,000	1,145,132
Categorical special education aid	1,512,620	-	1,512,620	1,512,620
Equalization aid	2,978,764	-	2,978,764	2,978,764
Categorical security aid	47,872	-	47,872	47,872
Lead testing for drinking water	-	-	-	4,275
Other state aid	-	-	-	73,320
State reimbursements from Securing Our Children				
Future Bond Act	-	75,868	75,868	87,823
TPAF Pension (on-behalf)	-	-	-	4,875,736
TPAF Non-contributory insurance	-	-	-	67,645
TPAF Social Security (reimbursed)	-	-	-	1,062,409
TPAF Postretirement benefits	-	-	-	1,298,614
TPAF Long-term disability insurance	-	-	-	2,300
Total	<u>5,380,027</u>	<u>75,868</u>	<u>5,455,895</u>	<u>13,397,281</u>
Federal sources				
Medicaid reimbursement	51,397	-	51,397	110,181
FEMA reimbursement	-	-	-	102,713
Total	<u>51,397</u>	<u>-</u>	<u>51,397</u>	<u>212,894</u>
Total revenues	<u>\$ 35,303,915</u>	<u>\$ 75,868</u>	<u>\$ 35,379,783</u>	<u>\$ 43,852,469</u>
				<u>\$ 8,472,686</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	\$ 502,364	\$ 166	\$ 502,530	\$ 502,530	\$ -
Grades 1-5	2,705,995	(87,882)	2,618,113	2,487,123	130,990
Grades 6-8	1,775,942	62,120	1,838,062	1,806,192	31,870
Grades 9-12	2,703,434	77,050	2,780,484	2,738,621	41,863
Home instruction					
Salaries of teacher	25,000	21,373	46,373	46,373	-
Purchased professional - educational services	30,886	3,284	34,170	34,170	-
Regular programs - undistributed instruction					
Other salaries for instruction	159,092	949	160,041	155,231	4,810
Purchased professional - educational services	378,500	3,373	381,873	381,873	-
Other purchased services	66,827	4,122	70,949	42,137	28,812
General supplies	338,714	(87,835)	250,879	159,287	91,592
Textbooks	32,586	(13,137)	19,449	12,227	7,222
Other objects	1,662	750	2,412	879	1,533
Total	<u>8,721,002</u>	<u>(15,667)</u>	<u>8,705,335</u>	<u>8,366,643</u>	<u>338,692</u>
Special education					
Learning and/or language disabilities					
Salaries of teachers	392,410	(4,772)	387,638	382,901	4,737
Other salaries for instruction	197,790	42,586	240,376	236,618	3,758
Purchased professional-educational services	-	40,736	40,736	36,984	3,752
Other purchased services	1,630	-	1,630	521	1,109
General supplies	5,906	-	5,906	4,511	1,395
Other objects	1,785	220	2,005	-	2,005
Total	<u>599,521</u>	<u>78,770</u>	<u>678,291</u>	<u>661,535</u>	<u>16,756</u>
Emotional regulation impairment					
Salaries of teachers	131,908	(11,468)	120,440	120,440	-
Other salaries for instruction	65,649	(1,413)	64,236	53,100	11,136
Purchased professional-educational services	-	2,849	2,849	2,849	-
General supplies	14,989	(7,744)	7,245	2,542	4,703
Total	<u>212,546</u>	<u>(17,776)</u>	<u>194,770</u>	<u>178,931</u>	<u>15,839</u>
Resource room/resource center					
Salaries of teachers	2,217,539	(50,770)	2,166,769	2,090,526	76,243
Other salaries for instruction	524,245	(170,205)	354,040	263,811	90,229
Other purchased services	3,570	1,696	5,266	5,266	-
General supplies	10,180	(1,696)	8,484	6,977	1,507
Total	<u>2,755,534</u>	<u>(220,975)</u>	<u>2,534,559</u>	<u>2,366,580</u>	<u>167,979</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Autism					
Salaries of teachers	\$ 268,882	\$ (17,394)	\$ 251,488	\$ 250,472	\$ 1,016
Other salaries for instruction	73,054	53,329	126,383	117,822	8,561
Purchased professional-educational services	6,987	-	6,987	5,054	1,933
Other purchased services	-	7,625	7,625	4,625	3,000
General supplies	4,934	23,580	28,514	14,139	14,375
Total	<u>353,857</u>	<u>67,140</u>	<u>420,997</u>	<u>392,112</u>	<u>28,885</u>
Preschool disabilities - part-time					
Salaries of teachers	115,612	(63,809)	51,803	5,451	46,352
Other salaries for instruction	16,764	23,858	40,622	30,629	9,993
Purchased professional-educational services	-	29,494	29,494	29,494	-
General supplies	2,754	-	2,754	1,187	1,567
Total	<u>135,130</u>	<u>(10,457)</u>	<u>124,673</u>	<u>66,761</u>	<u>57,912</u>
Total special education	<u>4,056,588</u>	<u>(103,298)</u>	<u>3,953,290</u>	<u>3,665,919</u>	<u>287,371</u>
Bilingual education - instruction					
Salaries of teachers	323,326	10,300	333,626	331,225	2,401
General supplies	2,882	-	2,882	1,834	1,048
Total	<u>326,208</u>	<u>10,300</u>	<u>336,508</u>	<u>333,059</u>	<u>3,449</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	228,500	(3,539)	224,961	221,754	3,207
Purchased services	25,500	(7,251)	18,249	18,249	-
Supplies and materials	7,625	-	7,625	6,485	1,140
Other objects	7,580	(3,336)	4,244	4,244	-
Total	<u>269,205</u>	<u>(14,126)</u>	<u>255,079</u>	<u>250,732</u>	<u>4,347</u>
School-sponsored athletics - instruction					
Salaries	294,426	-	294,426	267,282	27,144
Purchased services	57,255	(2,807)	54,448	44,315	10,133
Supplies and materials	16,154	1,806	17,960	16,645	1,315
Other objects	15,405	1,000	16,405	16,369	36
Total	<u>383,240</u>	<u>(1)</u>	<u>383,239</u>	<u>344,611</u>	<u>38,628</u>
Other supplemental/at-risk programs - instruction					
Salaries of reading specialists	365,475	12,085	377,560	342,918	34,642
Total	<u>365,475</u>	<u>12,085</u>	<u>377,560</u>	<u>342,918</u>	<u>34,642</u>
Total instruction regular	<u>\$ 14,121,718</u>	<u>\$ (110,707)</u>	<u>\$ 14,011,011</u>	<u>\$13,303,882</u>	<u>\$ 707,129</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the state - regular	\$ 8,660	\$ -	\$ 8,660	\$ 7,785	\$ 875
Tuition to other LEAs within the state - special	1,426,624	(327,124)	1,099,500	869,120	230,380
Tuition to cssd. & regional day schools	103,686	-	103,686	-	103,686
Tuition to priv. school for the disabled w/i state	1,400,754	246,505	1,647,259	1,136,032	511,227
Tuition - state facilities	40,270	-	40,270	40,270	-
Tuition - other	512,744	92,395	605,139	604,749	390
Total	<u>3,492,738</u>	<u>11,776</u>	<u>3,504,514</u>	<u>2,657,956</u>	<u>846,558</u>
Undistributed expenditures - attendance & social work					
Salaries	197,095	1,633	198,728	195,414	3,314
Other purchased services	36,000	371	36,371	36,371	-
Total	<u>233,095</u>	<u>2,004</u>	<u>235,099</u>	<u>231,785</u>	<u>3,314</u>
Undistributed expenditures - health services					
Salaries	306,480	14,981	321,461	320,565	896
Purchased professional and technical services	32,000	26,822	58,822	58,822	-
Other purchased services	1,675	864	2,539	1,654	885
Supplies and materials	4,929	4,380	9,309	9,014	295
Other objects	270	(15)	255	255	-
Total	<u>345,354</u>	<u>47,032</u>	<u>392,386</u>	<u>390,310</u>	<u>2,076</u>
Undistributed expenditures - speech, ot, pt & related services					
Salaries	642,253	(9,131)	633,122	605,019	28,103
Purchased professional - educational services	235,946	(33,002)	202,944	97,727	105,217
Supplies and materials	5,613	-	5,613	5,389	224
Total	<u>883,812</u>	<u>(42,133)</u>	<u>841,679</u>	<u>708,135</u>	<u>133,544</u>
Undistributed expend - other supp. service stds. - extra service					
Salaries	519,680	-	519,680	510,495	9,185
Purchased professional - educational services	461,516	(47,407)	414,109	333,454	80,655
Supplies and materials	2,223	4,827	7,050	6,634	416
Total	<u>983,419</u>	<u>(42,580)</u>	<u>940,839</u>	<u>850,583</u>	<u>90,256</u>
Undistributed expenditures - guidance					
Salaries of other professional staff	636,578	19,458	656,036	618,771	37,265
Salaries of secretarial and clerical assistants	62,524	-	62,524	62,524	-
Other salaries	980	(608)	372	-	372
Purchased professional - educational services	1,000	26,700	27,700	27,700	-
Other purchased professional and technical services	1,000	-	1,000	-	1,000
Other purchased services	12,905	(1,012)	11,893	9,307	2,586
Supplies and materials	1,934	5,251	7,185	6,738	447
Other objects	585	1,105	1,690	845	845
Total	<u>717,506</u>	<u>50,894</u>	<u>768,400</u>	<u>725,885</u>	<u>42,515</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - child study teams					
Salaries of other professional staff	\$ 645,364	\$ (21,100)	\$ 624,264	\$ 624,264	\$ -
Salaries of secretarial and clerical assistants	159,179	12,558	171,737	171,737	-
Other salaries	10,054	14,480	24,534	24,534	-
Purchased professional - educational services	78,810	55,109	133,919	130,944	2,975
Other purchased professional and technical services	37,510	(7,730)	29,780	24,530	5,250
Other purchased services	30,706	7,332	38,038	20,481	17,557
Supplies and materials	11,850	6,720	18,570	13,522	5,048
Other objects	3,060	(104)	2,956	2,280	676
Total	<u>976,533</u>	<u>67,265</u>	<u>1,043,798</u>	<u>1,012,292</u>	<u>31,506</u>
Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	165,349	-	165,349	161,268	4,081
Salaries of other professional staff	27,686	-	27,686	18,268	9,418
Salaries of secretarial and clerical assist	4,500	(30)	4,470	3,996	474
Other purchased services	1,150	-	1,150	929	221
Supplies and materials	500	2,180	2,680	2,650	30
Other objects	1,574	361	1,935	1,322	613
Total	<u>200,759</u>	<u>2,511</u>	<u>203,270</u>	<u>188,433</u>	<u>14,837</u>
Undistributed expenditures - edu. media service/sch. library					
Salaries	214,785	100	214,885	214,785	100
Salaries of technology coordinators	162,048	427	162,475	162,475	-
Other purchased services	15,937	(151)	15,786	14,512	1,274
Supplies and materials	14,296	(3,803)	10,493	10,493	-
Total	<u>407,066</u>	<u>(3,427)</u>	<u>403,639</u>	<u>402,265</u>	<u>1,374</u>
Undistributed expenditures - instructional staff training services					
Salaries of supervisor of instruction	147,184	3,025	150,209	148,009	2,200
Salaries of other professional staff	-	1,650	1,650	1,650	-
Other salaries	9,151	(7,721)	1,430	1,430	-
Purchased professional - educational services	50,804	(25,925)	24,879	7,927	16,952
Other purchased services	28,454	(975)	27,479	15,099	12,380
Supplies and materials	4,350	2,205	6,555	5,081	1,474
Other objects	3,305	-	3,305	2,127	1,178
Total	<u>243,248</u>	<u>(27,741)</u>	<u>215,507</u>	<u>181,323</u>	<u>34,184</u>
Undistributed expend. - support service - general admin.					
Salaries	279,837	10,413	290,250	290,250	-
Legal services	100,000	4,031	104,031	104,031	-
Audit fees	38,000	700	38,700	38,700	-
Architectural/engineering services	3,000	65,900	68,900	68,900	-
Other purchased professional services	25,000	(9,621)	15,379	15,379	-
Communications/telephone	110,100	(46,783)	63,317	62,297	1,020
BOE other purchased services	5,000	(4,685)	315	315	-
Misc. purch services	197,753	(27,065)	170,688	170,688	-
General supplies	9,532	7,913	17,445	17,445	-
BOE in-house training/meeting supplies	2,400	(1,372)	1,028	1,028	-
Judgments against the school district	-	17,278	17,278	17,278	-
Miscellaneous expenditures	3,000	160	3,160	3,160	-
BOE membership dues and fees	15,000	(3,390)	11,610	11,610	-
Total	<u>788,622</u>	<u>13,479</u>	<u>802,101</u>	<u>801,081</u>	<u>1,020</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - support service - school admin.					
Salaries of principals/assistant principals	\$ 818,545	\$ (13,930)	\$ 804,615	\$ 804,615	\$ -
Salaries of secretarial and clerical assistants	522,360	8,383	530,743	530,743	-
Other salaries	-	9,797	9,797	9,797	-
Purchased professional and technical services	3,600	8,907	12,507	12,507	-
Other purchased services	32,390	(4,478)	27,912	23,875	4,037
Supplies and materials	31,642	1,204	32,846	30,395	2,451
Other objects	7,100	260	7,360	7,360	-
Total	1,415,637	10,143	1,425,780	1,419,292	6,488
Undistributed expenditures - central services					
Salaries	459,477	(15,791)	443,686	443,686	-
Unused vacation payment to terminated/retired staff	-	32,136	32,136	32,136	-
Purchased professional services	57,810	(4,324)	53,486	53,486	-
Purchased technical services	21,600	2,930	24,530	24,530	-
Miscellaneous purchased services	19,250	(4,851)	14,399	14,399	-
Supplies and materials	7,000	(4,634)	2,366	2,366	-
Interest on lease purchase agreements	-	2,563	2,563	2,563	-
Other objects	1,950	1,497	3,447	3,447	-
Total	567,087	9,526	576,613	576,613	-
Undistributed expenditures - admin. info. technology					
Salaries	51,680	2,140	53,820	53,185	635
Other purchased services	51,582	639	52,221	51,509	712
Supplies and materials	14,806	(5,217)	9,589	314	9,275
Total	118,068	(2,438)	115,630	105,008	10,622
Undistributed expenditures - req. maint. for school facilities					
Salaries	297,114	27,102	324,216	324,216	-
Cleaning, repair, and maintenance services	229,700	(48,016)	181,684	179,553	2,131
General supplies	69,200	16,439	85,639	85,639	-
Other objects	1,000	(1,000)	-	-	-
Total	597,014	(5,475)	591,539	589,408	2,131
Undistributed expenditures - custodial services					
Salaries of non-instructional aides	144,154	(11,738)	132,416	125,615	6,801
Purchased professional and technical services	20,400	-	20,400	7,607	12,793
Cleaning, repair, and maintenance service	1,345,269	(86,244)	1,259,025	1,259,025	-
Rental of land & bldg. other than lease purch agreement	-	335,697	335,697	4,133	331,564
Other purchased property services	35,000	26,899	61,899	61,899	-
Insurance	64,857	1,078	65,935	65,935	-
General supplies	76,000	33,457	109,457	92,953	16,504
Energy (natural gas)	120,000	4,674	124,674	124,674	-
Energy (electricity)	348,700	(51,280)	297,420	297,419	1
Other objects	3,590	-	3,590	1,252	2,338
Total	2,157,970	252,543	2,410,513	2,040,512	370,001
Undistributed expenditures - care and upkeep of grounds					
Cleaning, repair, and maintenance service	91,027	(1,909)	89,118	86,796	2,322
General supplies	12,000	-	12,000	10,313	1,687
Total	103,027	(1,909)	101,118	97,109	4,009

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - security					
Salaries	\$ 94,857	\$ 1	\$ 94,858	\$ 66,373	\$ 28,485
Purchased professional and technical services	1,800	1,451	3,251	3,251	-
Cleaning, repair, and maintenance service	10,300	(2,483)	7,817	2,047	5,770
General supplies	4,000	1,032	5,032	5,032	-
Total	<u>110,957</u>	<u>1</u>	<u>110,958</u>	<u>76,703</u>	<u>34,255</u>
Undistributed expenditures - student trans. service					
Salaries for pupil trans. (betw. home & school) - reg.	11,010	-	11,010	10,818	192
Salaries for pupil trans. (betw. home & school) - sp.	11,009	1	11,010	10,818	192
Management fee - ESC & CTSA trans. program	75,771	44,552	120,323	120,323	-
Contract service-aid in lieu pymts. - non-public schl.	230,000	-	230,000	227,761	2,239
Contract service-aid in lieu pymts.-charter schl. stud.	25,000	-	25,000	8,011	16,989
Contract service (oth. than betw. home & schl)-vend.	167,185	10,173	177,358	143,255	34,103
Contract service (reg. students) - ESCs & CTSA	445,358	393,350	838,708	838,290	418
Contract service (spl. ed. students) - ESCs & CTSA	1,722,358	88,881	1,811,239	1,631,428	179,811
General supplies	-	5,292	5,292	813	4,479
Total	<u>2,687,691</u>	<u>542,249</u>	<u>3,229,940</u>	<u>2,991,517</u>	<u>238,423</u>
Unallocated benefits - employee benefits					
Social Security contributions	360,000	33,819	393,819	378,525	15,294
Other retirement contributions - PERS	494,405	39,686	534,091	534,091	-
Other retirement contributions - regular	5,500	-	5,500	3,153	2,347
Unemployment compensation	20,000	-	20,000	-	20,000
Workmen's compensation	136,554	-	136,554	126,804	9,750
Health benefits	4,569,127	(70,077)	4,499,050	4,413,053	85,997
Tuition reimbursement	40,000	-	40,000	19,372	20,628
Other employee benefits	232,117	(54,951)	177,166	172,655	4,511
Unused sick payment to terminated/retired staff	48,000	-	48,000	42,510	5,490
Total	<u>5,905,703</u>	<u>(51,523)</u>	<u>5,854,180</u>	<u>5,690,163</u>	<u>164,017</u>
On-behalf TPAF Pension contribution	-	-	-	4,875,736	(4,875,736)
On-behalf TPAF Non-contributory insurance	-	-	-	67,645	(67,645)
On-behalf TPAF Postretirement medical benefits	-	-	-	1,298,614	(1,298,614)
On-behalf TPAF Long-term disability insurance	-	-	-	2,300	(2,300)
Reimbursed TPAF Social Security contribution	-	-	-	1,062,409	(1,062,409)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,306,704</u>	<u>(7,306,704)</u>
Total undistributed expenditures	<u>\$ 22,935,306</u>	<u>\$ 832,197</u>	<u>\$ 23,767,503</u>	<u>\$29,043,077</u>	<u>\$ (5,275,574)</u>
Total current	<u>\$ 37,057,024</u>	<u>\$ 721,490</u>	<u>\$ 37,778,514</u>	<u>\$42,346,959</u>	<u>\$ (4,568,445)</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Capital outlay					
Equipment					
Grades 9-12	\$ 10,623	\$ 18,334	\$ 28,957	\$ 28,957	\$ -
Undistributed					
Undistributed expenditures - instruction	-	140,666	140,666	140,666	-
Undistributed expenditures - general admin.	-	2,493	2,493	2,493	-
Undistributed expenditures - school admin.	-	3,731	3,731	3,731	-
Undistributed expend. - req. maint. for school facilities	-	32,177	32,177	32,177	-
Undistributed expenditures - custodial services	46,902	-	46,902	46,902	-
Total equipment	<u>57,525</u>	<u>197,401</u>	<u>254,926</u>	<u>254,926</u>	<u>-</u>
Facilities acquisition and construction service					
Architectural/engineering services	-	194,000	194,000	158,350	35,650
Construction services	21,130	75,867	96,997	57,116	39,881
Lease purchase agreements - principal	-	71,705	71,705	71,705	-
Assessment for debt service on SDA funding	54,023	-	54,023	54,023	-
Total facilities acquisition and construction service	<u>75,153</u>	<u>341,572</u>	<u>416,725</u>	<u>341,194</u>	<u>75,531</u>
Assets acquired under leases (non-budgeted)					
Undistributed					
Undistributed expenditures - instructional supplies	-	-	-	560,170	(560,170)
Undistributed expenditures - non-instructional service	-	-	-	99,192	(99,192)
Total assets acquired under leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>659,362</u>	<u>(659,362)</u>
Total capital outlay	<u>\$ 132,678</u>	<u>\$ 538,973</u>	<u>\$ 671,651</u>	<u>\$ 1,255,482</u>	<u>\$ (583,831)</u>
Transfer of funds to charter schools	<u>\$ 250,735</u>	<u>\$ -</u>	<u>\$ 250,735</u>	<u>\$ 217,504</u>	<u>\$ 33,231</u>
Total expenditures	<u>\$ 37,440,437</u>	<u>\$ 1,260,463</u>	<u>\$ 38,700,900</u>	<u>\$43,819,945</u>	<u>\$ (5,119,045)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,136,522)</u>	<u>\$ (1,184,595)</u>	<u>\$ (3,321,117)</u>	<u>\$ 32,524</u>	<u>\$ 3,353,641</u>
Other financing sources (uses)					
Transfers from other funds	-	-	-	289,508	289,508
Operating transfer out					
Transfer to special revenue fund - preschool programs	(98,752)	-	(98,752)	(98,752)	-
Leases (non-budgeted)	-	-	-	659,362	659,362
Total other financing sources (uses)	<u>(98,752)</u>	<u>-</u>	<u>(98,752)</u>	<u>850,118</u>	<u>948,870</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,235,274)	(1,184,595)	(3,419,869)	882,642	4,302,511
Fund balances, July 1	6,786,395	-	6,786,395	6,786,395	-
Fund balances, June 30	<u>\$ 4,551,121</u>	<u>\$ (1,184,595)</u>	<u>\$ 3,366,526</u>	<u>\$ 7,669,037</u>	<u>\$ 4,302,511</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	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	\$ (85,534)	\$ -	\$ (85,534)	\$ (85,534)	\$ -
Increase in capital reserve	-	1,000,000	1,000,000	1,310,626	310,626
Interest deposit to capital reserve	1,000	-	1,000	-	(1,000)
Withdrawal from capital reserve	(21,130)	-	(21,130)	(21,130)	-
Increase in emergency reserve	-	29,484	29,484	29,484	-
Interest earned on emergency reserve	20	-	20	-	(20)
Increase in maintenance reserve	-	200,000	200,000	204,316	4,316
Interest earned on maintenance reserve	280	-	280	-	(280)
Withdrawal from maintenance reserve	(127,700)	-	(127,700)	(127,700)	-
Increase in unemployment compensation	-	-	-	43,886	43,886
Budgeted fund balance	(2,002,210)	(2,414,079)	(4,416,289)	(471,306)	3,944,983
Total	\$ (2,235,274)	\$ (1,184,595)	\$ (3,419,869)	\$ 882,642	\$ 4,302,511
Recapitulation of fund balance					
Restricted fund balance					
Capital reserve				\$ 3,088,256	
Emergency reserve				280,151	
Maintenance reserve				452,255	
Unemployment compensation				83,510	
Committed fund balance					
Year-end encumbrances				433,600	
Assigned fund balance					
Designated for subsequent year's expenditures				1,999,817	
Unassigned fund balance				<u>1,331,448</u>	
Fund balance per budgetary basis				7,669,037	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(483,614)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 7,185,423</u>	

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources	\$ 174,332	\$ 321,013	\$ 495,345	\$ 403,026	\$ (92,319)
State sources	333,679	-	333,679	329,414	(4,265)
Federal sources	4,311,145	-	4,311,145	2,074,909	(2,236,236)
Total revenues	<u>4,819,156</u>	<u>321,013</u>	<u>5,140,169</u>	<u>2,807,349</u>	<u>(2,332,820)</u>
Other financing sources					
Transfer in from general fund	98,752	-	98,752	98,752	-
Total revenues and other financing sources	<u>\$ 4,917,908</u>	<u>\$ 321,013</u>	<u>\$ 5,238,921</u>	<u>\$ 2,906,101</u>	<u>\$ (2,332,820)</u>
Expenditures					
Instruction					
Salaries	\$ 849,173	\$ (109,357)	\$ 739,816	\$ 469,331	\$ 270,485
Other salaries - aides	61,618	14,581	76,199	76,199	-
Other salaries	96	132,904	133,000	48,669	84,331
Purchased professional and technical services	43,857	-	43,857	24,010	19,847
Other purchased services	57,865	-	57,865	36,630	21,235
General supplies	227,249	112,618	339,867	190,482	149,385
Textbooks	6,006	-	6,006	6,006	-
Other objects	243	-	243	-	243
Total	<u>1,246,107</u>	<u>150,746</u>	<u>1,396,853</u>	<u>851,327</u>	<u>545,526</u>
Support services					
Tuition	492,721	-	492,721	492,721	-
Salaries	387,863	(98,487)	289,376	187,031	102,345
Salaries of supervisors	131,772	-	131,772	128,929	2,843
Salaries of other professional staff	121,727	67,785	189,512	110,253	79,259
Salaries of secretaries and other clerical assistance	10,000	-	10,000	10,000	-
Employee benefits	196,128	36,144	232,272	104,490	127,782
Purchased professional and technical services	524,163	(9,067)	515,096	277,549	237,547
Purchased property services	7,866	1	7,867	-	7,867
Other purchased services	209,650	(31,130)	178,520	66,640	111,880
Transportation	1,595	-	1,595	1,595	-
Supplies and materials	105,434	24,325	129,759	80,202	49,557
Administrative (indirect) costs	19,315	-	19,315	18,915	400
Other objects	5,250	-	5,250	5,190	60
Student activities	-	292,331	292,331	292,331	-
Scholarships awarded	-	12,796	12,796	12,796	-
Total	<u>2,213,484</u>	<u>294,698</u>	<u>2,508,182</u>	<u>1,788,642</u>	<u>719,540</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, 2023

	Unaudited		Actual	Variance Final to Actual
	Original Budget	Budget Transfers		
Expenditures (continued)				
Capital outlay				
Construction services	\$ 1,182,698	\$ (85,317)	\$ 1,097,381	\$ 29,627
Instructional equipment	200,001	-	200,001	200,001
Non-instructional equipment	75,618	(55,000)	20,618	20,618
Total	<u>1,458,317</u>	<u>(140,317)</u>	<u>1,318,000</u>	<u>250,246</u>
Total expenditures	<u>\$ 4,917,908</u>	<u>\$ 305,127</u>	<u>\$ 5,223,035</u>	<u>\$ 2,890,215</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 15,886	\$ 15,886	\$ 15,886
Fund balances, July 1	<u>239,879</u>	<u>-</u>	<u>239,879</u>	<u>239,879</u>
Fund balances, June 30	<u>\$ 239,879</u>	<u>\$ 15,886</u>	<u>\$ 255,765</u>	<u>\$ 255,765</u>
Recapitulation of fund balance				
Restricted fund balance				
Scholarships			\$ 75,602	
Student activities			180,163	
Fund balance per budgetary basis			<u>\$ 255,765</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, 2023

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

	General Fund	Special Revenue Fund
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 43,852,469	\$ 2,807,349
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	-	249,236
Outstanding encumbrances - current year	-	(43,841)
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	417,642	22,267
State aid receivable current year	(483,614)	(22,692)
Total revenues (GAAP basis)	\$ 43,786,497	\$ 3,012,319

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, 2023

<u>Uses/Outflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 43,819,945	\$ 2,890,215
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	-	249,236
Outstanding encumbrances - current year	-	(43,841)
	<u> </u>	<u> </u>
Total expenditures (GAAP basis)	<u>\$ 43,819,945</u>	<u>\$ 3,095,610</u>

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			
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	0.0405049465%	4,798,418	3,132,125	153.20%	70.33%
2022	0.0423529470%	6,391,643	3,064,276	208.59%	62.91%
2023	N/A	N/A	3,149,497	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

	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered employee payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
2014	\$ 235,682	\$ (235,682)	\$ -	\$ 2,142,807	11.00%
2015	267,746	(267,746)	-	2,185,869	12.25%
2016	263,408	(263,408)	-	2,171,881	12.13%
2017	273,321	(273,321)	-	2,428,069	11.26%
2018	292,223	(292,223)	-	2,587,801	11.29%
2019	358,167	(358,167)	-	2,759,310	12.98%
2020	373,956	(373,956)	-	2,955,897	12.65%
2021	439,577	(439,577)	-	3,132,125	14.03%
2022	547,049	(547,049)	-	3,064,276	17.85%
2023	534,091	(534,091)	-	3,149,497	16.96%

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

	Proportionate share of 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 as a percentage of the total pension liability
	District's proportion		State's proportion	Total			
	Percentage	Value					
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	0.00%	-	59,213,235	59,213,235	14,605,160	0.00%	32.29%
2023	N/A	N/A	N/A	N/A	15,099,365	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
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%
2023	4,803,277	(4,803,277)	-	15,099,365	31.81%

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)				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 proportion	Total			
	Percentage	Value					
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	\$ 15,019,728	0.00%	0.00%
2018	0.00%	-	52,824,578	52,824,578	15,921,822	0.00%	0.00%
2019	0.00%	-	48,553,308	48,553,308	16,145,337	0.00%	0.00%
2020	0.00%	-	77,114,247	77,114,247	15,706,715	0.00%	0.00%
2021	0.00%	-	66,063,109	66,063,109	16,573,140	0.00%	0.00%
2022	0.00%	-	54,617,206	54,617,206	17,669,436	0.00%	0.00%
2023	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, 2023

- 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 7.00% in State fiscal year 2021 and 7.00% in State fiscal year 2022. The inflation rate was 2.75% in State fiscal year 2021 and 2.75% in State fiscal year 2022.
- Note 3 - Changes in assumptions – PERS
The discount rate was 7.00% in State fiscal year 2021 and 7.00% in State fiscal year 2022. The inflation rate was 2.75% for State fiscal year 2021 and 2.75% for State fiscal year 2022.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate increased from 2.16% in State fiscal year 2021 to 3.54% in State fiscal year 2022. The inflation rate was 2.50% for State fiscal year 2021 and 2022.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 PPO, the trend is initially (1.99%) in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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, 2023

	Total Brought Forward	ESSA Title IA	ESSA Title I SIA	IDEA Basic	Student Activities	Scholarships	Total
Revenues							
Local sources	\$ 82,013	\$ -	\$ -	\$ -	\$ 311,518	\$ 9,495	\$ 403,026
State sources	329,414	-	-	-	-	-	329,414
Federal sources	1,094,517	334,863	13,428	632,101	-	-	2,074,909
Total revenues	1,505,944	334,863	13,428	632,101	311,518	9,495	2,807,349
Other financing sources							
Transfer from general fund	98,752	-	-	-	-	-	98,752
Total revenues and other financing sources	<u>\$1,604,696</u>	<u>\$ 334,863</u>	<u>\$ 13,428</u>	<u>\$ 632,101</u>	<u>\$ 311,518</u>	<u>\$ 9,495</u>	<u>\$2,906,101</u>
Expenditures							
Instruction							
Salaries of teachers	\$ 378,216	\$ 90,698	\$ -	\$ 417	\$ -	\$ -	\$ 469,331
Other salaries - aides	76,199	-	-	-	-	-	76,199
Other salaries	30,657	18,012	-	-	-	-	48,669
Purchased professional and technical services	21,010	-	-	3,000	-	-	24,010
Other purchased services	36,630	-	-	-	-	-	36,630
General supplies	149,058	36,624	4,800	-	-	-	190,482
Textbooks	6,006	-	-	-	-	-	6,006
Total	<u>697,776</u>	<u>145,334</u>	<u>4,800</u>	<u>3,417</u>	<u>-</u>	<u>-</u>	<u>851,327</u>
Support services							
Tuition	-	-	-	492,721	-	-	492,721
Salaries	14,263	-	8,075	46,000	-	-	68,338
Salaries of supervisors	128,929	-	-	-	-	-	128,929
Salaries of other professional staff	110,253	-	-	-	-	-	110,253
Salaries of secretaries and clerical staff	10,000	-	-	-	-	-	10,000
Other salaries	110,878	7,815	-	-	-	-	118,693
Employee benefits	50,404	49,982	553	3,551	-	-	104,490
Purchased professional and technical services	129,226	68,170	-	80,153	-	-	277,549
Purchased property services	-	-	-	-	-	-	-
Other purchased services	51,015	10,225	-	5,400	-	-	66,640
Transportation	1,595	-	-	-	-	-	1,595
Supplies and materials	41,838	37,505	-	859	-	-	80,202
Administrative (indirect) costs	3,083	15,832	-	-	-	-	18,915
Other objects	5,190	-	-	-	-	-	5,190
Student activities	-	-	-	-	292,331	-	292,331
Scholarships awarded	-	-	-	-	-	12,796	12,796
Total	<u>656,674</u>	<u>189,529</u>	<u>8,628</u>	<u>628,684</u>	<u>292,331</u>	<u>12,796</u>	<u>1,788,642</u>
Capital outlay							
Construction services	29,627	-	-	-	-	-	29,627
Instructional equipment	200,001	-	-	-	-	-	200,001
Non-instructional equipment	20,618	-	-	-	-	-	20,618
Total	<u>250,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,246</u>
Total expenditures	<u>\$1,604,696</u>	<u>\$ 334,863</u>	<u>\$ 13,428</u>	<u>\$ 632,101</u>	<u>\$ 292,331</u>	<u>\$ 12,796</u>	<u>\$2,890,215</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ 19,187	\$ (3,301)	\$ 15,886
Fund balances, July 1	-	-	-	-	160,976	78,903	239,879
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,163</u>	<u>\$ 75,602</u>	<u>\$ 255,765</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, 2023

	Total Brought Forward	IDEA Preschool	ESSA Title IIA	ESSA Title III	ESSA Title III Immigration	ESSA Title IV	Total Carried Forward
Revenues							
Local sources	\$ 82,013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,013
State sources	329,414	-	-	-	-	-	329,414
Federal sources	983,192	15,696	60,575	23,445	1,500	10,109	1,094,517
Total revenues	<u>1,394,619</u>	<u>15,696</u>	<u>60,575</u>	<u>23,445</u>	<u>1,500</u>	<u>10,109</u>	<u>1,505,944</u>
Other financing sources							
Transfer from general fund	98,752	-	-	-	-	-	98,752
Total revenues and other financing sources	<u>\$1,493,371</u>	<u>\$ 15,696</u>	<u>\$ 60,575</u>	<u>\$ 23,445</u>	<u>\$ 1,500</u>	<u>\$ 10,109</u>	<u>\$1,604,696</u>
Expenditures							
Instruction							
Salaries of teachers	\$ 373,103	\$ -	\$ -	\$ 5,113	\$ -	\$ -	\$ 378,216
Other salaries - aides	61,618	14,581	-	-	-	-	76,199
Other salaries	30,657	-	-	-	-	-	30,657
Purchased professional and technical services	21,010	-	-	-	-	-	21,010
Other purchased services	36,630	-	-	-	-	-	36,630
General supplies	131,765	-	-	12,160	1,500	3,633	149,058
Textbooks	6,006	-	-	-	-	-	6,006
Total	<u>660,789</u>	<u>14,581</u>	<u>-</u>	<u>17,273</u>	<u>1,500</u>	<u>3,633</u>	<u>697,776</u>
Support services							
Tuition	-	-	-	-	-	-	-
Salaries of teachers	13,063	-	-	1,200	-	-	14,263
Salaries of supervisors	128,929	-	-	-	-	-	128,929
Salaries of other professional staff	110,253	-	-	-	-	-	110,253
Salaries of secretaries and clerical staff	10,000	-	-	-	-	-	10,000
Other salaries	89,892	-	20,986	-	-	-	110,878
Employee benefits	47,508	1,115	1,390	391	-	-	50,404
Purchased professional and technical services	127,826	-	-	-	-	1,400	129,226
Purchase property services	-	-	-	-	-	-	-
Other purchased services	13,347	-	33,619	4,049	-	-	51,015
Transportation	1,595	-	-	-	-	-	1,595
Supplies and materials	34,733	-	2,110	46	-	4,949	41,838
Administrative (indirect) costs	-	-	2,470	486	-	127	3,083
Other objects	5,190	-	-	-	-	-	5,190
Student activities	-	-	-	-	-	-	-
Scholarships awarded	-	-	-	-	-	-	-
Total	<u>582,336</u>	<u>1,115</u>	<u>60,575</u>	<u>6,172</u>	<u>-</u>	<u>6,476</u>	<u>656,674</u>
Capital outlay							
Construction services	29,627	-	-	-	-	-	29,627
Instructional equipment	200,001	-	-	-	-	-	200,001
Non-instructional equipment	20,618	-	-	-	-	-	20,618
Total	<u>250,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,246</u>
Total expenditures	<u>\$1,493,371</u>	<u>\$ 15,696</u>	<u>\$ 60,575</u>	<u>\$ 23,445</u>	<u>\$ 1,500</u>	<u>\$ 10,109</u>	<u>\$1,604,696</u>
Excess (deficiency) of revenues and other financing sources 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, 2023

	Total Brought Forward	NSLP Equipment Grant	CRRSA ESSER II	CRRSA Mental Health	CRRSA Learning Acceleration	ARP IDEA Basic	ARP ESSER	Total Carried Forward
Revenues								
Local sources	\$ 82,013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,013
State sources	329,414	-	-	-	-	-	-	329,414
Federal sources	357,627	17,923	172,477	14,312	18,589	66,674	335,590	983,192
Total revenues	769,054	17,923	172,477	14,312	18,589	66,674	335,590	1,394,619
Other financing sources								
Transfer from general fund	98,752	-	-	-	-	-	-	98,752
Total revenues and other financing sources	\$ 867,806	\$ 17,923	\$ 172,477	\$ 14,312	\$ 18,589	\$ 66,674	\$ 335,590	\$ 1,493,371
Expenditures								
Instruction								
Salaries of teachers	\$ 240,137	\$ -	\$ 9,105	\$ -	\$ 624	\$ -	\$ 123,237	\$ 373,103
Other salaries - aides	61,618	-	-	-	-	-	-	61,618
Other salaries	30,657	-	-	-	-	-	-	30,657
Purchased professional and technical services	21,010	-	-	-	-	-	-	21,010
Other purchased services	36,630	-	-	-	-	-	-	36,630
General supplies	6,556	-	114,999	-	9,090	1,120	-	131,765
Textbooks	6,006	-	-	-	-	-	-	6,006
Total	402,614	-	124,104	-	9,714	1,120	123,237	660,789
Support services								
Tuition	-	-	-	-	-	-	-	-
Salaries of teachers	6,623	-	-	6,440	-	-	-	13,063
Salaries of supervisors	128,929	-	-	-	-	-	-	128,929
Salaries of other professional staff	110,253	-	-	-	-	-	-	110,253
Salaries of secretaries and clerical staff	10,000	-	-	-	-	-	-	10,000
Other salaries	73,347	-	-	-	-	976	15,569	89,892
Employee benefits	2,491	-	22	477	-	75	44,443	47,508
Purchased professional and technical services	50,533	-	-	3,915	8,875	64,503	-	127,826
Purchase property services	-	-	-	-	-	-	-	-
Other purchased services	13,347	-	-	-	-	-	-	13,347
Transportation	1,595	-	-	-	-	-	-	1,595
Supplies and materials	30,562	-	-	3,480	-	-	691	34,733
Administrative (indirect) costs	-	-	-	-	-	-	-	-
Other objects	5,190	-	-	-	-	-	-	5,190
Student activities	-	-	-	-	-	-	-	-
Scholarships awarded	-	-	-	-	-	-	-	-
Total	432,870	-	22	14,312	8,875	65,554	60,703	582,336
Capital outlay								
Construction services	29,627	-	-	-	-	-	-	29,627
Instructional equipment	-	-	48,351	-	-	-	151,650	200,001
Non-instructional equipment	2,695	17,923	-	-	-	-	-	20,618
Total	32,322	17,923	48,351	-	-	-	151,650	250,246
Total expenditures	\$ 867,806	\$ 17,923	\$ 172,477	\$ 14,312	\$ 18,589	\$ 66,674	\$ 335,590	\$ 1,493,371
Excess (deficiency) of revenues and other financing sources 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, 2023

	Total Brought Forward	ARP Accelerated Learning	ARP Summer Learning	School Based Youth Program	Preschool Aid	School Climate Change	Total Carried Forward
Revenues							
Local sources	\$ 82,013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,013
State sources	95,851	-	-	-	226,920	6,643	329,414
Federal sources	-	12,092	33,622	311,913	-	-	357,627
Total revenues	177,864	12,092	33,622	311,913	226,920	6,643	769,054
Other financing sources							
Transfer from general fund	-	-	-	-	98,752	-	98,752
Total revenues and other financing sources	\$ 177,864	\$ 12,092	\$ 33,622	\$ 311,913	\$ 325,672	\$ 6,643	\$ 867,806
Expenditures							
Instruction							
Salaries of teachers	\$ -	\$ -	\$ -	\$ -	\$ 240,137	\$ -	\$ 240,137
Other salaries - aides	-	-	-	-	61,618	-	61,618
Other salaries	-	-	30,657	-	-	-	30,657
Purchased professional and technical services	21,010	-	-	-	-	-	21,010
Other purchased services	36,630	-	-	-	-	-	36,630
General supplies	6,556	-	-	-	-	-	6,556
Textbooks	6,006	-	-	-	-	-	6,006
Total	70,202	-	30,657	-	301,755	-	402,614
Support services							
Tuition	-	-	-	-	-	-	-
Salaries of teachers	-	6,623	-	-	-	-	6,623
Salaries of supervisors	-	-	-	105,012	23,917	-	128,929
Salaries of other professional staff	-	-	-	110,253	-	-	110,253
Salaries of secretaries and clerical staff	-	-	-	10,000	-	-	10,000
Other salaries	4,911	-	-	68,436	-	-	73,347
Employee benefits	-	146	2,345	-	-	-	2,491
Purchased professional and technical services	44,571	4,638	620	704	-	-	50,533
Purchase property services	-	-	-	-	-	-	-
Other purchased services	7,433	685	-	5,229	-	-	13,347
Transportation	-	-	-	1,595	-	-	1,595
Supplies and materials	18,425	-	-	5,494	-	6,643	30,562
Administrative (indirect) costs	-	-	-	-	-	-	-
Other objects	-	-	-	5,190	-	-	5,190
Student activities	-	-	-	-	-	-	-
Scholarships awarded	-	-	-	-	-	-	-
Total	75,340	12,092	2,965	311,913	23,917	6,643	432,870
Capital outlay							
Construction services	29,627	-	-	-	-	-	29,627
Instructional equipment	-	-	-	-	-	-	-
Non-instructional equipment	2,695	-	-	-	-	-	2,695
Total	32,322	-	-	-	-	-	32,322
Total expenditures	\$ 177,864	\$ 12,092	\$ 33,622	\$ 311,913	\$ 325,672	\$ 6,643	\$ 867,806
Excess (deficiency) of revenues and other financing sources 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, 2023

	Non-public Aid	SDA Emergent and Capital Maintenance Needs	Non public Nursing, Technology Security, Textbooks	Other Local Grants	Education Foundation	Total Carried Forward
Revenues						
Local sources	\$ -	\$ -	\$ -	\$ 39,034	\$ 42,979	\$ 82,013
State sources	13,291	37,060	45,500	-	-	95,851
Federal sources	-	-	-	-	-	-
Total revenues	13,291	37,060	45,500	39,034	42,979	177,864
Other financing sources						
Transfer from general fund	-	-	-	-	-	-
Total revenues and other financing sources	\$ 13,291	\$ 37,060	\$ 45,500	\$ 39,034	\$ 42,979	\$ 177,864
Expenditures						
Instruction						
Salaries of teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other salaries - aides	-	-	-	-	-	-
Other salaries	-	-	-	-	-	-
Purchased professional and technical services	13,291	-	3,822	-	3,897	21,010
Other purchased services	-	-	-	1,312	35,318	36,630
General supplies	-	-	-	2,792	3,764	6,556
Textbooks	-	-	6,006	-	-	6,006
Total	13,291	-	9,828	4,104	42,979	70,202
Support services						
Tuition	-	-	-	-	-	-
Salaries of teachers	-	-	-	-	-	-
Salaries of supervisors	-	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-	-
Salaries of secretaries and clerical staff	-	-	-	-	-	-
Other salaries	-	-	-	4,911	-	4,911
Employee benefits	-	-	-	-	-	-
Purchased professional and technical services	-	-	35,672	8,899	-	44,571
Purchase property services	-	-	-	-	-	-
Other purchased services	-	7,433	-	-	-	7,433
Transportation	-	-	-	-	-	-
Supplies and materials	-	-	-	18,425	-	18,425
Administrative (indirect) costs	-	-	-	-	-	-
Other objects	-	-	-	-	-	-
Student activities	-	-	-	-	-	-
Scholarships awarded	-	-	-	-	-	-
Total	-	7,433	35,672	32,235	-	75,340
Capital outlay						
Construction services	-	29,627	-	-	-	29,627
Instructional equipment	-	-	-	-	-	-
Non-instructional equipment	-	-	-	2,695	-	2,695
Total	-	29,627	-	2,695	-	32,322
Total expenditures	\$ 13,291	\$ 37,060	\$ 45,500	\$ 39,034	\$ 42,979	\$ 177,864
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances, July 1	-	-	-	-	-	-
Fund balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2023

	Final Budget	Actual	Variance Final to Actual
Expenditures			
Instruction			
Salaries of teachers	\$ 240,137	\$ 240,137	\$ -
Other salaries - aides	61,618	61,618	-
	<u>301,755</u>	<u>301,755</u>	<u>-</u>
Support services			
Salaries	23,917	23,917	-
	<u>23,917</u>	<u>23,917</u>	<u>-</u>
Total expenditures	<u>\$ 325,672</u>	<u>\$ 325,672</u>	<u>\$ -</u>

Calculation of Budget & Carryover

Total revised 2022 - 2023 Preschool education aid allocation	\$ 226,920
Add: actual ECPA/PEA carryover (June 30, 2022)	-
Add: budgeted transfer from general fund	98,752
Total preschool education aid funds available for 2022 - 2023 budget	<u>325,672</u>
Less: 2022 - 2023 budgeted preschool education aid	<u>325,672</u>
Available and unbudgeted preschool education aid funds as of June 30, 2023	-
Add: 2022 - 2023 unexpended preschool education aid	<u>-</u>
2022 - 2023 Actual carryover preschool education aid	<u>\$ -</u>
2022 - 2023 Preschool education aid carryover budgeted for preschool programs 2023 - 2024	<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, 2023

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/23
			Prior Years	Current Year	
Bartle School window replacement	06/05/14	\$ 748,521	\$ 748,521	\$ -	\$ -
		<u>\$ 748,521</u>	<u>\$ 748,521</u>	<u>\$ -</u>	<u>\$ -</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, 2023

Expenditures and other financing uses	
Transfer to capital reserve	\$ 289,508
Total expenditures and other financing uses	289,508
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(289,508)
Fund balance - beginning	289,508
Fund balance - ending	\$ -

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, 2023

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	\$ 741,510	\$ -	\$ 741,510	\$ 452,002
State sources - NJ SDA ROD grant	296,519	-	296,519	296,519
Total revenues	<u>1,038,029</u>	<u>-</u>	<u>1,038,029</u>	<u>748,521</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	289,508	-
Total expenditures	<u>748,521</u>	<u>289,508</u>	<u>1,038,029</u>	<u>748,521</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 289,508</u>	<u>\$ (289,508)</u>	<u>\$ -</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	(487,329)
Revised authorized cost	748,521
Percentage completion	100%

See independent auditors' 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, 2023

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/22	Issued	Retired	Balance 06/30/23
			Date	Amount					
Refunding School Bonds of 2016	11/22/16	\$ 8,555,000	02/15/24	\$ 1,140,000	1.39%	\$ 3,415,000	\$ -	\$ 1,155,000	\$ 2,260,000
			02/15/25	1,120,000	1.39%	-	-	-	-
Refunding School Bonds of 2020	9/30/20	11,400,000	03/01/24	485,000	0.90%	11,210,000	-	455,000	10,755,000
			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>\$ 14,625,000</u>	<u>\$ -</u>	<u>\$ 1,610,000</u>	<u>\$ 13,015,000</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Leases - General Fund
For the Fiscal Year Ended June 30, 2023

Description	Date of Lease	Amount of Original Issue	Balance 07/01/22	Issued	Retired	Balance 06/30/23
Communication System	7/1/2020	\$ 222,389	\$ 123,040	\$ -	\$ 44,523	\$ 78,517
Chromebooks	6/7/2019	373,100	94,345	-	94,345	-
Copier machines	10/25/2021	87,347	81,515	-	27,182	54,333
Modular classroom	3/10/2023	99,192	-	99,192	4,133	95,059
Chromebooks	5/17/2023	560,170	-	560,170	-	560,170
			<u>\$ 298,900</u>	<u>\$ 659,362</u>	<u>\$ 170,183</u>	<u>\$ 788,079</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Debt service tax levy	\$ 1,813,568	\$ -	\$ 1,813,568	\$ 1,813,568	\$ -
State sources					
Debt service aid	10,049	-	10,049	10,049	-
Total revenues	<u>1,823,617</u>	<u>-</u>	<u>1,823,617</u>	<u>1,823,617</u>	<u>-</u>
Expenditures					
Regular debt service					
Redemption of bond principal	1,610,000	-	1,610,000	1,610,000	-
Interest on bonds	221,284	-	221,284	221,284	-
Total expenditures	<u>1,831,284</u>	<u>-</u>	<u>1,831,284</u>	<u>1,831,284</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(7,667)	-	(7,667)	(7,667)	-
Fund balance, July 1	<u>7,668</u>	<u>-</u>	<u>7,668</u>	<u>7,668</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>
Recapitulation of excess (deficiency) of revenue over (under) expenditures					
Budgeted fund balance	<u>\$ (7,667)</u>	<u>\$ -</u>	<u>\$ (7,667)</u>	<u>\$ (7,667)</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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Government activities										
Net investment in capital assets	\$ 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	\$ 19,917,905
Restricted	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	4,159,938
Unrestricted	(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)	(3,074,116)
Total governmental activities	\$ 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	\$ 21,003,727
Business-type activities										
Net investment in capital assets	\$ 33,107	\$ 42,020	\$ 49,377	\$ 43,204	\$ 36,363	\$ 42,372	\$ 63,528	\$ 64,428	\$ 63,469	\$ 95,442
Unrestricted	263,567	300,611	374,784	426,375	440,833	451,576	341,569	205,517	374,922	427,021
Total business-type activities	\$ 296,674	\$ 342,631	\$ 424,161	\$ 469,579	\$ 477,196	\$ 493,948	\$ 405,097	\$ 269,945	\$ 438,391	\$ 522,463
District-wide										
Net investment in capital assets	\$ 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	\$ 20,013,347
Restricted	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	4,159,938
Unrestricted	(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)	(2,647,095)
Total district-wide	\$ 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	\$ 21,526,190

*

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 17,115,899
Special education	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	6,750,175
Other special education	733,884	774,195	712,296	888,524	1,580,181	1,043,841	1,098,176	1,123,988	988,054	978,230
Other instruction	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	1,411,099
Support services										
Tuition	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	3,149,694
Student and instruction related services	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	9,190,111
General and business administrative services	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	1,893,928
School administration	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	2,582,670
Plant operations and maintenance	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	2,896,414
Pupil transportation	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	2,995,598
Transfer to charter schools	326,357	394,775	386,002	388,784	340,461	335,512	293,186	246,678	230,166	217,504
Interest on long term debt	1,121,718	1,082,075	1,034,427	698,742	623,716	584,341	560,470	605,601	440,420	254,544
Total governmental activities expenses	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	49,435,866
Business-type activities										
Food services	588,168	584,567	587,347	618,367	628,191	634,725	488,437	253,445	897,673	813,138
Other	274,970	300,133	303,049	370,663	374,038	382,942	343,817	140,359	302,748	257,013
Total business-type activities	863,138	884,700	890,396	989,030	1,002,229	1,017,667	832,254	393,804	1,200,421	1,070,151
Total district expenses	\$ 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	\$ 50,506,017

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program revenues										
Governmental activities										
Charges for services										
Regular instruction	\$ 57,441	\$ 48,734	\$ 50,339	\$ 46,902	\$ 70,668	\$ 151,501	\$ 159,845	\$ 40,239	\$ 151,951	\$ 207,268
Special education instruction	68,799	36,016	20,687	-	-	-	-	-	-	-
Student and instruction related services	-	-	-	1,408	485	-	-	-	230,258	321,013
General and business administrative services	168	4	-	-	-	-	-	-	-	-
Plant operations and maintenance	29,554	75,108	121,145	172,616	63,951	49,326	36,881	75,315	8,258	44,340
Operating grants and contributions	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	2,691,306
Capital grants and contributions	19,640	235,293	44,475	-	(32,939)	-	-	-	-	-
Total governmental activities program revenues	<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>	<u>3,263,927</u>
Business-type activities										
Charges for services										
Food service	306,373	298,563	293,412	299,870	289,002	306,704	212,932	4,784	46,198	275,042
Other	315,652	322,526	366,190	386,754	375,432	373,331	271,471	23,785	244,333	286,181
Operating grants and contributions	301,212	309,568	312,324	349,560	345,412	354,384	258,480	225,937	1,076,937	551,484
Total business-type activities program revenues	<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>	<u>1,112,707</u>
Total district - program revenues	<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>	<u>\$ 4,376,634</u>
Net (expense) revenues										
Governmental activities	\$ (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)	\$ (46,171,939)
Business-type activities	60,099	45,957	81,530	47,154	7,617	16,752	(89,371)	(139,298)	167,047	42,556
Total district-wide net expenses	<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>	<u>\$ (46,129,383)</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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues and other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 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	\$ 29,637,491
Taxes levied for debt service	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	1,813,568
Unrestricted grants and contributions	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	17,100,144
Investment earnings	1,827	6,058	7,739	11,170	21,744	28,592	20,870	2,524	2,934	129,204
Capital grants deobligated	-	-	-	-	-	-	-	-	(2,889)	-
Miscellaneous income	87,345	92,720	76,214	44,173	30,338	53,819	30,222	50,594	88,143	223,991
Special item - gain (loss) on disposal of capital assets	(1,864)	-	-	-	-	-	-	-	-	-
Operating transfers in/(out)	(15,000)	(40,000)	-	(40,000)	-	(16,392)	(20,000)	-	-	-
Total governmental activities	29,705,107	34,992,951	37,529,352	41,093,226	45,219,882	44,949,012	45,326,967	50,597,926	49,572,464	48,904,398
Business-type activities										
Miscellaneous income	500	-	-	-	-	-	520	4,146	1,399	41,516
Transfers in/(out)	(25,000)	-	-	-	-	-	-	-	-	-
Special item - prior year accounts receivable canceled	-	-	-	(1,736)	-	-	-	-	-	-
Total business-type activities	(24,500)	-	-	(1,736)	-	-	520	4,146	1,399	41,516
Total district-wide	\$ 29,680,607	\$ 34,992,951	\$ 37,529,352	\$ 41,091,490	\$ 45,219,882	\$ 44,949,012	\$ 45,327,487	\$ 50,602,072	\$ 49,573,863	\$ 48,945,914
Change in net position										
Governmental activities	\$ 556,432	\$ 720,159	\$ 839,102	\$ (236,284)	\$ (673,028)	\$ (255,035)	\$ 1,213,000	\$ 2,038,097	\$ 3,500,607	\$ 2,732,459
Business-type activities	35,599	45,957	81,530	45,418	7,617	16,752	(88,851)	(135,152)	168,446	84,072
Total district	\$ 592,031	\$ 766,116	\$ 920,632	\$ (190,866)	\$ (665,411)	\$ (238,283)	\$ 1,124,149	\$ 1,902,945	\$ 3,669,053	\$ 2,816,531

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Restricted	\$ 552,234	\$ 1,152,936	\$ 857,435	\$ 1,132,873	\$ 998,967	\$ 791,115	\$ 910,428	\$ 1,677,105	\$ 2,464,690	\$ 3,904,172
Committed	628,454	295,676	738,735	262,967	151,576	214,397	179,439	165,389	85,534	433,600
Assigned	400,000	400,000	700,000	800,000	999,990	1,000,000	1,728,054	1,728,054	2,002,210	1,999,817
Unassigned	388,364	509,412	529,052	521,488	100,153	(103,276)	86,440	1,304,277	1,816,319	847,834
Total general fund	<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>	<u>\$ 7,185,423</u>
							*			
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 232,190	\$ 215,345	\$ 239,879	\$ 255,765
Capital projects fund	717,541	364,602	297,888	297,888	292,397	292,397	292,397	292,397	289,508	-
Assigned, reported in										
Debt service fund	26,092	21,225	-	152,153	5,619	-	-	39,030	-	-
Unassigned, reported in										
Special revenue fund	(30,488)	(32,231)	(27,875)	(22,649)	(25,262)	(28,298)	(25,120)	(22,810)	(22,267)	(22,692)
Debt service fund	-	-	-	-	-	-	-	7,668	7,668	1
Total all other governmental funds	<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>	<u>\$ 233,074</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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 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	\$ 31,451,059
Tuition charges	126,209	84,750	71,026	46,310	70,668	151,501	159,845	40,239	151,951	207,268
Interest earnings	1,827	6,058	7,739	11,170	21,744	28,592	20,870	2,524	2,934	129,204
Miscellaneous	109,456	173,101	118,508	71,217	119,059	152,027	106,110	197,206	390,976	671,357
State sources	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	13,670,347
State sources - capital projects	19,640	235,293	44,475	51,108	(32,939)	-	-	-	(2,889)	-
Federal sources	805,729	732,653	876,023	929,356	1,227,511	1,260,494	1,144,062	1,707,496	2,418,800	2,493,198
Total revenues	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	48,622,433
Expenditures										
Instruction										
Regular instruction	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	8,366,643
Special education instruction	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	3,665,919
Other special instruction	273,745	222,516	271,245	300,803	367,728	385,556	344,576	344,576	346,473	333,059
Other instruction	597,520	621,901	751,555	886,365	917,096	889,692	821,559	781,789	958,268	938,261
Support services										
Tuition	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	2,657,956
Student and inst related services	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	4,691,011
General administration	629,571	870,571	754,044	734,919	686,492	651,577	612,400	677,889	751,036	801,082
School administration services	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	1,419,292
Central services	418,742	414,785	427,213	446,396	462,444	442,066	460,846	486,117	659,178	576,612
Administrative information technology	45,699	101,644	52,905	56,525	53,190	63,171	91,544	98,398	62,514	105,008
Plant operations and maintenance	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	2,803,732
Pupil transportation	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	2,991,517
Employee benefits	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	5,757,808
On-behalf TPAF Pension and Social Security contributions	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	7,239,059
Capital outlay	550,329	131,586	537,291	229,182	37,402	59,643	232,782	291,606	798,771	1,129,754
Transfers to charter schools	326,357	394,775	386,002	388,784	340,461	335,512	293,186	246,678	230,166	217,504
Special revenue funds	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	3,095,610
Capital projects fund	49,100	588,232	111,189	49,369	-	-	-	152,201	-	-
Debt service										
Principal	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	1,681,705
Interest and other charges	1,067,731	1,027,142	978,754	761,271	600,521	571,725	542,772	409,311	304,987	275,307
Total expenditures	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	48,746,839

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess (deficiency) of revenues over (under) expenditures	\$ (165,883)	\$ 69,423	\$ 383,615	\$ 40,116	\$ (621,280)	\$ (340,713)	\$ 972,913	\$ 1,617,271	\$ 1,394,739	\$ (124,406)
Other financing sources (uses)										
Leases (non-budgeted)	-	-	-	-	-	-	-	225,488	82,347	659,362
Proceeds from refunding bond issue	-	-	-	8,555,000	-	-	-	11,400,000	-	-
Payment to refunding bond escrow agent	-	-	-	(8,505,631)	-	-	-	(11,240,132)	-	-
Transfers in (out)	(15,000)	(40,000)	-	(40,000)	-	(16,392)	(20,000)	-	-	-
Total other financing sources (uses)	(15,000)	(40,000)	-	9,369	-	(16,392)	(20,000)	385,356	82,347	659,362
Net change in fund balances	\$ (180,883)	\$ 29,423	\$ 383,615	\$ 49,485	\$ (621,280)	\$ (357,105)	\$ 952,913	\$ 2,002,627	\$ 1,477,086	\$ 534,956
Debt service as a percentage of non-capital expenditures	7.31%	6.88%	6.55%	5.71%	5.32%	5.08%	5.08%	4.79%	4.67%	4.29%

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Interest income	\$ 1,827	\$ 6,058	\$ 7,739	\$ 11,170	\$ 21,744	\$ 28,592	\$ 20,870	\$ 2,524	\$ 2,934	\$ 129,204
Rentals	20,995	45,600	40,883	50,124	50,258	49,326	36,881	600	5,138	44,340
Prior year										
Account balance canceled	1,164	1,610	-	3,522	3,400	1,032	-	81	395	-
Refund	14,740	9,074	3,086	2,362	18,051	25,089	21,125	45,723	57,145	67,389
Outstanding checks voided	517	-	-	-	-	-	-	-	-	-
E-Rate rebates	165	-	-	-	-	-	-	-	-	-
Miscellaneous refunds	-	26	-	-	-	-	-	-	-	-
Tuition	126,209	84,750	71,026	46,310	70,668	151,501	159,845	40,239	151,951	207,268
Proceeds from sale of assets	289	-	-	2,880	-	-	-	-	-	-
Energy rebates	8,808	8,743	8,776	5,781	7,920	15,120	8,852	3,178	4,243	1,224
Local contributions	-	-	2,386	-	-	-	-	-	-	-
Miscellaneous	261	313	77	929	967	12,578	245	1,612	26,360	155,378
Annual totals	<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>	<u>\$ 604,803</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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vacant land	\$ 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	\$ 13,066,300
Residential	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	1,525,891,000
Commercial	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	148,847,400
Industrial	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	6,084,800
Apartment	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	452,575,700
Total assessed value	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	2,146,465,200
Public utilities (a)	42	43	43	44	42	41	41	41	42	100
Net valuation taxable	\$ 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	\$ 2,146,465,300
Estimated actual county equalized value	\$ 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	\$ 1,870,395,011
Percentage of net valuation to estimated actual equalized value	42.13%	43.05%	42.80%	43.37%	41.58%	40.78%	41.35%	41.41%	41.93%	114.76%
Total direct school tax rate (b)	\$ 4.545	\$ 4.600	\$ 4.870	\$ 4.789	\$ 5.001	\$ 5.176	\$ 5.156	\$ 5.205	\$ 5.236	\$ 1.492

*

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.

* Revaluation

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) Total Direct School Tax Rate	Municipality	County	
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
2023	* 1.406	0.086	1.492	0.683	0.323	2.498

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.

* Revaluation

See independent auditors' report.

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

	2023			2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
	Merriwold Assoc., LLC	\$ 53,732,000	1	2.50%	\$ -	
Treetops at Highlands LLC	40,781,500	2	1.90%	8,000,000	1	1.47%
CLA Management Company	34,936,200	3	1.63%	4,994,800	4	0.92%
Orchard Gardens LLC	33,013,100	4	1.54%	4,600,300	7	0.85%
Crowells Highlands LLC and Donaldson	31,418,900	5	1.46%	-	-	0.00%
Cedar Arms Associates LLC	31,296,600	6	1.46%	5,220,000	2	0.96%
Highland Montgomery LLC	29,847,700	7	1.39%	3,704,000	8	0.68%
Cedar Holding Associates	26,994,100	8	1.26%	4,871,600	6	0.90%
Rutgers University c/o Richardson	26,146,700	9	1.22%	4,922,100	5	0.91%
Highland Park Manor LLC	15,594,800	10	0.73%	2,712,600	10	0.50%
Donaldson Park Apartments	-		0.00%	5,019,800	3	0.92%
East Coast Harper & Highland House/Garden	-		0.00%	3,544,600	9	0.65%
	<u>\$ 323,761,600</u>		<u>15.09%</u>	<u>\$ 47,589,800</u>		<u>8.76%</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
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%
2023	31,451,059	31,451,059	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.

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	Leases	Bond Anticipation Notes (BANs)				
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	1.42%	997
2023	13,015,000	-	788,079	-	-	13,803,079	N/A	921

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		
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
2023	13,015,000	-	13,015,000	0.61%	868

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022

Governmental Unit	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Debt
Debt repaid with property taxes			
Municipality	\$ 17,042,243	100.00%	\$ 17,042,243
County general obligation debt	610,710,958	1.17%	<u>7,127,103</u>
Subtotal, overlapping debt			24,169,346
School district direct debt			<u>14,625,000</u>
Total direct and overlapping debt			<u><u>\$ 38,794,346</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 2023

	Equalized Valuation Basis
	2022 \$ 1,584,606,028
	2021 1,399,324,112
	2020 1,407,826,853
	\$ 4,391,756,993
Average equalized valuation of taxable property	\$ 1,463,918,998
Debt limit (4.0% of average equalization value)	\$ 58,556,760
Total net debt applicable to limit	13,015,000
Legal debt margin	\$ 45,541,760

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt limit	\$ 53,143,871	\$ 57,868,370	\$ 55,756,354	\$ 55,894,676	\$ 58,556,760
Total net debt applicable	18,390,000	17,005,000	16,195,000	14,625,000	13,015,000
Legal debt margin	\$ 34,753,871	\$ 40,863,370	\$ 39,561,354	\$ 41,269,676	\$ 45,541,760
Total net debt applicable to the limit as a percentage of debt limit	34.60%	29.39%	29.05%	26.17%	22.23%

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt limit	\$ 53,323,946	\$ 52,100,526	\$ 51,013,507	\$ 50,540,439	\$ 51,671,859
Total net debt applicable	24,160,000	23,110,000	22,015,000	21,080,000	19,750,000
Legal debt margin	\$ 29,163,946	\$ 28,990,526	\$ 28,998,507	\$ 29,460,439	\$ 31,921,859
Total net debt applicable to the limit as a percentage of debt limit	45.31%	44.36%	43.16%	41.71%	38.22%

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)
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	1,051,067,928	70,221	2.90%
2023	14,988	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 2020 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

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

2023

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

2014

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
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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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	116.5	119.4	119.1	119.7	118.4	116.1	110.1	110.9	113.4	110.3
Special education	60.8	49.6	52.3	53.9	54.9	66.7	67.1	72.2	72.7	78.7
Other instruction	6.1	5.3	9.1	9.6	9.1	10.1	9.8	8.6	10.8	8.4
Support services										
Student and instruction related services	34.8	42.4	48.1	53.6	51.1	55.0	59.3	61.3	62.2	63.1
General administration	3.2	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
School administration services	14.7	14.4	18.4	15.6	14.6	15.4	15.4	15.1	15.5	13.0
Central services	4.5	4.5	4.5	4.5	4.2	4.2	4.2	4.7	4.4	4.2
Administrative information technology	0.5	0.5	0.5	0.5	0.5	0.8	0.8	0.9	0.8	0.8
Plant operations and maintenance	1.6	3.2	5.5	5.7	7.0	9.9	8.5	8.3	11.3	6.0
Total	242.7	242.3	260.5	266.1	262.8	280.2	277.2	284.0	293.1	286.5

Source: District Personnel Records

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
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%
2023	1,582	45,660,073	28,862	8.00%	165	1 to 10.90	1,581.4	1,455.2	0.31%	92.02%

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Elementary										
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	336	332	309	315	338	309	298	248	265	309
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	448	473	461	484	478	461	470	438	445	435
Middle School										
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	349	339	344	361	362	360	372	364	361	347
High School										
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	460	474	497	511	480	472	441	477	484	491
Other										
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
Number of schools at June 30, 2023:										
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
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
2023	108,168	151,009	330,231	589,408
Total school facilities	<u>\$ 1,057,185</u>	<u>\$ 862,695</u>	<u>\$ 2,665,657</u>	<u>\$ 4,585,537</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

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Insurance Schedule
June 30, 2023
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy - Utica Mutual		
Property-Blanket Building & Contents	\$ 87,323,042	\$ 1,000
Comprehensive General Liability	3,000,000	-
Comprehensive Automobile Liability	1,000,000	500
Crime Policy	100,000	500
Inland Marine Policy	891,000	1,000
 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	1,000,000	50,000
Environmental Liability - Syndicate	1,000,000	25,000
 Public Employees' Faithful Performance - Western Surety Company		
Treasurer of School Monies Bond	257,000	-
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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 14, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

BKC, CPAs, PC

We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-003 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

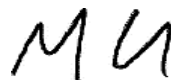
Highland Park Borough Public School District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, 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

December 14, 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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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.

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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.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2023-002 to be a significant deficiency.

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

December 14, 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, 2023

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance 06/30/22	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2023					
					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	2205NJ5MAP	N/A	\$ 110,181	07/01/22	06/30/23	\$ -	\$ -	\$ 110,181	\$ 110,181	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
U.S. Department of Homeland Security FEMA	97.036	Not available	FEMA-2150-22	102,713	07/01/22	06/30/23	-	-	102,713	102,713	-	-	-	-	-	-		
Total General Fund							-	-	212,894	212,894	-	-	-	-	-	-		
Special Revenue Fund																		
U.S. Departments of Education and Health & Human																		
School Based Youth Services Program	93.558	N/A	22AEMP	327,563	07/01/21	06/30/22	27,122	-	-	27,122	-	-	-	-	-	-		
School Based Youth Services Program	93.558	N/A	23AEMP	314,924	07/01/22	06/30/23	-	-	287,802	284,791	-	-	-	3,011	-	-		
Total School Based Youth							27,122	-	287,802	311,913	-	-	-	3,011	-	-		
U.S. Department of Education passed through State Department of Education IDEA (Special Education Cluster)																		
IDEA Basic	84.027A	H027A210100	IDEA-2150-22	425,772	07/01/21	06/30/22	(55,322)	(174,053)	95,815	40,493	-	-	-	-	-	-		
IDEA Basic	84.027A	H027A220100	IDEA-2150-23	446,764	07/01/22	06/30/23	-	174,053	381,581	591,608	-	-	(210,027)	-	-	-		
IDEA Preschool	84.173A	H173A210114	IDEA-2150-22	13,774	07/01/21	06/30/22	(13,774)	-	13,774	-	-	-	-	-	-	-		
IDEA Preschool	84.173A	H173A220114	IDEA-2150-23	15,696	07/01/22	06/30/23	-	-	9,417	15,696	-	-	(6,279)	-	-	-		
Total IDEA (Special Education Cluster)							(69,096)	-	500,587	647,797	-	-	(216,306)	-	-	-		
ESSA Title I A	84.010	S010A210030	ESSA-2150-22	312,007	07/01/21	06/30/22	(32,905)	(199,465)	70,930	38,025	-	-	-	-	-	-		
ESSA Title I A	84.010	S010A220030	ESSA-2150-23	316,635	07/01/22	06/30/23	-	199,465	196,548	296,838	-	-	(100,290)	-	-	-		
ESSA Title I SIA A	84.010	S010A210030	ESSA-2150-22	10,000	07/01/21	06/30/22	(3,063)	(15,151)	4,117	1,054	-	-	-	-	-	-		
ESSA Title I SIA A	84.010	S010A220030	ESSA-2150-23	20,000	07/01/22	06/30/23	-	15,151	10,748	12,374	-	-	(1,626)	-	-	-		
ESSA Title II A	84.367A	S367A210029	ESSA-2150-22	57,691	07/01/21	06/30/22	(5,009)	(57,691)	34,526	29,517	-	-	-	-	-	-		
ESSA Title II A	84.367A	S367A220029	ESSA-2150-23	43,405	07/01/22	06/30/23	-	57,691	16,639	31,058	-	-	(14,419)	-	-	-		
ESSA Title III	84.365	S365A210030	ESSA-2150-22	20,770	07/01/21	06/30/22	(4,873)	(20,770)	7,142	2,269	-	-	-	-	-	-		
ESSA Title III	84.365	S365A220030	ESSA-2150-23	45,068	07/01/22	06/30/23	-	20,770	19,697	21,176	-	-	(1,479)	-	-	-		
ESSA Title III Immigrant	84.365	S365A210030	ESSA-2150-22	7,975	07/01/21	06/30/22	495	-	1,449	1,500	-	-	-	444	-	-		
ESSA Title IV A	84.424A	S424A210031	ESSA-2150-22	21,637	07/01/21	06/30/22	(800)	(9,582)	4,433	3,633	-	-	-	-	-	-		
ESSA Title IV A	84.424A	S424A220031	ESSA-2150-23	26,342	07/01/22	06/30/23	-	9,582	-	6,476	-	-	(6,476)	-	-	-		
FEMA	97.036	N/A	FEMA-2150-21	46,753	07/01/20	06/30/21	(13,943)	-	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	(46,630)	-	46,630	-	-	-	-	-	-	-		
CRSSA - ESSER II	84.425	S425D200027	CRSSA-2150-23	971,654	03/13/20	09/30/23	(820,712)	-	861,473	172,477	-	-	(131,716)	-	-	-		
CRRSA - Learning Acceleration	84.425D	S425D210027	CRSSA-2150-23	62,356	03/13/20	09/30/23	(27,857)	-	44,714	18,589	-	-	(1,732)	-	-	-		
CRRSA - Mental Health	84.425D	S425D210027	CRSSA-2150-23	45,000	03/13/20	09/30/23	(21,495)	-	25,995	14,312	-	-	(9,812)	-	-	-		
ARP - ESSER																		
ARP - ESSER	84.425U	S425U210027	ESSER-2150-24	2,183,730	03/13/20	09/30/24	(480,330)	-	817,650	335,590	-	-	-	1,730	-	-		
NJTSS Mental Health Support	84.425U	S425U210027	ESSER-2150-24	88,501	03/13/20	09/30/24	(8,303)	-	18,954	-	-	-	-	10,651	-	-		
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	ESSER-2150-24	144,395	03/13/20	09/30/24	(32,001)	-	43,486	12,092	-	-	(607)	-	-	-		
Evidenced Based Summer Learning and Enrichment	84.425U	S425U210027	ESSER-2150-24	40,000	03/13/20	09/30/24	-	-	33,622	33,622	-	-	-	-	-	-		
ARP IDEA Basic	84.027X	H027X210100	ARP-2150-22	80,327	07/01/21	06/30/22	(12,541)	-	64,670	66,674	-	-	(14,545)	-	-	-		
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, 2023

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance 06/30/22	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment/ Repayment of Prior Year Balance	Adjustment/ Repayment of Prior Year Balance	Balance June 30, 2023			
					From	To							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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Equipment Grant	10.579	2302150	N/A	17,923	07/01/22	06/30/23	-	-	-	17,923	-	-	(17,923)	-	-	
Total Special Revenue Fund							(1,835,158)	-	3,408,972	2,074,909	-	-	(516,931)	15,836	-	
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	221NJ304N1099	N/A	49,566	10/01/21	09/30/22	2,031	-	-	2,031	-	-	-	-	-	
Non-Cash Assistance (Commodities)	10.555	231NJ304N1199	N/A	60,386	10/01/22	09/30/23	-	-	60,386	56,422	-	-	-	3,964	-	
Cash Assistance	10.555	221NJ304N1099	N/A	742,825	10/01/21	09/30/22	(59,075)	-	59,075	-	-	-	-	-	-	
Cash Assistance	10.555	231NJ304N1199	N/A	328,339	10/01/22	09/30/23	-	-	267,126	328,339	-	-	(61,213)	-	-	
School Breakfast Program	10.553	221NJ304N1099	N/A	177,596	10/01/21	09/30/22	(15,904)	-	15,904	-	-	-	-	-	-	
School Breakfast Program	10.553	231NJ304N1199	N/A	79,691	10/01/22	09/30/23	-	-	63,854	79,691	-	-	(15,837)	-	-	
Total Child Nutrition Cluster							(72,948)	-	466,345	466,483	-	-	(77,050)	3,964	-	
Supply Chain Assistance	10.555	221NJ304N1199	N/A	35,557	07/01/21	06/30/22	(35,557)	-	35,557	-	-	-	-	-	-	
Supply Chain Assistance	10.555	231NJ304N1199	N/A	50,179	10/01/22	09/30/23	-	-	50,179	50,179	-	-	-	-	-	
Total Enterprise Fund							(108,505)	-	552,081	516,662	-	-	(77,050)	3,964	-	
Total Federal Awards							\$ (1,943,663)	\$ -	\$ 4,173,947	\$ 2,804,465	\$ -	\$ -	\$ (593,981)	\$ 19,800	\$ -	

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, 2023

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022		Cash Received	Budgetary Expenditure	Repayment of Prior Year Balances	Adjustment	Balance June 30, 2023			Memo	
			From	To	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	23-495-034-5120-089	\$ 1,512,620	07/01/22	06/30/23	\$ -	\$ -	\$ 1,359,582	\$ 1,512,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,038	\$ 1,512,620
Equalization Aid	23-495-034-5120-078	2,978,764	07/01/22	06/30/23	-	-	2,677,391	2,978,764	-	-	-	-	-	301,373	2,978,764
Security Aid	23-495-034-5120-084	47,872	07/01/22	06/30/23	-	-	43,029	47,872	-	-	-	-	-	4,843	47,872
Transportation Aid	23-495-034-5120-014	240,771	07/01/22	06/30/23	-	-	216,411	240,771	-	-	-	-	-	24,360	240,771
Extraordinary Aid	22-495-034-5120-044	856,505	07/01/21	06/30/22	(856,505)	-	856,505	-	-	-	-	-	-	-	856,505
Extraordinary Aid	23-495-034-5120-044	1,145,132	07/01/22	06/30/23	-	-	-	1,145,132	-	-	(1,145,132)	-	-	-	1,145,132
Non-Public Transportation Aid	22-495-034-5120-014	75,690	07/01/21	06/30/22	(75,690)	-	75,690	-	-	-	-	-	-	-	75,690
Non-Public Transportation Aid	23-495-034-5120-014	73,320	07/01/22	06/30/23	-	-	-	73,320	-	-	(73,320)	-	-	-	73,320
Maintenance of Equity Aid	22-495-034-5120-128	851,093	07/01/21	06/30/22	(851,093)	-	851,093	-	-	-	-	-	-	-	851,093
Lead Testing for Schools Aid	23-495-034-5120-104	4,275	07/01/22	06/30/23	-	-	4,275	4,275	-	-	-	-	-	-	4,275
Secure our Children's Future	23-100-082-2600-A92	87,823	07/01/22	06/30/23	-	-	87,823	87,823	-	-	-	-	-	-	87,823
On-Behalf TPAF Pension Contribution - Post Retirement Medical	23-495-034-5094-001	1,298,614	07/01/22	06/30/23	-	-	1,298,614	1,298,614	-	-	-	-	-	-	1,298,614
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	23-495-034-5094-004	67,645	07/01/22	06/30/23	-	-	67,645	67,645	-	-	-	-	-	-	67,645
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	23-495-034-5094-004	2,300	07/01/22	06/30/23	-	-	2,300	2,300	-	-	-	-	-	-	2,300
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	23-495-034-5094-002	4,875,736	07/01/22	06/30/23	-	-	4,875,736	4,875,736	-	-	-	-	-	-	4,875,736
Reimbursed TPAF Social Security Contribution	21-495-034-5094-003	977,065	07/01/20	06/30/21	-	2,315	-	-	-	-	-	-	2,315	-	977,065
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	1,045,107	07/01/21	06/30/22	(52,241)	-	52,241	-	-	-	-	-	-	-	1,045,107
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	1,062,409	07/01/22	06/30/23	-	-	958,121	1,062,409	-	-	(104,288)	-	-	-	1,062,409
Total General Fund					(1,835,529)	2,315	13,426,456	13,397,281	-	-	(1,322,740)	-	2,315	483,614	17,202,741
Special Revenue Fund															
State Department of Education															
Preschool Education Aid	23-495-034-5120-086	226,920	07/01/22	06/30/23	-	-	204,228	226,920	-	-	-	-	-	(22,692)	226,920
Non-Public Aid															
Textbook Aid	23-100-034-5120-064	6,006	07/01/22	06/30/23	-	-	6,006	6,006	-	1,737	-	-	1,737	-	6,006
Nursing Services	23-100-034-5120-070	12,880	07/01/22	06/30/23	-	-	12,880	12,880	-	1,629	-	-	1,629	-	12,880
Security Aid	22-100-034-5120-509	19,950	07/01/21	06/30/22	-	2,470	-	-	2,470	-	-	-	-	-	17,480
Security Aid	23-100-034-5120-509	23,575	07/01/22	06/30/23	-	-	23,575	22,792	-	-	-	-	783	-	22,792
Technology Initiative Aid	23-100-034-5120-373	3,822	07/01/22	06/30/23	-	-	3,822	3,822	-	375	-	-	375	-	3,822
Auxiliary Aid															
Transportation Aid	23-100-034-5120-068	463	07/01/22	06/30/23	-	-	463	-	-	-	-	-	463	-	-
Compensatory Education	22-100-034-5120-067	896	07/01/21	06/30/22	-	896	-	-	896	-	-	-	-	-	-
Handicapped Aid															
Examination and Classification	22-100-034-5120-066	1,326	07/01/21	06/30/22	-	1,326	-	-	1,326	-	-	-	-	-	-
Examination and Classification	22-100-034-5120-066	2,660	07/01/21	06/30/22	-	194	-	-	194	-	-	-	-	-	2,466
Examination and Classification	23-100-034-5120-066	8,531	07/01/22	06/30/23	-	-	8,531	8,531	-	-	-	-	-	-	8,531
Supplemental Instruction	23-100-034-5120-066	4,295	07/01/22	06/30/23	-	-	4,295	4,295	-	-	-	-	-	-	4,295
Corrective Speech	22-100-034-5120-066	930	07/01/21	06/30/22	-	930	-	-	930	-	-	-	-	-	-
Corrective Speech	23-100-034-5120-066	465	07/01/22	06/30/23	-	-	465	465	-	-	-	-	-	-	465
School Climate	23-WB01-G02	6,660	07/01/22	06/30/23	-	-	6,657	6,643	-	-	-	-	14	-	6,643
SDA Emergent and Capital															
Maintenance Needs	22-100-034-5120-519	37,602	07/01/21	06/30/22	3,002	-	-	-	-	-	-	3,002	-	-	34,600
Maintenance Needs	23-100-034-5120-519	37,060	07/01/22	06/30/23	-	-	37,060	37,060	-	-	-	-	-	-	37,060
Total Special Revenue Fund					3,002	5,816	307,982	329,414	5,816	3,741	-	3,002	5,001	(22,692)	388,255

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, 2023

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2022		Cash Received	Budgetary Expenditure	Repayment of Prior Year Balances	Adjustment	Balance June 30, 2023			Memo	
					Deferred Rev. (Accts. Rec)	Due to Grantor					Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
Debt Service Fund															
Debt Service Aid - State Support	23-495-034-5120-017	\$ 10,049	07/01/22	06/30/23	\$ -	\$ -	\$ 10,049	\$ 10,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,049
Enterprise Fund															
State Department Of Agriculture															
State School Lunch Program	22-100-010-3350-023	17,464	07/01/21	06/30/22	(1,360)	-	1,360	-	-	-	-	-	-	-	17,464
State School Lunch Program	23-100-010-3350-023	12,356	07/01/22	06/30/23	-	-	10,061	12,356	-	-	(2,295)	-	-	-	12,356
State School Breakfast Program	23-100-010-3350-023	4,543	07/01/22	06/30/23	-	-	3,715	4,543	-	-	(828)	-	-	-	4,543
Total Enterprise Fund					(1,360)	-	15,136	16,899	-	-	(3,123)	-	-	-	34,363
Total State Financial Assistance					<u>\$(1,833,887)</u>	<u>\$ 8,131</u>	<u>\$ 13,759,623</u>	<u>13,753,643</u>	<u>\$ 5,816</u>	<u>\$ 3,741</u>	<u>\$ (1,325,863)</u>	<u>\$ 3,002</u>	<u>\$ 7,316</u>	<u>\$ 460,922</u>	<u>\$ 17,635,408</u>
Less: On-Behalf TPAF Pension System Contributions															
On-Behalf TPAF Pension Contribution -															
Teachers' Pension & Annuity Fund	23-495-034-5094-002							4,875,736							
On-Behalf TPAF Pension Contribution -															
Non-Contributory Insurance	23-495-034-5094-004							67,645							
On-Behalf TPAF Pension Contribution -															
Postretirement Medical	23-495-034-5094-001							1,298,614							
On-Behalf TPAF Pension Contribution -															
Long-Term Disability Insurance	23-495-034-5094-004							2,300							
Total for State Financial Assistance - Major Program Determination								<u>\$ 7,509,348</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, 2023

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 (\$65,972) for the general fund, \$204,970 for the special revenue 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.

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, 2023

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	\$ 212,894	\$ 13,331,309	\$ 13,544,203
Special revenue fund	2,280,304	328,989	2,609,293
Debt service fund	-	10,049	10,049
Food service fund	516,662	16,899	533,561
Total awards and financial assistance	<u>\$ 3,009,860</u>	<u>\$ 13,687,246</u>	<u>\$ 16,697,106</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, 2023. 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, 2023.

Note 6 - Adjustments on the Schedule of State Financial Assistance

On Schedule B; the adjustments to Non-Public Textbook Aid, Non-Public Nursing Aid and Non-Public Security Aid totaling \$3,741 represent amounts due from another LEA that are in turn due back to the State of New Jersey.

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, 2023

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
		<i>IDEA Cluster</i>
<i>84.027A</i>	<i>H027A220100</i>	<i>IDEA Basic</i>
<i>84.173A</i>	<i>H173A220114</i>	<i>IDEA Preschool</i>

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, 2023

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>
	<i>State Aid Public Cluster:</i>
<u>23-495-034-5120-089</u>	<u><i>Special Education Categorical Aid</i></u>
<u>23-495-034-5120-078</u>	<u><i>Equalization Aid</i></u>
<u>23-495-034-5120-084</u>	<u><i>Security Aid</i></u>
<u>23-495-034-5120-044</u>	<u><i>Extraordinary Aid</i></u>

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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 2023-001 (2022-001)

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.

Context

As part of our audit procedures, we noted that business office staffing does not meet the needs of the District 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 will address the matter as part of their corrective action plan.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section II - Financial Statement Findings (continued)

Finding 2023-003 (2022-003)

Criteria

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

Condition

Outstanding point of sale balances required adjustment and included several aged accounts receivable balances in the food service fund.

Context

Our examination of outstanding point of sale balances noted amounts that were aged or may require adjustment.

Cause

Unknown

Effect

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

Recommendation

The District should implement procedures to ensure that point of sale balances are monitored, and aged accounts receivable balances are reviewed, collected and adjusted in a timely manner.

Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials 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.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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

Federal Awards

There were no findings or questioned costs for the fiscal year ended June 30, 2023.

State Awards

Finding 2023-002 (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 and did not appear on the board secretary's records.

Context

As part of our audit procedures, we noted several aged reconciling items in the bank reconciliations.

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

The records of the treasurer and board secretary should agree, and aged reconciling items should be reviewed for proper disposition.

Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials will address the matter as part of their corrective action plan.

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, 2023

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 2022-001, 2022-002 and 2022-003 which are repeated as findings 2023-001, 2023-002, and 2023-003 respectively.