

**HIGHLAND PARK BOROUGH
PUBLIC SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2024

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



Certified Public Accountants, PC

**HIGHLAND PARK BOROUGH PUBLIC
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

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HIGHLAND PARK PUBLIC SCHOOLS

www.hpschools.net

435 Mansfield St, Highland Park

(732) 572-2400, **EXT 5810**

January 15, 2025

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, 2024 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 Auditors' 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 auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

SCHOOL DISTRICT ORGANIZATION AND OVERVIEW

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

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

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

REPORTING ENTITY AND ITS SERVICES

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

AVERAGE DAILY ENROLLMENT

The School District completed the 2023-2024 fiscal year with an average enrollment of 1,594 students, which is 13 more students than the previous year's enrollment. The following details the changes in the student enrollment of the School District over the last seven years.

<u>Average Daily Enrollment</u>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2023-24	1,594	0.79%
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 %

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, some areas of Highland Park have been redeveloped which 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.

While the District has benefited from increased state aid allocation in previous years, current projections indicate the prospect of significant cuts in state aid for the fiscal year 2025-2026, due to the economic conditions in New Jersey. To address this, the District is closely monitoring operating costs and seeking additional funding sources, particularly grants, to ensure the continued delivery of high-quality educational services to our community.

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

As part of our long-term strategy, the School District remains committed to upgrading its aging physical plant. The age and deterioration of some of our buildings have become more apparent, and the cost to complete necessary repairs exceeds the available funds in our capital reserve. Despite this, the District is focusing on repairs and replacements, prioritizing health and safety needs as funds allow. Our goal is to ensure that our students and staff continue to learn and work in safe, functional facilities.

In terms of facility improvements, our most recent project was the expansion of the District's preschool program to a full-day model. The District invested in leasing four modular classrooms, which accommodated an additional sixty general education preschool students. In fiscal year 2023-2024, two existing classrooms were repurposed to expand the program by two additional classrooms. In addition, the District is actively exploring other funding sources to continue to expand our facilities to serve even more preschoolers. This commitment to expansion is an important step in closing the opportunity and achievement gaps in our community.

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, 2024.

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

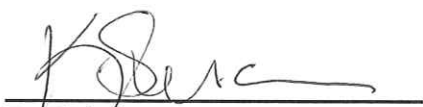
State statutes require an annual audit by independent certified public accountants or registered municipal accountants: the accounting firm of BKC, CPAs, PC, was selected by the Board of Education to perform that function. In addition to meeting the requirements set forth in state statutes, the audit 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 auditors' 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 auditors' 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



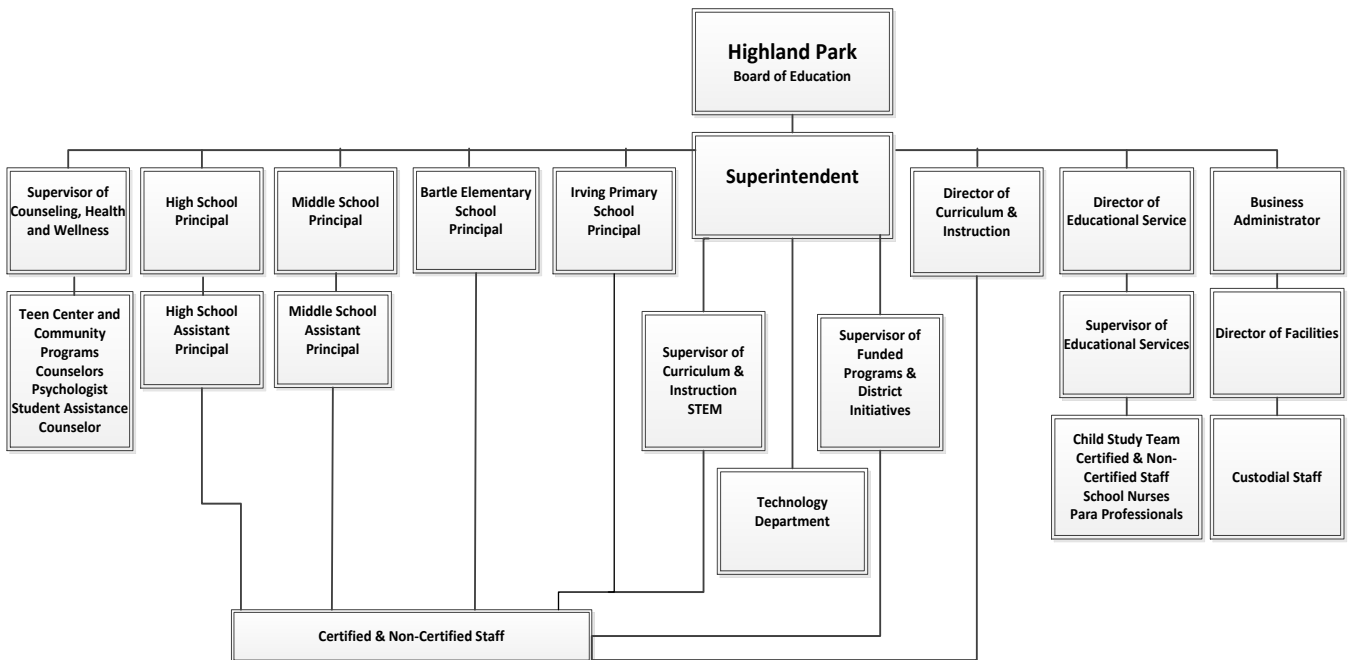
Denise DeRosa
Business Administrator/Board Secretary

POLICY

HIGHLAND PARK BOARD OF EDUCATION

Section: Administration
1110 Organizational Chart
Page 1 of 1

ORGANIZATIONAL CHART 2023-2024



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, 2024**

Members of the Board of Education	Title	Term Expires
Ms. Allison Casal-Dunn	President	12/31/2024
Ms. Marilyn Pruce	Vice-President	12/31/2024
Dr. Monique Coleman		12/31/2024
Dr. Dan Battey		12/31/2025
Ms. Ann Vardeman		12/31/2025
Ms. Jennifer Voorhees		12/31/2025
Ms. Nicole Longoria-Stanio		12/31/2026
Dr. Sara Pixley		12/31/2026
Dr. Ethan Schoolman		12/31/2026

Other Officials	Title
Dr. Kristina Susca	Superintendent of Schools (until 6/30/2027)
Ms. Denise M. DeRosa	School Business Administrator/Board Secretary
Dr. Brian Falkowski	Treasurer of School Monies

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

**CONSULTANTS AND ADVISORS
JUNE 30, 2024**

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School Board Attorney

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Hamilton, NJ 08691
Office: 866.974.7666

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, 2024, 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, 2024, 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 Auditors' 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 auditors' 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 auditors' 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 January 15, 2025, 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

January 15, 2025
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, 2024
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, 2024. 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 Basic Financial Statements and Notes to the 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 2024 are as follows:

- General revenues accounted for \$51,981,834 in revenues, or 90.40% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$5,518,147, or 9.60% of total revenues of \$57,499,981.
- Total assets of governmental activities decreased by \$945,108 as cash and cash equivalents decreased by \$877,136, receivables increased by \$395,179 and capital assets decreased by \$463,151.
- The School District had \$56,285,635 in expenses; only \$5,518,147 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and state aid) of \$51,981,834 were adequate to provide for these programs.
- Among governmental funds, the general fund had \$47,396,109 in revenues and \$47,400,987 in expenditures. After accounting for net other financing uses of \$554,854; the general fund's balance decreased by \$559,732 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, 2024
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 2024?" 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, 2024, and a comparison with net position as of June 30, 2023. The comparison between the years shows an increase in total net position of \$1,214,346.

Table 1
Net Position

	06/30/24	06/30/23	Variance	
			Dollars	%
Current & other assets	\$ 9,360,677	\$ 9,747,521	\$ (386,844)	-3.97%
Capital assets	32,892,448	33,366,281	(473,833)	-1.42%
Total assets	42,253,125	43,113,802	(860,677)	-2.00%
Deferred amount on refunding bond issue	348,470	450,145	(101,675)	-22.59%
Deferred pension activity	998,295	1,593,817	(595,522)	-37.36%
Total deferred outflow of resources	1,346,765	2,043,962	(697,197)	-34.11%
Long-term liabilities	18,405,981	20,658,043	(2,252,062)	-10.90%
Other liabilities	1,901,863	1,975,767	(73,904)	-3.74%
Total liabilities	20,307,844	22,633,810	(2,325,966)	-10.28%
Deferred pension activity	551,510	997,764	(446,254)	-44.73%
Total deferred inflow of resources	551,510	997,764	(446,254)	-44.73%
Net position				
Net investment in capital assets	21,320,934	20,013,347	1,307,587	6.53%
Restricted	4,654,950	4,159,938	495,012	11.90%
Unrestricted	(3,235,348)	(2,647,095)	(588,253)	22.22%
Total net position	\$ 22,740,536	\$ 21,526,190	\$ 1,214,346	5.64%

Total assets decreased by \$860,677. Cash and cash equivalents decreased by \$837,923, net receivables and other assets increased by \$451,079 and capital assets decreased by \$473,833.

The unrestricted net position at June 30, 2024 of (\$3,235,348) 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, 2024 with comparisons to fiscal year ending June 30, 2023.

Table 2
Changes in Net Position

	Fiscal Year Ending		Variance	
	06/30/24	06/30/23	Dollars	%
Revenues				
Program revenues				
Charges for services	\$ 1,549,002	\$ 1,133,844	\$ 415,158	36.62%
Operating grants	3,846,465	3,242,790	603,675	18.62%
Capital grants	122,680	-	122,680	*
General revenues				
Property taxes	32,639,259	31,451,059	1,188,200	3.78%
Unrestricted grants	18,863,406	17,100,144	1,763,262	10.31%
Other	479,169	394,711	84,458	21.40%
Total revenues	<u>57,499,981</u>	<u>53,322,548</u>	<u>4,177,433</u>	7.83%
Program expenses				
Instruction				
Regular	19,116,517	17,115,899	2,000,618	11.69%
Special	8,938,451	7,728,405	1,210,046	15.66%
Other	1,495,135	1,411,099	84,036	5.96%
Support services				
Tuition	3,152,238	3,149,694	2,544	0.08%
Student & instructional staff	10,588,646	9,190,111	1,398,535	15.22%
General & business administration	1,817,761	1,893,928	(76,167)	-4.02%
School administration	2,882,137	2,582,670	299,467	11.60%
Maintenance	3,506,543	2,896,414	610,129	21.06%
Transportation	2,860,598	2,995,598	(135,000)	-4.51%
Charter schools	286,251	217,504	68,747	31.61%
Interest on long-term debt	360,322	254,544	105,778	41.56%
Food service	928,686	813,138	115,548	14.21%
Community service programs	352,350	257,013	95,337	37.09%
Total expenses	<u>56,285,635</u>	<u>50,506,017</u>	<u>5,779,618</u>	11.44%
Increase (decrease) in net position	<u>\$ 1,214,346</u>	<u>\$ 2,816,531</u>	<u>\$ (1,602,185)</u>	-56.89%

* Undefined

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Governmental Activities

Property taxes made up 58.07% of revenues for governmental funds for the Highland Park Borough Public School District for fiscal year 2024. The District's total revenues for governmental funds were \$56,202,997 for the fiscal year ended June 30, 2024. The remaining revenues for governmental funds were from interest on investments, tuition, state aid, and state and federal grants.

Business-Type Activities

Food Service Program

- Food service expenses exceeded revenues by \$30,425.
- Charges for services represent \$345,012 of revenue, or 38.29%. 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 \$553,249.

Before and After School Child Care Program

- The Before and After School Child Care Program had revenues of \$396,003 and operating expenses of \$352,350. The net profit for fiscal year 2024 was \$43,653.

Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending June 30, 2024 with comparisons to fiscal year ending June 30, 2023.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/24	06/30/23	06/30/24	06/30/23
Instruction	\$ 29,550,103	\$ 26,255,403	\$ 27,634,355	\$ 25,199,522
Support services				
Tuition	3,152,238	3,149,694	2,661,654	2,657,956
Student & instructional staff	10,588,646	9,190,111	8,960,811	7,659,638
General & business administration	1,817,761	1,893,928	1,815,307	1,893,928
School administration	2,882,137	2,582,670	2,745,152	2,460,693
Plant operations & maintenance	3,506,543	2,896,414	3,457,804	2,834,151
Pupil transportation	2,860,598	2,995,598	2,859,060	2,994,003
Charter schools	286,251	217,504	286,251	217,504
Interest on long-term debt	360,322	254,544	360,322	254,544
Total expenses	<u>\$ 55,004,599</u>	<u>\$ 49,435,866</u>	<u>\$ 50,780,716</u>	<u>\$ 46,171,939</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 64.06%, continues to be from local sources including tax levy, outside tuition, and miscellaneous revenues. State aid and federal aid represents approximately 35.94% of the total revenues.

The following schedule presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2024:

Revenues	Amount	Percentage of Total	Increase/ (Decrease) From Prior Year	Percentage Increase (Decrease)
Local Sources				
Tax levy				
General	\$ 30,822,230	58.10%	\$ 1,184,739	4.00%
Debt service	1,817,029	3.42%	3,461	.19%
Other revenues	1,345,221	2.54%	337,392	33.48%
State Aid	16,555,177	31.21%	2,884,830	21.10%
Federal Aid	2,511,313	4.73%	18,115	.73%
Total	<u>\$ 53,050,970</u>	100.00%	<u>\$ 4,428,537</u>	9.11%

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THE DISTRICT'S EXPENDITURES

The following schedule represents a summary of the expenditures of the governmental funds for the fiscal year ended June 30, 2024:

<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	\$ 50,244,595	94.11%	\$ 5,281,085	11.75%
Capital outlay	903,300	1.69%	(705,513)	-43.85%
Charter schools	286,251	0.54%	68,747	31.61%
Debt service				
Principal	1,697,747	3.18%	16,042	.95%
Interest	255,841	0.48%	(19,466)	-7.07%
Total	<u>\$ 53,387,734</u>	100.00%	<u>\$ 4,640,895</u>	9.52%

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 2024 the School District amended its general fund budget as needed to reflect the following:

- Staffing changes increases based on student needs, funded by other unfilled positions
- Implementation of state-mandated initiatives, including additional curriculum writing, staff development and technology costs related to the implementation of Common Core standards
- Increases in in-house costs for special education students
- Increases in required maintenance for school facilities
- Unplanned legal settlement costs and judgements against the District
- Reclassification of several expenditures

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CAPITAL ASSETS

Table 4 provides a summary of the School District's capital assets net of depreciation and amortization for fiscal years 2024 and 2023. At the end of fiscal year 2024, the District had \$32,892,448 invested in land, buildings, capital lease, machinery and equipment.

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

	06/30/24	06/30/23	Variance	
			Dollars	%
Land	\$ 415,000	\$ 415,000	\$ -	0.00%
Construction in progress	1,458,429	1,112,202	346,227	31.13%
Land improvements	264,623	217,931	46,692	21.43%
Buildings & improvements	29,478,923	30,250,457	(771,534)	-2.55%
Leased assets	649,651	690,190	(40,539)	-5.87%
Furniture & equipment	625,822	680,501	(54,679)	-8.04%
Total	<u>\$ 32,892,448</u>	<u>\$ 33,366,281</u>	<u>\$ (473,833)</u>	-1.42%

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, 2024, the amount of \$1,120,000 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, 2024 the amount of \$10,270,000 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, 2024 is \$65,171,167. General obligation authorized debt at June 30, 2024 is \$11,390,000, resulting in a legal debt margin of \$53,781,167.

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Table 5 provides a summary of the School District's outstanding long-term debt at June 30, 2024 with comparisons to June 30, 2023.

Table 5
Outstanding Long-Term Liabilities at Year-End

	06/30/24	06/30/23	Variance	
			Dollars	%
2016 refunding bonds for 2006 issue	\$ 1,120,000	\$ 2,260,000	\$ (1,140,000)	-50.44%
2020 refunding bonds for 2012 issue	10,270,000	10,755,000	(485,000)	-4.51%
PERS net pension liability	5,954,620	6,391,643	(437,023)	-6.84%
Lease payable	529,984	788,079	(258,095)	-32.75%
Compensated absences	531,377	463,321	68,056	14.69%
Total	<u>\$ 18,405,981</u>	<u>\$ 20,658,043</u>	<u>\$ (2,252,062)</u>	-10.90%

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 in previous years; however, current projections indicate the prospect of significant cuts in state aid for fiscal year 2025-2026. 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, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 1,626,675	\$ 373,225	\$ 1,999,900
Due from other funds	8,372	-	8,372
Receivables, net	2,302,945	175,687	2,478,632
Inventory	-	21,464	21,464
Restricted assets			
Capital reserve account - cash	3,602,388	-	3,602,388
Emergency reserve account - cash	80,151	-	80,151
Maintenance reserve account - cash	338,925	-	338,925
Unemployment claims - cash	151,601	-	151,601
Scholarship - cash	72,183	-	72,183
Student activities - cash	195,708	-	195,708
Capital projects - cash	411,353	-	411,353
Capital assets, net			
Land and construction in progress	1,873,429	-	1,873,429
Other capital assets, net of depreciation and amortization	30,934,259	84,760	31,019,019
Total assets	41,597,989	655,136	42,253,125
Deferred outflows of resources			
Deferred amount on pension activity	998,295	-	998,295
Deferred amount on refunding bond issue	348,470	-	348,470
Total deferred outflows of resources	1,346,765	-	1,346,765
Liabilities			
Accounts payable	1,372,924	85,033	1,457,957
Due to other funds, net	-	8,372	8,372
Accrued interest	76,570	-	76,570
Accrued salaries	96,867	5,641	102,508
Payables to other governments	10,652	-	10,652
Payroll deductions and withholdings payable	61,385	-	61,385
Unearned revenue	91,301	17,679	108,980
Unemployment compensation	75,439	-	75,439
Long-term liabilities			
Due within one year	1,902,843	-	1,902,843
Due beyond one year	16,503,138	-	16,503,138
Total liabilities	20,191,119	116,725	20,307,844
Deferred inflows of resources			
Deferred amount on pension liability	551,510	-	551,510

See accompanying notes to the financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 21,236,174	\$ 84,760	\$ 21,320,934
Restricted for			
Capital reserve fund	3,602,388	-	3,602,388
Emergency reserve fund	80,151	-	80,151
Maintenance reserve fund	338,925	-	338,925
Unemployment claims	83,511	-	83,511
Scholarship	72,183	-	72,183
Student activities	195,793	-	195,793
Capital projects fund	281,998	-	281,998
Debt service	1	-	1
Unrestricted	(3,688,999)	453,651	(3,235,348)
Total net position	<u>\$ 22,202,125</u>	<u>\$ 538,411</u>	<u>\$ 22,740,536</u>

See accompanying notes to the financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2024

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	\$ 9,995,666	\$ 9,120,851	\$ 348,328	\$ 1,218,395	\$ 57,658	\$ (17,492,136)	\$ -	\$ (17,492,136)
Special education	4,175,084	3,831,485	-	15,779	25,763	(7,965,027)	-	(7,965,027)
Other special instruction	535,635	396,247	-	244,917	2,454	(684,511)	-	(684,511)
Other instruction	999,899	495,236	-	-	2,454	(1,492,681)	-	(1,492,681)
Support services								
Tuition	3,152,238	-	-	490,584	-	(2,661,654)	-	(2,661,654)
Students and instruction related services	6,983,188	3,605,458	412,147	1,192,379	23,309	(8,960,811)	-	(8,960,811)
General and business administration services	1,340,907	476,854	-	-	2,454	(1,815,307)	-	(1,815,307)
School administration services	1,854,181	1,027,956	-	129,624	7,361	(2,745,152)	-	(2,745,152)
Plant operations and maintenance	3,337,689	168,854	47,512	-	1,227	(3,457,804)	-	(3,457,804)
Pupil transportation	2,856,999	3,599	-	1,538	-	(2,859,060)	-	(2,859,060)
Charter schools	286,251	-	-	-	-	(286,251)	-	(286,251)
Interest on long-term debt	360,322	-	-	-	-	(360,322)	-	(360,322)
Total governmental activities	<u>35,878,059</u>	<u>19,126,540</u>	<u>807,987</u>	<u>3,293,216</u>	<u>122,680</u>	<u>(50,780,716)</u>	<u>-</u>	<u>(50,780,716)</u>
Business-type activities								
Food service	928,686	-	345,012	553,249	-	-	(30,425)	(30,425)
Before and after school child care fund	352,350	-	396,003	-	-	-	43,653	43,653
Total business-type activities	<u>1,281,036</u>	<u>-</u>	<u>741,015</u>	<u>553,249</u>	<u>-</u>	<u>-</u>	<u>13,228</u>	<u>13,228</u>
Total primary government	<u>\$ 37,159,095</u>	<u>\$ 19,126,540</u>	<u>\$ 1,549,002</u>	<u>\$ 3,846,465</u>	<u>\$ 122,680</u>	<u>(50,780,716)</u>	<u>13,228</u>	<u>(50,767,488)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						30,822,230	-	30,822,230
Property taxes levied for debt service						1,817,029	-	1,817,029
Federal and state aid not restricted						18,863,406	-	18,863,406
Investment earnings						211,330	-	211,330
Miscellaneous income						265,119	2,720	267,839
Total general revenues and special items						<u>51,979,114</u>	<u>2,720</u>	<u>51,981,834</u>
Change in net position						1,198,398	15,948	1,214,346
Net position - beginning						21,003,727	522,463	21,526,190
Net position - ending						<u>\$ 22,202,125</u>	<u>\$ 538,411</u>	<u>\$ 22,740,536</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, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 1,626,674	\$ -	\$ -	\$ 1	\$ 1,626,675
Due from other funds	167,266	10,778	-	-	178,044
Receivables from other governments					
State	1,521,858	-	122,680	-	1,644,538
Federal	-	415,145	-	-	415,145
Local	188,836	-	-	-	188,836
Other accounts receivable	4,929	49,497	-	-	54,426
Restricted cash and equivalents	4,173,065	267,891	411,353	-	4,852,309
Total assets	\$ 7,682,628	\$ 743,311	\$ 534,033	\$ 1	\$ 8,959,973
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 819,715	\$ 301,174	\$ 252,035	\$ -	\$ 1,372,924
Due to other funds	2,406	167,266	-	-	169,672
Payroll deductions and withholdings payable	61,385	-	-	-	61,385
Accrued salaries	95,677	1,190	-	-	96,867
Payable to other governments					
State	2,315	8,337	-	-	10,652
Unearned revenue	-	91,301	-	-	91,301
Unemployment compensation claims payable	75,439	-	-	-	75,439
Total liabilities	1,056,937	569,268	252,035	-	1,878,240

See accompanying notes to the financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2024

	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	\$ 3,602,388	\$ -	\$ -	\$ -	\$ 3,602,388
Emergency reserve account	80,151	-	-	-	80,151
Maintenance reserve account	338,925	-	-	-	338,925
Unemployment claims	83,511	-	-	-	83,511
Scholarships	-	72,183	-	-	72,183
Student activities	-	195,793	-	-	195,793
Capital projects	-	-	29,963	-	29,963
Committed fund balance					
Year-end encumbrances	107,152	-	252,035	-	359,187
Assigned fund balance					
Designated for subsequent year's expenditures	1,686,878	-	-	1	1,686,879
Unassigned fund balance	726,686	(93,933)	-	-	632,753
Total fund balances	<u>6,625,691</u>	<u>174,043</u>	<u>281,998</u>	<u>1</u>	<u>7,081,733</u>
Total liabilities and fund balances	<u>\$ 7,682,628</u>	<u>\$ 743,311</u>	<u>\$ 534,033</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 \$57,933,195 and the accumulated depreciation is \$25,125,507.	32,807,688
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	446,785
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.	(18,405,981)
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 \$1,570,755.	348,470
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(76,570)</u>
Total net position of governmental activities	<u>\$ 22,202,125</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, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 30,822,230	\$ -	\$ -	\$ 1,817,029	\$ 32,639,259
Tuition - individuals	18,374	-	-	-	18,374
Tuition - other LEAs	214,849	-	-	-	214,849
Tuition - other	115,105	-	-	-	115,105
Interest on investments	211,330	-	-	-	211,330
Rents and royalties	47,512	-	-	-	47,512
Local contributions	-	472,932	-	-	472,932
Miscellaneous	265,119	-	-	-	265,119
Total	31,694,519	472,932	-	1,817,029	33,984,480
State sources	15,638,261	784,447	122,680	9,789	16,555,177
Federal sources	63,329	2,447,984	-	-	2,511,313
Total revenues	47,396,109	3,705,363	122,680	1,826,818	53,050,970
Expenditures					
Current					
Instructional					
Regular instruction	9,080,451	1,059,727	-	-	10,140,178
Special education instruction	4,160,427	14,657	-	-	4,175,084
Other special instruction	332,358	203,277	-	-	535,635
Other instruction	999,899	-	-	-	999,899
Support service and undistributed costs					
Tuition	2,661,654	490,584	-	-	3,152,238
Student and instruction related services	5,865,779	1,117,409	-	-	6,983,188
General and business administrative services	1,340,907	-	-	-	1,340,907
School administrative services	1,724,557	129,624	-	-	1,854,181
Plant operations and maintenance	3,378,525	-	-	-	3,378,525
Pupil transportation	2,855,461	1,538	-	-	2,856,999
Unallocated benefits	14,445,197	382,564	-	-	14,827,761

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, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 142,751	\$ 453,849	\$ 306,700	\$ -	\$ 903,300
Charter school	286,251	-	-	-	286,251
Debt service					
Principal	72,747	-	-	1,625,000	1,697,747
Interest and other charges	54,023	-	-	201,818	255,841
Total expenditures	<u>47,400,987</u>	<u>3,853,229</u>	<u>306,700</u>	<u>1,826,818</u>	<u>53,387,734</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,878)</u>	<u>(147,866)</u>	<u>(184,020)</u>	<u>-</u>	<u>(336,764)</u>
Other financing sources (uses)					
Transfers in (out)	<u>(554,854)</u>	<u>88,836</u>	<u>466,018</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(554,854)</u>	<u>88,836</u>	<u>466,018</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(559,732)	(59,030)	281,998	-	(336,764)
Fund balances, July 1	<u>7,185,423</u>	<u>233,073</u>	<u>-</u>	<u>1</u>	<u>7,418,497</u>
Fund balances, June 30	<u><u>\$ 6,625,691</u></u>	<u><u>\$ 174,043</u></u>	<u><u>\$ 281,998</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 7,081,733</u></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, 2024

Total net changes in fund balances - Governmental fund (from B-2)	\$	(336,764)
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Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses.

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

Capital outlays	\$ 903,300		
Depreciation and amortization expense	<u>(1,366,451)</u>		(463,151)

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	1,625,000		
Lease principal payments	<u>258,095</u>		1,883,095

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.

287,755

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 (continued)
For the Fiscal Year Ended June 30, 2024

In the Statement of Activities, deferred outflows for refunding bond costs are amortized to current year expenses over the amortization period. \$ (101,675)

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. (2,806)

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. (68,056)

Change in net position of governmental activities \$ 1,198,398

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Fund Net Position
June 30, 2024

	Food Service Fund	Before and After School Child Care Fund	Total
Asset			
Current assets			
Cash and cash equivalents	\$ 302,398	\$ 70,827	\$ 373,225
Due from other funds	2,757	-	2,757
Receivables from other governments			
State	5,590	-	5,590
Federal	92,523	-	92,523
Other receivables	52,974	24,600	77,574
Inventory	21,464	-	21,464
Total current assets	<u>477,706</u>	<u>95,427</u>	<u>573,133</u>
Noncurrent assets			
Capital assets	240,874	-	240,874
Less: accumulated depreciation	156,114	-	156,114
Total noncurrent assets	<u>84,760</u>	<u>-</u>	<u>84,760</u>
Total assets	<u>562,466</u>	<u>95,427</u>	<u>657,893</u>
Liabilities			
Current liabilities			
Due to other funds	10,693	436	11,129
Accounts payable	75,964	9,069	85,033
Accrued salaries	-	5,641	5,641
Unearned revenues			
Commodities	3,621	-	3,621
Prepaid sales	14,058	-	14,058
Total liabilities	<u>104,336</u>	<u>15,146</u>	<u>119,482</u>
Net position			
Net investment in capital assets	84,760	-	84,760
Unrestricted	373,370	80,281	453,651
Total net position	<u>\$ 458,130</u>	<u>\$ 80,281</u>	<u>\$ 538,411</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, 2024

	Food Service Fund	Before and After School Child Care Fund	Total
Operating revenues			
Charges for services			
Daily sales - reimbursable programs	\$ 231,836	\$ -	\$ 231,836
Daily sales - non-reimbursable programs	107,261	-	107,261
Special function sales	5,915	-	5,915
Before and after school child care service fees	-	396,003	396,003
Total operating revenues	<u>345,012</u>	<u>396,003</u>	<u>741,015</u>
Operating expenses			
Cost of sales - reimbursable programs	299,487	-	299,487
Cost of sales - nonreimbursable programs	51,158	-	51,158
Commodity costs	69,844	-	69,844
Salaries	270,710	254,534	525,244
Employee benefits	86,527	19,040	105,567
Purchased professional and technical services	8,934	14,395	23,329
Purchased property services	29,204	-	29,204
Rental of land and buildings	-	35,000	35,000
Other purchased services			
Management fee	31,551	-	31,551
Insurance	4,848	-	4,848
Other purchased services	6,048	19,638	25,686
General supplies	56,952	9,743	66,695
Depreciation	10,682	-	10,682
Miscellaneous expenditures	2,741	-	2,741
Total operating expenses	<u>928,686</u>	<u>352,350</u>	<u>1,281,036</u>
Operating income (loss)	<u>(583,674)</u>	<u>43,653</u>	<u>(540,021)</u>
Non-operating revenues (expenses)			
State sources			
State school lunch program	26,950	-	26,950
Federal sources			
National school breakfast program	67,810	-	67,810
National school lunch program			
Cash assistance	341,590	-	341,590
Non-cash assistance (commodities)	69,844	-	69,844
P-EBT	653	-	653
Supply chain assistance	40,637	-	40,637
Local Food Program	5,765	-	5,765
Miscellaneous	1,822	898	2,720
Total non-operating revenues (expenses)	<u>555,071</u>	<u>898</u>	<u>555,969</u>
Change in net position	(28,603)	44,551	15,948
Net position, beginning	<u>486,733</u>	<u>35,730</u>	<u>522,463</u>
Net position, ending	<u>\$ 458,130</u>	<u>\$ 80,281</u>	<u>\$ 538,411</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, 2024

	Food Service Fund	Before and After School Child Care Fund	Total
Cash flows from operating activities			
Receipts from services provided (net)	\$ 318,478	\$ 371,403	\$ 689,881
Payments to employees	-	(248,893)	(248,893)
Payments for employee benefits	-	(19,040)	(19,040)
Payments to Food Service Management Co. (net)	(733,504)	-	(733,504)
Payments to vendors and customers (net)	(66,119)	(69,983)	(136,102)
Interfund activity	882	(436)	446
Net cash provided by (used for) operating activities	<u>(480,263)</u>	<u>33,051</u>	<u>(447,212)</u>
Cash flows from non-capital financing activities			
State sources	24,483	-	24,483
Federal sources	440,982	-	440,982
Interfund activity	18,240	-	18,240
Miscellaneous	1,822	898	2,720
Net cash provided by (used for) non-capital financing activities	<u>485,527</u>	<u>898</u>	<u>486,425</u>
Net increase (decrease) in cash and cash equivalents	5,264	33,949	39,213
Cash and cash equivalents, beginning	<u>297,134</u>	<u>36,878</u>	<u>334,012</u>
Cash and cash equivalents, ending	<u><u>\$ 302,398</u></u>	<u><u>\$ 70,827</u></u>	<u><u>\$ 373,225</u></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, 2024

	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)	\$ (583,674)	\$ 43,653	\$ (540,021)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	10,682	-	10,682
Federal food donation program	69,844	-	69,844
(Increase) decrease in due from other funds	(1,580)	-	(1,580)
(Increase) decrease in accounts receivable	(22,742)	(24,600)	(47,342)
(Increase) decrease in inventory	658	-	658
Increase (decrease) in accounts payable	48,261	8,819	57,080
Increase (decrease) in due to other funds	-	436	436
Increase (decrease) in unearned revenues	(343)	-	(343)
Increase (decrease) in prepaid expenses	(1,369)	-	(1,369)
Increase (decrease) in accrued salaries	-	5,641	5,641
Increase (decrease) in other current liabilities	-	(898)	(898)
Net cash provided by (used for) operating activities	<u>\$ (480,263)</u>	<u>\$ 33,051</u>	<u>\$ (447,212)</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, 2024 of 1,605 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 monies under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board Resolution.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities. Amounts maintained for private purpose scholarship accounts are utilized for scholarship awards to qualifying students.

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

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

Additionally, the District reports the following fund types:

Proprietary Fund types

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

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

Proprietary Fund types

Enterprise Fund - The enterprise fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's enterprise funds are comprised of the food service fund and the before and after school childcare fund.

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

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

Equipment	12 Years
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Fiduciary Fund types

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

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution. Budget amendments during the fiscal year ended June 30, 2024 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 2023-2024 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, 2024.

J. Capital assets

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

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

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

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

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the Balance Sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

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

L. Unearned revenue

Unearned revenue in the general fund and special revenue fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the special revenue fund.

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

M. Long-term obligations

In the government-wide financial statements, and in internal service fund types in the Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the Fund Financial Statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

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

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

O. Fund balances - governmental funds

In the Fund Financial Statements, governmental funds report the following classifications of fund balance:

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

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

- *Unassigned* - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted general fund balance policy described below as unassigned:

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

P. Use of estimates

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

Q. Allocation of indirect expenses

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

R. Deferred outflows/inflows of resources

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

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

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

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

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

School taxes are guaranteed, as to amount of collection, by the Municipality (the collection agency) and are transmitted to the School District in accordance with the Schedule of Tax Installments as certified by the School District's Board of Education on an annual basis.

Note 3 - Deposits and cash equivalents

Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash and cash equivalents regardless of the date of maturity. As of June 30, 2024, 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, 2024, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	7,563,786
Total bank balances	<u>\$ 7,813,786</u>

Deposits at June 30, 2024 appear in the financial statements as summarized below:

	<u>Ref.</u>	
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$ 1,626,675
Enterprise funds, Statement of Net Position	B-4	373,225
Restricted cash		
Governmental funds, Balance Sheet	B-1	4,852,309
Total cash		<u>\$ 6,852,209</u>

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, 2024 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	1,112,202	346,227	-	1,458,429
Total	1,527,202	346,227	-	1,873,429
Capital assets, being depreciated or amortized				
Land improvements	1,171,471	75,628	47,800	1,199,299
Building and improvements	51,420,635	306,320	-	51,726,955
Furniture and equipment	2,154,136	175,125	-	2,329,261
Vehicles	62,542	-	-	62,542
Right-to-use asset	741,709	-	-	741,709
Total	55,550,493	557,073	47,800	56,059,766
Accumulated depreciation and amortization				
Land improvements	953,540	28,936	47,800	934,676
Building and improvements	21,170,178	1,077,854	-	22,248,032
Furniture and equipment	1,613,048	213,259	-	1,826,307
Vehicles	18,571	5,863	-	24,434
Right-to-use asset	51,519	40,539	-	92,058
Total	23,806,856	1,366,451	47,800	25,125,507
Total capital assets, being depreciated, net	31,743,637	(809,378)	-	30,934,259
Governmental activities capital assets, net	\$ 33,270,839	\$ (463,151)	\$ -	\$ 32,807,688
Business type activities				
Furniture equipment	\$ 240,874	\$ -	\$ -	\$ 240,874
Less: accumulated depreciation	(145,432)	(10,682)	-	(156,114)
Business type activities capital assets, net	\$ 95,442	\$ (10,682)	\$ -	\$ 84,760

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	\$ 570,176
Special education	182,516
Other special instruction	23,213
Co-curricular activities	67,802
Support services	
Student and instruction	327,609
General and business administration	93,185
School administration	83,090
Plant and maintenance	18,860
Total depreciation and amortization expense, governmental activities	<u>\$ 1,366,451</u>

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 13,015,000	\$ -	\$ 1,625,000	\$ 11,390,000	\$ 1,640,000
PERS net pension liability	6,391,643	-	437,023	5,954,620	-
Leases payable	788,079	-	258,095	529,984	247,180
Compensated absences payable	463,321	68,056	-	531,377	15,663
Total governmental activities long-term liabilities	<u>\$ 20,658,043</u>	<u>68,056</u>	<u>\$ 2,320,118</u>	<u>\$ 18,405,981</u>	<u>\$ 1,902,843</u>

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, 2024 including interest payments are listed as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,980,000	74,020	2,054,020
2030	2,020,000	38,380	2,058,380
Total	<u>\$ 11,390,000</u>	<u>\$ 697,764</u>	<u>\$ 12,087,764</u>

General Obligation Bonds - General obligation school building bonds payable at June 30, 2024, 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%.	\$ 1,120,000
\$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%.	10,270,000
Totals	<u>\$ 11,390,000</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, 2024 is \$65,171,167. General obligation debt at June 30, 2024 is \$11,390,000, resulting in a legal debt margin of \$53,781,167.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

Leases payable - Leases payable at June 30, 2024, with their outstanding balances are comprised of the following:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 247,180	\$ 19,530	\$ 266,710
2026	138,473	11,963	150,436
2027	144,331	6,105	150,436
Total	<u>\$ 529,984</u>	<u>\$ 37,598</u>	<u>\$ 567,582</u>

\$222,389 - Communication system, commencing 3/25/2020, 0.56% interest, due in monthly installments beginning April 1, 2020 through March 31, 2025.	\$ 33,744
\$87,347 - Copiers, commencing 10/25/2021, 2.88% interest, due in monthly installments beginning June 28, 2022 through May 28, 2025.	26,359
\$99,192 - Modular classrooms, commencing 3/10/2023, 4.60% interest, due in monthly installments beginning July 1, 2023 through June 1, 2025.	54,223
\$560,170 - Chromebooks, commencing 5/17/23, 4.23% interest, due in annual installments beginning August 15, 2023 through August 15, 2026.	415,658
Total	<u>\$ 529,984</u>

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 Empower 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 System (PERS)

Plan description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to 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 System (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

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, 2022 through June 30, 2023. 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.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Allocation methodology and reconciliation to financial statements (continued)

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, 2023 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, 2023 measurement date.

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 2023, the State's pension contribution was more 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, 2024 was 15.76% 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.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT

Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Allocation methodology and reconciliation to financial statements (continued)

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

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, deferred outflows of resources, or deferred inflows of resources 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, 2023:

Total pension liability	\$ 5,954,620
Proportionate Share	0.0411106467%

Plan fiduciary net position as a percentage of the total pension liability	65.23%
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The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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 System (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, 2022 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, 2023 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, 2023 measurement date are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Rate of Return
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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, 2023 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%)	\$ 5,954,620
At a 1% lower rate (6.00%)	7,817,001
At a 1% higher rate (8.00%)	4,462,418

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2023 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	\$ 56,934	\$ 24,341
Changes of assumptions	13,081	360,875
Net difference between projected and actual earnings on pension plan investments	27,422	-
Changes in proportion and differences between District contributions and proportionate share of contributions	351,403	166,294
District contributions subsequent to the measurement date	549,455	-
Total	<u>\$ 998,295</u>	<u>\$ 551,510</u>

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Collective deferred outflows and 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, 2024, the plan measurement date is June 30, 2023) of \$549,455 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

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, 2023 measurement date:

	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 46,132	\$ 10,802	\$ 56,934
Changes of assumptions	19,803	(6,722)	13,081
Differences between expected and actual investment earnings	264,544	(237,122)	27,422
Deferred inflows of resources			
Differences between expected and actual experience	(40,682)	16,341	(24,341)
Changes of assumptions	(957,082)	596,207	(360,875)
Difference between projected and actual earnings on pension plan investments	-	-	-
Net changes	<u>\$ (667,285)</u>	<u>\$ 379,506</u>	<u>\$ (287,779)</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)

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>		
2024	\$	(314,381)
2025		(175,476)
2026		245,215
2027		(43,884)
2028		747
Total	\$	<u>(287,779)</u>

Changes in proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years for the 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

Pension expense (benefit)

For the year ended June 30, 2024, the District recognized net pension expense (benefit) of \$261,702, which represents the District's proportionate share of allocable plan pension expense (benefit) of (\$60,020), plus the net amortization of deferred amounts from changes in proportion of \$337,086, plus other adjustments to the net pension liability of (\$15,364). 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, 2023 measurement date are as follows:

Service cost	\$	498,141
Interest on total pension liability		1,881,212
Benefit Changes		-
Member contributions		(401,750)
Administrative expense		8,791
Expected investment return net of investment expense		(1,108,883)
Pension expense related to specific liabilities of individual employers		(7,403)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		32,474
Changes of assumptions		(908,395)
Difference between projected and actual investment earnings on pension plan investments		(54,207)
Pension expense (benefit)	\$	<u>(60,020)</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:

<u>Tier</u>	<u>Member Eligibility</u>
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 2023, 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 of resources or deferred inflows of resources 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, 2023, the State of New Jersey contributed \$4,969,443 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, 2023 measurement date is as follows:

District proportionate share of net pension liability	\$ 93,174,107
Less: State proportionate share of net pension liability	<u>32,308,612</u>
Net pension liability	<u>\$ 60,865,495</u>
Proportionate share	0.1192677068%
Plan fiduciary net position as a percentage of the total pension liability	34.68%

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, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate

Price	2.75%
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Wage	3.25%
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Salary increases (based on years of service)	2.75 - 4.25%
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Investment rate of return	7.00%
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Preretirement 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, 2022 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, 2023 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, 2023 measurement date are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Rate of Return
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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, 2023 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%)	\$ 60,865,495
At a 1% lower rate (6.00%)	71,771,463
At a 1% higher rate (8.00%)	51,680,077

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, 2023 measurement date are as follows:

Service cost	\$ 1,624,687
Interest on total pension liability	6,274,674
Benefit Changes	-
Member contributions	(1,111,125)
Administrative expense	16,174
Expected investment return net of investment expense	(2,029,232)
Pension expense related to specific liabilities of individual employers	(535)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	233,127
Changes of assumptions	(3,630,935)
Difference between projected and actual investment earnings on pension plan investments	118,453
Pension expense (benefit)	<u>\$ 1,495,288</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 (\$9,300 in 2024) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Empower, makes information regarding the program available on its New Jersey Defined Contribution Program website: njplans.empower-retirement.com.

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 ended June 30, 2024 was \$6,690.

D. Other pension plan information

During the year ended June 30, 2024, the State of New Jersey contributed \$1,484,643 to the TPAF for postretirement medical benefits, \$61,509 for non-contributory insurance premiums, \$2,619 for long-term disability insurance, and \$5,393,460 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 \$1,166,507 during the year ended June 30, 2024 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, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. 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 2023 total OPEB liability of \$52,361,668,239 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, 2023 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 52,361,668,239
District's proportionate share of the State's OPEB liability	57,113,033
Employer OPEB expense and related revenue	1,638,169
Allocable proportionate percentage	0.1090741279%

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, 2022	\$ 54,617,206
Service cost	2,719,964
Interest cost	2,011,451
Change of benefit terms	-
Differences between expected and actual experiences	(834,291)
Changes of assumptions	115,116
Member contributions	51,546
Gross benefit payments	(1,567,959)
Total OPEB liability at June 30, 2023	\$ 57,113,033

There were no changes of the benefit terms from June 30, 2022 to June 30, 2023.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% as of the June 30, 2022 Plan measurement date to 3.65% as of the June 30, 2023 Plan measurement date.

The total non-employer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. 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 July 1, 2022 valuation were based on the results of the TPAF and PERS experience studies prepared for July 1, 2018 - June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

Health care trend assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate for June 30, 2023 was 3.65%. 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, 2023 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 (3.65%)	\$ 57,113,033
At a 1% lower rate (2.65%)	66,955,226
At a 1% higher rate (4.65%)	49,210,894

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% point lower or 1% point higher than the current healthcare cost trend rates:

Total OPEB liability (school retirees)

Healthcare cost trend rate	\$ 57,113,033
At a 1% lower rate (1% decrease)	47,412,623
At a 1% higher rate (1% increase)	69,806,045

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT

Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expense (revenue) of \$1,638,169 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, 2024 is as follows:

Fund	Receivable Fund	Payable Fund
General fund	\$ 167,266	\$ 2,406
Special revenue fund	10,778	167,266
Food service fund	2,757	10,693
Before and after care fund	-	436
Total	\$ 180,801	\$ 180,801

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 \$167,266 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 \$2,321 represents transactions occurring in the general fund affecting the food service fund. The balance due from the food service fund to the special revenue fund of \$10,693 represents transactions occurring in the special revenue fund affecting the food service fund as well as an equipment grant received. The balance of \$436 due from the before and after care fund to the food service fund represents transactions occurring in the food service fund affecting the before and aftercare 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, 2024 consisted of the following:

Food	\$ 12,252
Supplies	9,212
Total	<u>\$ 21,464</u>

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
2023 - 2024	\$ -	\$ -	\$ 39,256	\$ 31,284	\$ 158,950
2022 - 2023	-	43,886	33,893	-	150,977
2021 - 2022	-	21,706	33,575	-	73,198

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.

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

Reserve Type	Beginning Balance	District Contribution	Return of Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 3,088,256	\$ 1,000,000	\$ 1,306,279	\$ 1,792,147	\$ 3,602,388
Emergency	280,151	-	-	200,000	80,151
Maintenance	452,255	73,262	-	186,592	338,925
Total	<u>\$ 3,820,662</u>	<u>\$ 1,073,262</u>	<u>\$ 1,306,279</u>	<u>\$ 2,178,739</u>	<u>\$ 4,021,464</u>

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, 2024 is as follows:

Restricted

Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	\$ 3,602,388
--	--------------

Emergency reserve account - Represents funds restricted to finance unanticipated general fund expenditures required for a thorough and efficient education.	80,151
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Maintenance reserve account - Represents funds restricted for required maintenance of school facilities.	338,925
--	---------

Unemployment - Represents funds accumulated for future unemployment claims	83,511
--	--------

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.	107,152
--	---------

Assigned

Designated for subsequent year's expenditures - Represents amount appropriated in the succeeding year's budget to reduce tax requirements.	1,686,878
--	-----------

Unassigned

Undesignated - Represents fund balance which has not been restricted designated.	1,368,307
--	-----------

Total fund balance - Budgetary basis (C-1)	7,267,312
--	-----------

Last state aid payments not recognized on GAAP basis	(641,621)
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Total fund balance - GAAP basis (exhibit B-1)	<u>\$ 6,625,691</u>
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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, 2024 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, 2024 of (\$3,688,999) 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 (\$93,933) in the special revenue fund as of June 30, 2024 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.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement is effective for reporting periods beginning after June 15, 2024. The District is evaluating the effect of the pronouncement on financial reporting.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement is effective for reporting periods beginning after June 15, 2025. The District is evaluating the effect of the pronouncement on financial reporting.

Note 19 - Subsequent events

The District has evaluated subsequent events through January 15, 2025, 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, 2024

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues					
Local sources					
Local tax levy	\$ 30,822,230	\$ -	\$ 30,822,230	\$ 30,822,230	\$ -
Tuition from individuals	45,000	-	45,000	18,374	(26,626)
Tuition from other LEAs within the state	200,000	-	200,000	214,849	14,849
Tuition from other sources	-	-	-	115,105	115,105
Rents and royalties	20,000	-	20,000	47,512	27,512
Unrestricted miscellaneous revenues	113,700	-	113,700	476,449	362,749
Interest earned on current expense emergency reserve	20	-	20	-	(20)
Interest earned on maintenance reserve	280	-	280	-	(280)
Interest earned on capital reserve funds	1,000	-	1,000	-	(1,000)
Total	31,202,230	-	31,202,230	31,694,519	492,289
State sources					
Categorical transportation aid	240,771	-	240,771	240,771	-
Extraordinary aid	700,000	-	700,000	1,161,710	461,710
Categorical special education aid	1,695,651	-	1,695,651	1,695,651	-
Equalization aid	4,413,041	-	4,413,041	4,413,041	-
Categorical security aid	66,702	-	66,702	66,702	-
Other state aid	-	-	-	109,655	109,655
TPAF Pension (on-behalf)	-	-	-	5,393,460	5,393,460
TPAF Non-contributory insurance	-	-	-	61,509	61,509
TPAF Social Security (reimbursed)	-	-	-	1,166,507	1,166,507
TPAF Postretirement benefits	-	-	-	1,484,643	1,484,643
TPAF Long-term disability insurance	-	-	-	2,619	2,619
Total	7,116,165	-	7,116,165	15,796,268	8,680,103
Federal sources					
Medicaid reimbursement	54,289	-	54,289	63,329	9,040
Total	54,289	-	54,289	63,329	9,040
Total revenues	\$ 38,372,684	\$ -	\$ 38,372,684	\$ 47,554,116	\$ 9,181,432

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Expenditures					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	\$ 516,185	\$ (93,806)	\$ 422,379	\$ 422,379	\$ -
Grades 1-5	2,692,550	(11,166)	2,681,384	2,681,384	-
Grades 6-8	1,951,496	(38,850)	1,912,646	1,912,646	-
Grades 9-12	2,851,618	(41,831)	2,809,787	2,809,787	-
Home instruction					
Salaries of teacher	30,000	15,200	45,200	45,200	-
Purchased professional - educational services	33,846	30,577	64,423	63,559	864
Regular programs - undistributed instruction					
Other salaries for instruction	165,876	82,711	248,587	248,587	-
Purchased professional - educational services	377,500	112,236	489,736	489,736	-
Other purchased services	72,083	(30,383)	41,700	38,108	3,592
General supplies	393,218	(24,873)	368,345	356,850	11,495
Textbooks	15,455	(3,182)	12,273	10,154	2,119
Other objects	1,977	2,008	3,985	2,060	1,925
Total	9,101,804	(1,359)	9,100,445	9,080,450	19,995
Special education					
Learning and/or language disabilities					
Salaries of teachers	525,874	(183,685)	342,189	342,189	-
Other salaries for instruction	297,305	(68,329)	228,976	221,620	7,356
Other purchased services	1,061	-	1,061	521	540
General supplies	8,880	(8)	8,872	6,963	1,909
Other objects	9,950	(500)	9,450	9,100	350
Total	843,070	(252,522)	590,548	580,393	10,155
Emotional regulation impairment					
Salaries of teachers	110,049	31,032	141,081	141,081	-
Other salaries for instruction	75,742	(471)	75,271	74,609	662
General supplies	12,599	(6,513)	6,086	3,206	2,880
Total	198,390	24,048	222,438	218,896	3,542
Resource room/resource center					
Salaries of teachers	2,235,072	144,553	2,379,625	2,362,988	16,637
Other salaries for instruction	383,156	(189,414)	193,742	193,742	-
Other purchased services	5,531	230	5,761	4,717	1,044
General supplies	7,830	(1,345)	6,485	5,436	1,049
Total	2,631,589	(45,976)	2,585,613	2,566,883	18,730

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Variance	
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Autism					
Salaries of teachers	\$ 377,662	\$ (36,255)	\$ 341,407	\$ 341,407	\$ -
Other salaries for instruction	169,330	21,006	190,336	163,511	26,825
Purchased professional-educational services	11,268	(2,069)	9,199	4,015	5,184
General supplies	25,611	(7,978)	17,633	17,610	23
Total	583,871	(25,296)	558,575	526,543	32,032
Preschool disabilities - full-time					
Salaries of teachers	190,000	(27,720)	162,280	162,280	-
Other salaries for instruction	59,520	38,240	97,760	97,760	-
Purchased professional - educational services	-	25,000	25,000	-	25,000
General supplies	2,492	7,050	9,542	7,672	1,870
Total	252,012	42,570	294,582	267,712	26,870
Total special education	4,508,932	(257,176)	4,251,756	4,160,427	91,329
Bilingual education - instruction					
Salaries of teachers	324,803	14,014	338,817	328,012	10,805
General supplies	6,389	-	6,389	4,346	2,043
Total	331,192	14,014	345,206	332,358	12,848
School-sponsored co/extra curricular activities - instruction					
Salaries	248,000	-	248,000	235,182	12,818
Purchased services	33,740	(2,335)	31,405	24,055	7,350
Supplies and materials	9,304	-	9,304	7,253	2,051
Other objects	4,580	2,335	6,915	6,882	33
Total	295,624	-	295,624	273,372	22,252
School-sponsored athletics - instruction					
Salaries	290,436	(1,400)	289,036	282,747	6,289
Purchased services	62,955	(5,385)	57,570	55,327	2,243
Supplies and materials	17,502	(1,018)	16,484	15,665	819
Other objects	16,385	2,690	19,075	19,075	-
Total	387,278	(5,113)	382,165	372,814	9,351
Other supplemental/at-risk programs - instruction					
Salaries of reading specialists	457,299	(56,367)	400,932	353,713	47,219
Total	457,299	(56,367)	400,932	353,713	47,219
Total instruction regular	\$ 15,082,129	\$ (306,001)	\$ 14,776,128	\$14,573,134	\$ 202,994

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the state - regular	\$ 8,660	\$ 4,263	\$ 12,923	\$ 12,923	\$ -
Tuition to other LEAs within the state - special	1,422,389	(136,357)	1,286,032	838,584	447,448
Tuition to cssd. & regional day schools	107,672	2,744	110,416	99,242	11,174
Tuition to priv. school for the disabled w/i state	1,782,527	(286,962)	1,495,565	1,226,552	269,013
Tuition - other	582,106	8,424	590,530	484,353	106,177
Total	3,903,354	(407,888)	3,495,466	2,661,654	833,812
Undistributed expenditures - attendance & social work					
Salaries	204,486	83,154	287,640	286,948	692
Other purchased services	37,000	2,026	39,026	39,026	-
Total	241,486	85,180	326,666	325,974	692
Undistributed expenditures - health services					
Salaries	320,252	7,850	328,102	328,102	-
Purchased professional and technical services	32,000	4,370	36,370	33,643	2,727
Other purchased services	2,476	(35)	2,441	1,458	983
Supplies and materials	5,104	3,277	8,381	8,075	306
Other objects	200	55	255	255	-
Total	360,032	15,517	375,549	371,533	4,016
Undistributed expenditures - speech, ot, pt & related services					
Salaries	656,879	134,019	790,898	766,652	24,246
Purchased professional - educational services	128,667	(34,790)	93,877	59,919	33,958
Supplies and materials	6,733	346	7,079	6,528	551
Total	792,279	99,575	891,854	833,099	58,755
Undistributed expend - other supp. service stds. - extra service					
Salaries	564,764	47,166	611,930	575,208	36,722
Purchased professional - educational services	406,290	701,528	1,107,818	898,464	209,354
Supplies and materials	2,910	7,945	10,855	10,314	541
Total	973,964	756,639	1,730,603	1,483,986	246,617
Undistributed expenditures - guidance					
Salaries of other professional staff	637,533	(1,000)	636,533	606,387	30,146
Salaries of secretarial and clerical assistants	63,699	531	64,230	64,230	-
Other salaries	500	-	500	342	158
Purchased professional - educational services	1,000	1,000	2,000	500	1,500
Other purchased professional and technical services	1,000	(400)	600	600	-
Other purchased services	12,996	4,348	17,344	15,480	1,864
Supplies and materials	4,966	(246)	4,720	4,477	243
Other objects	585	860	1,445	1,344	101
Total	722,279	5,093	727,372	693,360	34,012

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Undistributed expenditures - child study teams					
Salaries of other professional staff	\$ 884,428	\$ (155,826)	\$ 728,602	\$ 705,564	\$ 23,038
Salaries of secretarial and clerical assistants	165,608	-	165,608	165,106	502
Other salaries	9,200	-	9,200	8,486	714
Purchased professional - educational services	245,560	150,000	395,560	370,367	25,193
Other purchased professional and technical services	50,415	-	50,415	43,969	6,446
Other purchased services	33,798	(1,754)	32,044	26,299	5,745
Supplies and materials	18,380	2,800	21,180	17,703	3,477
Other objects	2,370	-	2,370	2,310	60
Total	1,409,759	(4,780)	1,404,979	1,339,804	65,175
Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	171,225	-	171,225	166,829	4,396
Salaries of other professional staff	53,571	(7,779)	45,792	45,282	510
Salaries of secretarial and clerical assist	4,500	-	4,500	-	4,500
Purchased professional - educational services	-	1,453	1,453	1,373	80
Other purchased services	1,150	155	1,305	555	750
Supplies and materials	1,000	364	1,364	1,094	270
Other objects	1,574	(280)	1,294	883	411
Total	233,020	(6,087)	226,933	216,016	10,917
Undistributed expenditures - edu. media service/sch. library					
Salaries	221,213	(15,276)	205,937	195,655	10,282
Salaries of technology coordinators	177,952	5,413	183,365	183,365	-
Other purchased services	16,783	(190)	16,593	13,102	3,491
Supplies and materials	6,670	(2,700)	3,970	3,291	679
Total	422,618	(12,753)	409,865	395,413	14,452
Undistributed expenditures - instructional staff training services					
Salaries of supervisor of instruction	142,097	26,932	169,029	160,088	8,941
Other salaries	9,150	(845)	8,305	500	7,805
Purchased professional - educational services	45,445	(15,945)	29,500	23,415	6,085
Other purchased services	27,340	(3,568)	23,772	17,172	6,600
Supplies and materials	5,650	(778)	4,872	2,428	2,444
Other objects	3,304	(306)	2,998	2,991	7
Total	232,986	5,490	238,476	206,594	31,882
Undistributed expend. - support service - general admin.					
Salaries	288,987	9,431	298,418	298,418	-
Legal services	100,000	(15,312)	84,688	83,688	1,000
Audit fees	39,000	1,600	40,600	40,600	-
Architectural/engineering services	3,000	26,800	29,800	21,393	8,407
Other purchased professional services	24,850	(5,302)	19,548	19,548	-
Communications/telephone	115,880	(53,782)	62,098	60,985	1,113
BOE other purchased services	5,000	(2,000)	3,000	671	2,329
Misc. purch services	200,453	(2,561)	197,892	196,528	1,364
General supplies	9,532	2,175	11,707	11,538	169
BOE in-house training/meeting supplies	2,400	(648)	1,752	1,602	150
Miscellaneous expenditures	3,400	(1)	3,399	3,022	377
BOE membership dues and fees	16,000	-	16,000	15,385	615
Total	808,502	(39,600)	768,902	753,378	15,524

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Undistributed expenditures - support service - school admin.					
Salaries of principals/assistant principals	\$ 932,750	\$ 27,163	\$ 959,913	\$ 959,913	\$ -
Salaries of secretarial and clerical assistants	542,949	(1,088)	541,861	541,637	224
Other salaries	-	15,096	15,096	15,096	-
Purchased professional and technical services	5,000	7,100	12,100	6,233	5,867
Other purchased services	31,914	(200)	31,714	25,233	6,481
Supplies and materials	36,233	476	36,709	36,709	-
Other objects	6,950	2,373	9,323	8,490	833
Total	1,555,796	50,920	1,606,716	1,593,311	13,405
Undistributed expenditures - central services					
Salaries	457,963	25,184	483,147	472,789	10,358
Unused vacation payment to terminated/retired staff	-	10,242	10,242	10,242	-
Purchased professional services	53,000	1,393	54,393	53,937	456
Purchased technical services	25,100	3,190	28,290	28,290	-
Miscellaneous purchased services	19,046	(1,397)	17,649	14,094	3,555
Supplies and materials	7,000	3,713	10,713	3,949	6,764
Interest on lease purchase agreements	-	1,969	1,969	1,969	-
Other objects	2,150	110	2,260	2,260	-
Total	564,259	44,404	608,663	587,530	21,133
Undistributed expenditures - admin. info. technology					
Salaries	59,150	41,798	100,948	100,948	-
Other purchased services	22,076	11,985	34,061	30,298	3,763
Total	81,226	53,783	135,009	131,246	3,763
Undistributed expenditures - req. maint. for school facilities					
Salaries	320,304	(9,427)	310,877	310,877	-
Cleaning, repair, and maintenance services	294,523	(61,419)	233,104	191,940	41,164
General supplies	71,200	26,260	97,460	94,744	2,716
Other objects	1,000	-	1,000	200	800
Total	687,027	(44,586)	642,441	597,761	44,680
Undistributed expenditures - custodial services					
Salaries of non-instructional aides	95,589	9,167	104,756	104,385	371
Purchased professional and technical services	20,400	(1,875)	18,525	6,066	12,459
Cleaning, repair, and maintenance service	1,379,603	1,300	1,380,903	1,375,307	5,596
Rental of land & bldg. other than lease purch agreement	377,026	40,966	417,992	417,952	40
Other purchased property services	46,000	(688)	45,312	28,639	16,673
Insurance	75,747	-	75,747	75,747	-
Miscellaneous purchased services	-	3,955	3,955	3,267	688
General supplies	103,504	(5,959)	97,545	92,731	4,814
Energy (natural gas)	160,000	(28,529)	131,471	78,131	53,340
Energy (electricity)	330,000	109,000	439,000	388,222	50,778
Other objects	3,590	-	3,590	2,250	1,340
Total	2,591,459	127,337	2,718,796	2,572,697	146,099
Undistributed expenditures - care and upkeep of grounds					
Cleaning, repair, and maintenance service	92,480	(2,484)	89,996	86,653	3,343
General supplies	12,000	-	12,000	11,602	398
Total	104,480	(2,484)	101,996	98,255	3,741

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Variance
	Original Budget	Budget Transfers	Final Budget	Final to Actual
Undistributed expenditures - security				
Salaries	\$ 102,687	\$ -	\$ 102,687	\$ 96,707 \$ 5,980
Purchased professional and technical services	1,800	-	1,800	650 1,150
Cleaning, repair, and maintenance service	10,800	(2,123)	8,677	1,543 7,134
General supplies	9,000	2,123	11,123	10,912 211
Total	124,287	-	124,287	109,812 14,475
Undistributed expenditures - student trans. service				
Salaries for pupil trans. (betw. home & school) - reg.	11,400	-	11,400	11,400 -
Salaries for pupil trans. (betw. home & school) - sp.	11,400	-	11,400	11,400 -
Management fee - ESC & CTSAs trans. program	115,000	8,050	123,050	115,051 7,999
Contract service-aid in lieu pymts. - non-public schl.	250,000	6,582	256,582	256,582 -
Contract service-aid in lieu pymts.-charter schl. stud.	15,000	(3,350)	11,650	11,650 -
Contract service (oth. than betw. home & schl)-vend.	186,440	(5,933)	180,507	135,752 44,755
Contract service (betw. home & school) - joint agree.	-	401	401	401 -
Contract service (sp. ed. stds.) - joint agreements	-	25,939	25,939	25,939 -
Contract service (reg. students) - ESCs & CTSAs	770,000	63,491	833,491	805,456 28,035
Contract service (spl. ed. students) - ESCs & CTSAs	1,602,635	(24,562)	1,578,073	1,481,830 96,243
Total	2,961,875	70,618	3,032,493	2,855,461 177,032
Unallocated benefits - employee benefits				
Social Security contributions	380,000	68,495	448,495	448,495 -
Other retirement contributions - PERS	541,970	7,486	549,456	549,456 -
Other retirement contributions - regular	4,000	6,994	10,994	10,994 -
Unemployment compensation	20,000	(7,486)	12,514	- 12,514
Workmen's compensation	151,251	(799)	150,452	147,499 2,953
Health benefits	5,523,508	(217,689)	5,305,819	5,026,656 279,163
Tuition reimbursement	40,000	9,216	49,216	44,722 4,494
Other employee benefits	207,825	(21,200)	186,625	92,392 94,233
Unused sick payment to terminated/retired staff	48,000	-	48,000	16,245 31,755
Total	6,916,554	(154,983)	6,761,571	6,336,459 425,112
On-behalf TPAF Pension contribution	-	-	-	5,393,460 (5,393,460)
On-behalf TPAF Non-contributory insurance	-	-	-	61,509 (61,509)
On-behalf TPAF Postretirement medical benefits	-	-	-	1,484,643 (1,484,643)
On-behalf TPAF Long-term disability insurance	-	-	-	2,619 (2,619)
Reimbursed TPAF Social Security contribution	-	-	-	1,166,507 (1,166,507)
Total	-	-	-	8,108,738 (8,108,738)
Total undistributed expenditures	\$ 25,687,242	\$ 641,395	\$ 26,328,637	\$32,272,081 \$ (5,943,444)
Total current	\$ 40,769,371	\$ 335,394	\$ 41,104,765	\$46,845,215 \$ (5,740,450)

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Capital outlay					
Equipment					
Grades 1-5	\$ -	\$ 5,400	\$ 5,400	\$ 2,696	\$ 2,704
Grades 9-12	4,996	8,845	13,841	13,840	1
Special education - instruction					
Autism	-	4,215	4,215	4,215	-
School-sponsored and other instructional programs	-	3,712	3,712	3,312	400
Undistributed					
Undistributed expend. - support service - related & extra.	-	12,545	12,545	8,578	3,967
Undistributed expenditures - central services	-	9,182	9,182	9,095	87
Undistributed expenditures - admin. info. technology	-	2,139	2,139	2,139	-
Undistributed expend. - req. maint. for school facilities	-	29,062	29,062	7,048	22,014
Undistributed expenditures - custodial services	-	4,223	4,223	4,223	-
Undistributed expenditures - care and upkeep of grounds	-	65,791	65,791	65,791	-
Total equipment	4,996	145,114	150,110	120,937	29,173
Facilities acquisition and construction service					
Architectural/engineering services	35,650	19,850	55,500	3,050	52,450
Construction services	1,344,893	(485,868)	859,025	18,764	840,261
Lease purchase agreements - principal	-	72,747	72,747	72,747	-
Assessment for debt service on SDA funding	54,023	-	54,023	54,023	-
Total facilities acquisition and construction service	1,434,566	(393,271)	1,041,295	148,584	892,711
Total capital outlay	\$ 1,439,562	\$ (248,157)	\$ 1,191,405	\$ 269,521	\$ 921,884
Transfer of funds to charter schools	\$ 250,546	\$ 35,705	\$ 286,251	\$ 286,251	\$ -
Total expenditures	\$ 42,459,479	\$ 122,942	\$ 42,582,421	\$ 47,400,987	\$ (4,818,566)
Excess (deficiency) of revenues over (under) expenditures	\$ (4,086,795)	\$ (122,942)	\$ (4,209,737)	\$ 153,129	\$ 4,362,866
Other financing sources (uses)					
Operating transfer out					
Transfer to special revenue fund - preschool programs	(58,043)	(30,793)	(88,836)	(88,836)	-
Capital reserve - transfer to capital projects fund	-	(466,018)	(466,018)	(466,018)	-
Total other financing sources (uses)	(58,043)	(496,811)	(554,854)	(554,854)	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(4,144,838)	(619,753)	(4,764,591)	(401,725)	4,362,866
Fund balances, July 1	7,669,037	-	7,669,037	7,669,037	-
Fund balances, June 30	\$ 3,524,199	\$ (619,753)	\$ 2,904,446	\$ 7,267,312	\$ 4,362,866

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (433,600)	\$ -	\$ (433,600)	\$ (433,600)	\$ -
Increase in capital reserve	-	2,306,279	2,306,279	2,306,279	-
Interest deposit to capital reserve	1,000	-	1,000	-	(1,000)
Withdrawal from capital reserve	(1,326,129)	(466,018)	(1,792,147)	(1,792,147)	-
Interest earned on emergency reserve	20	-	20	-	(20)
Withdrawal from emergency reserve	(200,000)	-	(200,000)	(200,000)	-
Increase in maintenance reserve	-	-	-	73,262	73,262
Interest earned on maintenance reserve	280	-	280	-	(280)
Withdrawal from maintenance reserve	(186,592)	-	(186,592)	(186,592)	-
Interest earned on unemployment compensation	-	-	-	1	1
Budgeted fund balance	(1,999,817)	(2,460,014)	(4,459,831)	(168,928)	4,290,903
Total	<u>\$ (4,144,838)</u>	<u>\$ (619,753)</u>	<u>\$ (4,764,591)</u>	<u>\$ (401,725)</u>	<u>\$ 4,362,866</u>
Recapitulation of fund balance					
Restricted fund balance					
Capital reserve				\$ 3,602,388	
Emergency reserve				80,151	
Maintenance reserve				338,925	
Unemployment compensation				83,511	
Committed fund balance					
Year-end encumbrances				107,152	
Assigned fund balance					
Designated for subsequent year's expenditures				1,686,878	
Unassigned fund balance				<u>1,368,307</u>	
Fund balance per budgetary basis				7,267,312	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(641,621)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 6,625,691</u>	

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources	\$ 510,633	\$ -	\$ 510,633	\$ 476,065	\$ (34,568)
State sources	897,755	-	897,755	895,766	(1,989)
Federal sources	3,235,885	-	3,235,885	2,881,657	(354,228)
Total revenues	4,644,273	-	4,644,273	4,253,488	(390,785)
Other Financing Sources					
Transfers In	88,836	-	88,836	88,836	-
Total revenues & other financing sources	\$ 4,733,109	\$ -	\$ 4,733,109	\$ 4,342,324	\$ (390,785)
Expenditures					
Instruction					
Salaries	\$ 793,719	\$ 41,099	\$ 834,818	\$ 796,040	\$ 38,778
Other salaries - aides	106,198	7,683	113,881	113,881	-
Other salaries	-	118,698	118,698	53,109	65,589
Purchased professional and technical services	28,933	506	29,439	27,450	1,989
Other purchased services	66,199	(7,653)	58,546	52,770	5,776
General supplies	208,036	65,312	273,348	240,178	33,170
Textbooks	5,607	-	5,607	5,607	-
Total	1,208,692	225,645	1,434,337	1,289,035	145,302
Support services					
Tuition	490,615	-	490,615	490,584	31
Salaries	269,862	(234,845)	35,017	15,513	19,504
Salaries of supervisors	293,809	(184,699)	109,110	109,110	-
Salaries of program directors	-	20,514	20,514	20,514	-
Other professional staff	11,475	109,446	120,921	116,419	4,502
Salaries of secretarial staff	-	10,312	10,312	10,312	-
Other salaries	90,062	168,005	258,067	239,009	19,058
Employee benefits	296,599	114,213	410,812	382,602	28,210
Purchased professional and technical services	347,925	(27,536)	320,389	240,017	80,372
Plant operations and maintenance	2,112	-	2,112	-	2,112
Other purchased services	130,744	(6,300)	124,444	45,785	78,659
Transportation	-	1,538	1,538	1,538	-
Supplies and materials	147,342	(72,259)	75,083	54,902	20,181
Administrative (indirect) costs	18,266	-	18,266	18,262	4
Other objects	6,035	-	6,035	5,995	40
Student activities	386,305	-	386,305	386,305	-
Scholarships	13,631	-	13,631	13,631	-
Total	2,504,782	(101,611)	2,403,171	2,150,498	252,673

See independent auditors' reports.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2024

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital outlay					
Facilities	\$ 868,283	\$ (126,338)	\$ 741,945	\$ 739,926	\$ 2,019
Instructional equipment	85,427	17,226	102,653	102,653	-
Non-instructional equipment	65,925	(14,922)	51,003	48,001	3,002
Total	<u>1,019,635</u>	<u>(124,034)</u>	<u>895,601</u>	<u>890,580</u>	<u>5,021</u>
Total expenditures	<u>\$ 4,733,109</u>	<u>\$ -</u>	<u>\$ 4,733,109</u>	<u>\$ 4,330,113</u>	<u>\$ 402,996</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ 12,211	\$ 12,211
Fund balances, July 1	<u>255,765</u>	<u>-</u>	<u>255,765</u>	<u>255,765</u>	<u>-</u>
Fund balances, June 30	<u>\$ 255,765</u>	<u>\$ -</u>	<u>\$ 255,765</u>	<u>\$ 267,976</u>	<u>\$ 12,211</u>
Recapitulation of fund balance					
Restricted fund balance					
Scholarships				\$ 72,183	
Student activities				195,793	
Fund balance per budgetary basis				<u>267,976</u>	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(93,933)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 174,043</u>	

See independent auditors' reports.

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, 2024

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

Sources/Inflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 47,554,116	\$ 4,253,488
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	-	43,841
Outstanding encumbrances - current year	-	(496,210)
Prior year encumbrances canceled	-	(24,515)
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	483,614	22,692
State aid receivable current year	(641,621)	(93,933)
Total revenues (GAAP basis)	<u>\$ 47,396,109</u>	<u>\$ 3,705,363</u>

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, 2024

<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	\$ 47,400,987	\$ 4,330,113
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	-	43,841
Outstanding encumbrances - current year	-	(496,210)
Prior year encumbrances canceled	-	(24,515)
Total expenditures (GAAP basis)	<u>\$ 47,400,987</u>	<u>\$ 3,853,229</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 as a percentage of the total pension liability
	Percentage	Value			
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	0.0411106467%	5,954,620	3,149,497	189.07%	65.23%
2024	N/A	N/A	3,486,652	N/A	N/A

N/A = Information not available

See independent auditors' report.

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

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
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%
2024	549,455	(549,455)	-	3,486,652	15.76%

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)	Plan fiduciary net position as
	District's proportion		State's proportion	Total		as a percentage of its covered employee payroll	as a percentage of the total pension liability
	Percentage	Value					
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	0.00%	-	60,865,495	60,865,495	15,099,365	0.00%	34.68%
2024	N/A	N/A	N/A	N/A	16,222,646	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
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%
2024	4,969,443	(4,969,443)	-	16,222,646	30.63%

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	Plan fiduciary net position
				other postemployment employee		as a percentage of the	
	District's proportion		State's	liability (asset) as a percentage		total other postemployment	
	Percentage	Value	proportion	Total		of its covered employee payroll	employee benefits liability
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	0.00%	-	57,113,033	57,113,033	18,248,862	0.00%	0.00%
2024	N/A	N/A	N/A	N/A	19,709,298	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, 2024

- Note 1 - Special funding situation - PERS, 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 Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF) 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 2022 and 7.00% in State fiscal year 2023. The inflation rate was 2.75% in State fiscal year 2022 and 2.75% in State fiscal year 2023.
- Note 3 - Changes in assumptions - PERS
The discount rate was 7.00% in State fiscal year 2022 and 7.00% in State fiscal year 2023. The inflation rate was 2.75% for State fiscal year 2022 and 2.75% for State fiscal year 2023.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate increased from 3.54% in State fiscal year 2022 to 3.65% in State fiscal year 2023.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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, 2024

	School Based Youth Program	IDEA Basic	IDEA Preschool	ESEA Title IA	ESEA Title I SIA A	ESEA Title IIA
Revenues						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	319,836	512,998	15,779	287,848	51,237	73,100
Total revenues	319,836	512,998	15,779	287,848	51,237	73,100
Other financing sources						
Transfer from general fund	-	-	-	-	-	-
Total revenues and other financing sources	<u>\$ 319,836</u>	<u>\$ 512,998</u>	<u>\$ 15,779</u>	<u>\$ 287,848</u>	<u>\$ 51,237</u>	<u>\$ 73,100</u>
Expenditures						
Instruction						
Salaries	\$ -	\$ -	\$ -	\$ 83,614	\$ 7,544	\$ -
Other salaries - aides	-	-	14,658	-	-	-
Other salaries	-	-	-	35,775	-	-
Purchased professional and technical services	-	-	-	506	-	-
Other purchased services	-	-	-	-	-	-
General supplies	-	-	-	42,449	14,266	-
Textbooks	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>14,658</u>	<u>162,344</u>	<u>21,810</u>	<u>-</u>
Support services						
Tuition	-	490,584	-	-	-	-
Salaries	-	-	-	-	13,496	-
Salaries of supervisors	105,007	-	-	-	-	-
Salaries of program directors	-	-	-	-	-	-
Other professional staff	101,163	-	-	-	-	-
Salaries of secretarial staff	10,000	-	-	-	-	-
Other salaries	74,845	-	-	22,516	-	35,151
Employee benefits	-	-	1,121	39,301	1,610	2,689
Purchased professional and technical services	9,121	14,053	-	24,729	2,950	19,050
Other purchased services	8,110	-	-	3,768	1,604	12,415
Transportation	1,000	-	-	-	-	-
Supplies and materials	6,790	8,361	-	10,793	6,192	1,384
Administrative (indirect) costs	-	-	-	14,852	-	2,411
Other objects	3,800	-	-	2,195	-	-
Student activities	-	-	-	-	-	-
Scholarships	-	-	-	-	-	-
Total	<u>319,836</u>	<u>512,998</u>	<u>1,121</u>	<u>118,154</u>	<u>25,852</u>	<u>73,100</u>
Capital						
Facilities	-	-	-	-	-	-
Instructional equipment	-	-	-	-	-	-
Non-instructional equipment	-	-	-	7,350	3,575	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,350</u>	<u>3,575</u>	<u>-</u>
Total expenditures	<u>\$ 319,836</u>	<u>\$ 512,998</u>	<u>\$ 15,779</u>	<u>\$ 287,848</u>	<u>\$ 51,237</u>	<u>\$ 73,100</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances, July 1	-	-	-	-	-	-
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' reports.

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, 2024

	ESEA Title III	ESEA Title III (Immigration)	ESEA Title IV	CRRSA Learning Acceleration	CRRSA Mental Health	ARP ESSER
Revenues						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	33,239	1,248	17,241	2,860	3,429	1,339,837
Total revenues	33,239	1,248	17,241	2,860	3,429	1,339,837
Other financing sources						
Transfer from general fund	-	-	-	-	-	-
Total revenues and other financing sources	\$ 33,239	\$ 1,248	\$ 17,241	\$ 2,860	\$ 3,429	\$ 1,339,837
Expenditures						
Instruction						
Salaries	\$ -	\$ -	\$ -	\$ 2,860	\$ -	\$ 290,392
Other salaries - aides	-	-	-	-	-	-
Other salaries	9,543	-	-	-	-	100
Purchased professional and technical services	-	-	-	-	-	-
Other purchased services	-	-	2,500	-	-	497
General supplies	17,821	-	5,265	-	-	61,835
Textbooks	-	-	-	-	-	-
Total	27,364	-	7,765	2,860	-	352,824
Support services						
Tuition	-	-	-	-	-	-
Salaries	-	1,248	384	-	385	-
Salaries of supervisors	-	-	-	-	-	-
Salaries of program directors	-	-	-	-	-	-
Other professional staff	-	-	-	-	-	-
Salaries of secretarial staff	-	-	-	-	-	-
Other salaries	-	-	-	-	-	-
Employee benefits	730	-	29	-	29	157,836
Purchased professional and technical services	-	-	4,180	-	1,200	-
Other purchased services	3,839	-	1,955	-	-	-
Transportation	-	-	-	-	-	-
Supplies and materials	777	-	2,458	-	1,815	-
Administrative (indirect) costs	529	-	470	-	-	-
Other objects	-	-	-	-	-	-
Student activities	-	-	-	-	-	-
Scholarships	-	-	-	-	-	-
Total	5,875	1,248	9,476	-	3,429	157,836
Capital						
Facilities	-	-	-	-	-	726,524
Instructional equipment	-	-	-	-	-	102,653
Non-instructional equipment	-	-	-	-	-	-
Total	-	-	-	-	-	829,177
Total expenditures	\$ 33,239	\$ 1,248	\$ 17,241	\$ 2,860	\$ 3,429	\$ 1,339,837
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances, July 1	-	-	-	-	-	-
Fund balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditors' reports.

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, 2024

	NJTSS Mental Health	ARP Accelerated Learning	ARP Summer Learning	ARP Beyond the School Day	ARP IDEA Basic	ARP Homeless
Revenues						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	59,893	96,751	6,378	38,440	1,094	20,449
Total revenues	59,893	96,751	6,378	38,440	1,094	20,449
Other financing sources						
Transfer from general fund	-	-	-	-	-	-
Total revenues and other financing sources	<u>\$ 59,893</u>	<u>\$ 96,751</u>	<u>\$ 6,378</u>	<u>\$ 38,440</u>	<u>\$ 1,094</u>	<u>\$ 20,449</u>
Expenditures						
Instruction						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other salaries - aides	-	-	-	-	-	-
Other salaries	-	-	-	7,691	-	-
Purchased professional and technical services	-	-	-	-	-	-
Other purchased services	-	-	6,378	-	-	20,449
General supplies	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>6,378</u>	<u>7,691</u>	<u>-</u>	<u>20,449</u>
Support services						
Tuition	-	-	-	-	-	-
Salaries	-	-	-	-	-	-
Salaries of supervisors	-	-	-	-	-	-
Salaries of program directors	-	-	-	-	-	-
Other professional staff	15,115	-	-	-	-	-
Salaries of secretarial staff	-	-	-	-	-	-
Other salaries	16,318	-	-	-	-	-
Employee benefits	8,314	-	-	588	-	-
Purchased professional and technical services	8,343	86,832	-	24,710	1,094	-
Other purchased services	1,175	9,919	-	3,000	-	-
Transportation	-	-	-	-	-	-
Supplies and materials	10,628	-	-	2,451	-	-
Administrative (indirect) costs	-	-	-	-	-	-
Other objects	-	-	-	-	-	-
Student activities	-	-	-	-	-	-
Scholarships	-	-	-	-	-	-
Total	<u>59,893</u>	<u>96,751</u>	<u>-</u>	<u>30,749</u>	<u>1,094</u>	<u>-</u>
Capital						
Facilities	-	-	-	-	-	-
Instructional equipment	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 59,893</u>	<u>\$ 96,751</u>	<u>\$ 6,378</u>	<u>\$ 38,440</u>	<u>\$ 1,094</u>	<u>\$ 20,449</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances, July 1	-	-	-	-	-	-
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' reports.

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, 2024

	Preschool Expansion Aid	State Nonpublic	SDA Emergent and Capital Maintenance Needs	Local	Scholarships	Student Activities	Total
Revenues							
Local sources	\$ -	\$ -	\$ -	\$ 63,918	\$ 10,212	\$ 401,935	\$ 476,065
State sources	799,524	56,164	40,078	-	-	-	895,766
Federal sources	-	-	-	-	-	-	2,881,657
Total revenues	799,524	56,164	40,078	63,918	10,212	401,935	4,253,488
Other financing sources							
Transfer from general fund	88,836	-	-	-	-	-	88,836
Total revenues and other financing sources	<u>\$ 888,360</u>	<u>\$ 56,164</u>	<u>\$ 40,078</u>	<u>\$ 63,918</u>	<u>\$ 10,212</u>	<u>\$ 401,935</u>	<u>\$ 4,342,324</u>
Expenditures							
Instruction							
Salaries	\$ 411,130	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ 796,040
Other salaries - aides	99,223	-	-	-	-	-	113,881
Other salaries	-	-	-	-	-	-	53,109
Purchased professional and technical services	-	12,969	-	13,975	-	-	27,450
Other purchased services	-	-	-	22,946	-	-	52,770
General supplies	87,119	-	-	11,423	-	-	240,178
Textbooks	-	5,607	-	-	-	-	5,607
Total	<u>597,472</u>	<u>18,576</u>	<u>-</u>	<u>48,844</u>	<u>-</u>	<u>-</u>	<u>1,289,035</u>
Support services							
Tuition	-	-	-	-	-	-	490,584
Salaries	-	-	-	-	-	-	15,513
Salaries of supervisors	4,103	-	-	-	-	-	109,110
Salaries of program directors	20,514	-	-	-	-	-	20,514
Other professional staff	141	-	-	-	-	-	116,419
Salaries of secretarial staff	312	-	-	-	-	-	10,312
Other salaries	90,179	-	-	-	-	-	239,009
Employee benefits	170,317	-	-	38	-	-	382,602
Purchased professional and technical services	5,322	37,050	-	1,383	-	-	240,017
Other purchased services	-	-	-	-	-	-	45,785
Transportation	-	538	-	-	-	-	1,538
Supplies and materials	-	-	-	3,253	-	-	54,902
Administrative (indirect) costs	-	-	-	-	-	-	18,262
Other objects	-	-	-	-	-	-	5,995
Student activities	-	-	-	-	-	386,305	386,305
Scholarships	-	-	-	-	13,631	-	13,631
Total	<u>290,888</u>	<u>37,588</u>	<u>-</u>	<u>4,674</u>	<u>13,631</u>	<u>386,305</u>	<u>2,150,498</u>
Capital							
Facilities	-	-	3,002	10,400	-	-	739,926
Instructional equipment	-	-	-	-	-	-	102,653
Non-instructional equipment	-	-	37,076	-	-	-	48,001
Total	<u>-</u>	<u>-</u>	<u>40,078</u>	<u>10,400</u>	<u>-</u>	<u>-</u>	<u>890,580</u>
Total expenditures	<u>\$ 888,360</u>	<u>\$ 56,164</u>	<u>\$ 40,078</u>	<u>\$ 63,918</u>	<u>\$ 13,631</u>	<u>\$ 386,305</u>	<u>\$ 4,330,113</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ (3,419)	\$ 15,630	\$ 12,211
Fund balances, July 1	-	-	-	-	75,602	180,163	255,765
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,183</u>	<u>\$ 195,793</u>	<u>\$ 267,976</u>

See independent auditors' reports.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance Final to Actual
Expenditures			
Instruction			
Salaries	\$ 411,130	\$ 411,130	\$ -
Other salaries for instruction	99,223	99,223	-
Supplies	87,119	87,119	-
Total	<u>597,472</u>	<u>597,472</u>	<u>-</u>
Support services			
Salaries - supervisor of instruction	4,103	4,103	-
Salaries - program director	20,514	20,514	-
Salaries - other professional staff	141	141	-
Salaries - secretarial & clerical	312	312	-
Salaries - other	119	119	-
Salaries - community parent involvement	45,159	45,159	-
Salaries - master teachers	44,901	44,901	-
Employee benefits	170,317	170,317	-
Purchased professional and technical services	5,322	5,322	-
Total	<u>290,888</u>	<u>290,888</u>	<u>-</u>
Total expenditures	<u><u>\$ 888,360</u></u>	<u><u>\$ 888,360</u></u>	<u><u>\$ -</u></u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2024

Calculation of Budget & Carryover

Total revised 2023 - 2024 preschool education aid allocation	\$ 799,524
Add: actual ECPA/PEA carryover (June 30, 2023)	-
Add: budgeted transfer from general fund	<u>88,836</u>
Total preschool education aid funds available for 2023 - 2024 budget	888,360
Less: 2023 - 2024 budgeted preschool education aid	<u>(888,360)</u>
Available and unbudgeted preschool education aid funds as of June 30, 2024	-
Add: 2023 - 2024 unexpended preschool education aid	<u>-</u>
2023 - 2024 Actual carryover preschool education aid	<u><u>\$ -</u></u>
Preschool education aid carryover budgeted for preschool programs 2024 - 2025	<u><u>\$ -</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, 2024

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/24
			Prior Years	Current Year	
High School roof replacement	09/18/23	\$ 632,047	\$ -	\$ 271,240	\$ 360,807
Irving School tower section roof replacement	09/18/23	144,650	-	35,460	109,190
		<u>\$ 776,697</u>	<u>\$ -</u>	<u>\$ 306,700</u>	<u>\$ 469,997</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, 2024

Revenues and other financing sources	
Local sources - transfer from capital reserve	\$ 466,018
State sources - SDA aid	310,679
Total revenues	<u>776,697</u>
Expenditures and other financing uses	
Purchased professional and technical services	23,600
Construction services	283,100
Total expenditures and other financing uses	<u>306,700</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	469,997
Fund balance - beginning	<u>-</u>
Fund balance - ending	<u><u>\$ 469,997</u></u>
<u>Reconciliation of Fund Balance Difference for GAAP Purposes</u>	
Fund balance - Budgetary basis (Schedule F-2)	<u><u>\$ 469,997</u></u>
Receivables from other governments - State	
GAAP basis (Schedule B-1)	\$ 122,680
Budgetary basis (Schedule K-4)	<u>(310,679)</u>
Fund balance - GAAP basis (Schedule B-1)	<u><u>\$ 281,998</u></u>
<u>Reconciliation of Financial Assistance Difference for GAAP Purposes</u>	
State financial assistance - budgetary basis (Schedule F-2)	\$ 310,679
Adjustment to GAAP basis	<u>(187,999)</u>
State financial assistance - GAAP basis (Schedule B-2)	<u><u>\$ 122,680</u></u>

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
High School Roof Replacement
For the Fiscal Year Ended June 30, 2024

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	\$ -	\$ 379,228	\$ 379,228	\$ 379,228
State sources - NJ SDA ROD grant	-	252,819	252,819	252,819
Total revenues	-	632,047	632,047	632,047
Expenditures and other financing uses				
Purchased professional and technical services	-	19,205	19,205	19,205
Construction services	-	252,035	252,035	252,035
Total expenditures	-	271,240	271,240	632,047
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 360,807	\$ 360,807	\$ -

Additional Project Information

Project number	2150-050-23-R501
Grant date	9/18/2023
Bond authorized date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 632,047
Reduced authorized cost	-
Revised authorized cost	632,047
Percentage completion	43%

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
Irving School Tower Section Roof Replacement
For the Fiscal Year Ended June 30, 2024

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	\$ -	\$ 86,790	\$ 86,790	\$ 86,790
State sources - NJ SDA ROD grant	-	57,860	57,860	57,860
Total revenues	-	144,650	144,650	144,650
Expenditures and other financing uses				
Purchased professional and technical services	-	4,395	4,395	4,395
Construction services	-	31,065	31,065	31,065
Total expenditures	-	35,460	35,460	144,650
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 109,190	\$ 109,190	\$ -

Additional Project Information

Project number	2150-070-23-R501
Grant date	9/18/2023
Bond authorized date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 144,650
Reduced authorized cost	-
Revised authorized cost	144,650
Percentage completion	25%

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, 2024

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/23	Issued	Retired	Balance 06/30/24
			Date	Amount					
Refunding School Bonds of 2016	11/22/16	\$ 8,555,000	02/15/25	\$ 1,120,000	1.39%	\$ 2,260,000	\$ -	\$ 1,140,000	\$ 1,120,000
Refunding School Bonds of 2020	9/30/20	11,400,000	03/01/25	520,000	1.05%	10,755,000	-	485,000	10,270,000
			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%	-	-	-	-
								\$ 13,015,000	\$ -

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, 2024

Description	Date of Lease	Amount of Original Issue	Balance 07/01/23	Issued	Retired	Balance 06/30/24
Communication System	7/1/2020	\$ 222,389	\$ 78,517	\$ -	\$ 44,773	\$ 33,744
Copier machines	10/25/2021	87,347	54,333	-	27,974	26,359
Modular classroom	3/10/2023	99,192	95,059	-	40,836	54,223
Chromebooks	5/17/2023	560,170	560,170	-	144,512	415,658
			<u>\$ 788,079</u>	<u>\$ -</u>	<u>\$ 258,095</u>	<u>\$ 529,984</u>

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		
	Budget	Transfers	Budget	Actual	Final to Actual
Revenues					
Local sources					
Debt service tax levy	\$ 1,817,029	\$ -	\$ 1,817,029	\$ 1,817,029	\$ -
State sources					
Debt service aid	9,789	-	9,789	9,789	-
Total revenues	1,826,818	-	1,826,818	1,826,818	-
Expenditures					
Regular debt service					
Redemption of bond principal	1,625,000	-	1,625,000	1,625,000	-
Interest on bonds	201,818	-	201,818	201,818	-
Total expenditures	1,826,818	-	1,826,818	1,826,818	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balance, July 1	1	-	1	1	-
Fund balance, June 30	\$ 1	\$ -	\$ 1	\$ 1	\$ -
Recapitulation of excess (deficiency) of revenue over (under) expenditures					
Budgeted fund balance	\$ -	\$ -	\$ -	\$ -	\$ -

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,										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Government activities											
Net investment in capital assets	\$ 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	\$ 21,236,174	
Restricted	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	4,654,950	
Unrestricted	(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)	(3,688,999)	
Total governmental activities	<u>\$ 11,581,459</u>	<u>\$ 12,420,561</u>	<u>\$ 12,184,277</u>	<u>\$ 11,511,249</u>	<u>\$ 11,256,214</u>	<u>\$ 12,753,794</u>	<u>\$ 14,791,891</u>	<u>\$ 18,271,268</u>	<u>\$ 21,003,727</u>	<u>\$ 22,202,125</u>	
Business-type activities											
Net investment in capital assets	\$ 42,020	\$ 49,377	\$ 43,204	\$ 36,363	\$ 42,372	\$ 63,528	\$ 64,428	\$ 63,469	\$ 95,442	\$ 84,760	
Unrestricted	300,611	374,784	426,375	440,833	451,576	341,569	205,517	374,922	427,021	453,651	
Total business-type activities	<u>\$ 342,631</u>	<u>\$ 424,161</u>	<u>\$ 469,579</u>	<u>\$ 477,196</u>	<u>\$ 493,948</u>	<u>\$ 405,097</u>	<u>\$ 269,945</u>	<u>\$ 438,391</u>	<u>\$ 522,463</u>	<u>\$ 538,411</u>	
District-wide											
Net investment in capital assets	\$ 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	\$ 21,320,934	
Restricted	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	4,654,950	
Unrestricted	(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)	(3,235,348)	
Total district-wide	<u>\$ 11,924,090</u>	<u>\$ 12,844,722</u>	<u>\$ 12,653,856</u>	<u>\$ 11,988,445</u>	<u>\$ 11,750,162</u>	<u>\$ 13,158,891</u>	<u>\$ 15,061,836</u>	<u>\$ 18,709,659</u>	<u>\$ 21,526,190</u>	<u>\$ 22,740,536</u>	
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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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 19,116,517
Special education	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	8,006,569
Other special education	774,195	712,296	888,524	1,580,181	1,043,841	1,098,176	1,123,988	988,054	978,230	931,882
Other instruction	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	1,495,135
Support services										
Tuition	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	3,152,238
Student and instruction related services	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	10,588,646
General and business administrative services	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	1,817,761
School administration	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	2,882,137
Plant operations and maintenance	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	3,506,543
Pupil transportation	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	2,860,598
Transfer to charter schools	394,775	386,002	388,784	340,461	335,512	293,186	246,678	230,166	217,504	286,251
Interest on long term debt	1,082,075	1,034,427	698,742	623,716	584,341	560,470	605,601	440,420	254,544	360,322
Total governmental activities expenses	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	55,004,599
Business-type activities										
Food services	584,567	587,347	618,367	628,191	634,725	488,437	253,445	897,673	813,138	928,686
Other	300,133	303,049	370,663	374,038	382,942	343,817	140,359	302,748	257,013	352,350
Total business-type activities	884,700	890,396	989,030	1,002,229	1,017,667	832,254	393,804	1,200,421	1,070,151	1,281,036
Total district expenses	\$ 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	\$ 56,285,635

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program revenues										
Governmental activities										
Charges for services										
Regular instruction	\$ 48,734	\$ 50,339	\$ 46,902	\$ 70,668	\$ 151,501	\$ 159,845	\$ 40,239	\$ 151,951	\$ 207,268	\$ 348,328
Special education instruction	36,016	20,687	-	-	-	-	-	-	-	-
Student and instruction related services	-	-	1,408	485	-	-	-	230,258	321,013	412,147
General and business administrative services	4	-	-	-	-	-	-	-	-	-
Plant operations and maintenance	75,108	121,145	172,616	63,951	49,326	36,881	75,315	8,258	44,340	47,512
Operating grants and contributions	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	3,293,216
Capital grants and contributions	235,293	44,475	-	(32,939)	-	-	-	-	-	122,680
Total governmental activities program revenues	<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>	<u>4,223,883</u>
Business-type activities										
Charges for services										
Food service	298,563	293,412	299,870	289,002	306,704	212,932	4,784	46,198	275,042	345,012
Other	322,526	366,190	386,754	375,432	373,331	271,471	23,785	244,333	286,181	396,003
Operating grants and contributions	309,568	312,324	349,560	345,412	354,384	258,480	225,937	1,076,937	551,484	553,249
Total business-type activities program revenues	<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>	<u>1,294,264</u>
Total district - program revenues	<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>	<u>\$ 5,518,147</u>
Net (expense) revenues										
Governmental activities	\$ (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)	\$ (50,780,716)
Business-type activities	45,957	81,530	47,154	7,617	16,752	(89,371)	(139,298)	167,047	42,556	13,228
Total district-wide net expenses	<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>	<u>\$ (50,767,488)</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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues and other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 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	\$ 30,822,230
Taxes levied for debt service	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	1,817,029
Unrestricted grants and contributions	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	18,863,406
Investment earnings	6,058	7,739	11,170	21,744	28,592	20,870	2,524	2,934	129,204	211,330
Capital grants deobligated	-	-	-	-	-	-	-	(2,889)	-	-
Miscellaneous income	92,720	76,214	44,173	30,338	53,819	30,222	50,594	88,143	223,991	265,119
Operating transfers in/(out)	(40,000)	-	(40,000)	-	(16,392)	(20,000)	-	-	-	-
Total governmental activities	<u>\$ 34,992,951</u>	<u>\$ 37,529,352</u>	<u>\$ 41,093,226</u>	<u>\$ 45,219,882</u>	<u>\$ 44,949,012</u>	<u>\$ 45,326,967</u>	<u>\$ 50,597,926</u>	<u>\$ 49,572,464</u>	<u>\$ 48,904,398</u>	<u>\$ 51,979,114</u>
Business-type activities										
Miscellaneous income	-	-	-	-	-	520	4,146	1,399	41,516	2,720
Special item - prior year accounts receivable canceled	-	-	(1,736)	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>(1,736)</u>	<u>-</u>	<u>-</u>	<u>520</u>	<u>4,146</u>	<u>1,399</u>	<u>41,516</u>	<u>2,720</u>
Total district-wide	<u>\$ 34,992,951</u>	<u>\$ 37,529,352</u>	<u>\$ 41,091,490</u>	<u>\$ 45,219,882</u>	<u>\$ 44,949,012</u>	<u>\$ 45,327,487</u>	<u>\$ 50,602,072</u>	<u>\$ 49,573,863</u>	<u>\$ 48,945,914</u>	<u>\$ 51,981,834</u>
Change in net position										
Governmental activities	\$ 720,159	\$ 839,102	\$ (236,284)	\$ (673,028)	\$ (255,035)	\$ 1,213,000	\$ 2,038,097	\$ 3,500,607	\$ 2,732,459	\$ 1,198,398
Business-type activities	45,957	81,530	45,418	7,617	16,752	(88,851)	(135,152)	168,446	84,072	15,948
Total district	<u>\$ 766,116</u>	<u>\$ 920,632</u>	<u>\$ (190,866)</u>	<u>\$ (665,411)</u>	<u>\$ (238,283)</u>	<u>\$ 1,124,149</u>	<u>\$ 1,902,945</u>	<u>\$ 3,669,053</u>	<u>\$ 2,816,531</u>	<u>\$ 1,214,346</u>

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

See independent auditors' report.

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

	Fiscal year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Restricted	\$ 1,152,936	\$ 857,435	\$ 1,132,873	\$ 998,967	\$ 791,115	\$ 910,428	\$ 1,677,105	\$ 2,464,690	\$ 3,904,172	\$ 4,104,975
Committed	295,676	738,735	262,967	151,576	214,397	179,439	165,389	85,534	433,600	107,152
Assigned	400,000	700,000	800,000	999,990	1,000,000	1,728,054	1,728,054	2,002,210	1,999,817	1,686,878
Unassigned	509,412	529,052	521,488	100,153	(103,276)	86,440	1,304,277	1,816,319	847,834	726,686
Total general fund	<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>	<u>\$ 6,625,691</u>
	*									
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 232,190	\$ 215,345	\$ 239,879	\$ 255,765	\$ 267,976
Capital projects fund	364,602	297,888	297,888	292,397	292,397	292,397	292,397	289,508	-	281,998
Assigned, reported in										
Debt service fund	21,225	-	152,153	5,619	-	-	39,030	-	-	1
Unassigned, reported in										
Special revenue fund	(32,231)	(27,875)	(22,649)	(25,262)	(28,298)	(25,120)	(22,810)	(22,267)	(22,692)	(93,933)
Debt service fund	-	-	-	-	-	-	7,668	7,668	1	-
Total all other governmental funds	<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>	<u>\$ 456,042</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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	\$ 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	\$ 32,639,259
Tuition charges	84,750	71,026	46,310	70,668	151,501	159,845	40,239	151,951	207,268	348,328
Interest earnings	6,058	7,739	11,170	21,744	28,592	20,870	2,524	2,934	129,204	211,330
Miscellaneous	173,101	118,508	71,217	119,059	152,027	106,110	197,206	390,976	671,357	785,563
State sources	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	16,432,497
State sources - capital projects	235,293	44,475	51,108	(32,939)	-	-	-	(2,889)	-	122,680
Federal sources	732,653	876,023	929,356	1,227,511	1,260,494	1,144,062	1,707,496	2,418,800	2,493,198	2,511,313
Total revenues	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	53,050,970
Expenditures										
Instruction										
Regular instruction	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	9,080,451
Special education instruction	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	4,160,427
Other special instruction	222,516	271,245	300,803	367,728	338,675	385,556	344,576	346,473	333,059	332,358
Other instruction	621,901	751,555	886,365	917,096	889,692	821,559	781,789	958,268	938,261	999,899
Support services										
Tuition	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	2,661,654
Student and inst related services	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	5,865,779
General administration	870,571	754,044	734,919	686,492	651,577	612,400	677,889	751,036	801,082	753,377
School administration services	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	1,593,311
Central services	414,785	427,213	446,396	462,444	442,066	460,846	486,117	659,178	576,612	587,530
Administrative information technology	101,644	52,905	56,525	53,190	63,171	91,544	98,398	62,514	105,008	131,246
Plant operations and maintenance	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	3,378,525
Pupil transportation	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	2,855,461
Employee benefits	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	6,397,968
On-behalf TPAF Pension and Social Security contributions	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	8,047,229
Capital outlay	131,586	537,291	229,182	37,402	59,643	232,782	291,606	798,771	1,129,754	142,751
Transfers to charter schools	394,775	386,002	388,784	340,461	335,512	293,186	246,678	230,166	217,504	286,251
Special revenue funds	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	3,853,229
Capital projects fund	588,232	111,189	49,369	-	-	-	152,201	-	-	306,700
Debt service										
Principal	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	1,697,747
Interest and other charges	1,027,142	978,754	761,271	600,521	571,725	542,772	409,311	304,987	275,307	255,841
Total expenditures	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	53,387,734

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Excess (deficiency) of revenues over (under) expenditures	\$ 69,423	\$ 383,615	\$ 40,116	\$ (621,280)	\$ (340,713)	\$ 972,913	\$ 1,617,271	\$ 1,394,739	\$ (124,406)	\$ (336,764)
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)	(40,000)	-	(40,000)	-	(16,392)	(20,000)	-	-	-	-
Total other financing sources (uses)	(40,000)	-	9,369	-	(16,392)	(20,000)	385,356	82,347	659,362	-
Net change in fund balances	\$ 29,423	\$ 383,615	\$ 49,485	\$ (621,280)	\$ (357,105)	\$ 952,913	\$ 2,002,627	\$ 1,477,086	\$ 534,956	\$ (336,764)
Debt service as a percentage of non-capital expenditures	6.88%	6.55%	5.71%	5.32%	5.08%	5.08%	4.79%	4.67%	4.29%	3.83%

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Interest income	\$ 6,058	\$ 7,739	\$ 11,170	\$ 21,744	\$ 28,592	\$ 20,870	\$ 2,524	\$ 2,934	\$ 129,204	\$ 211,330
Rentals	45,600	40,883	50,124	50,258	49,326	36,881	600	5,138	44,340	47,512
Prior year										
Account balance canceled	1,610	-	3,522	3,400	1,032	-	81	395	-	-
Refund	9,074	3,086	2,362	18,051	25,089	21,125	45,723	57,145	67,389	133,417
Outstanding checks voided	-	-	-	-	-	-	-	-	-	10,522
Miscellaneous refunds	26	-	-	-	-	-	-	-	-	-
Tuition	84,750	71,026	46,310	70,668	151,501	159,845	40,239	151,951	207,268	348,328
Proceeds from sale of assets	-	-	2,880	-	-	-	-	-	-	-
Energy rebates	8,743	8,776	5,781	7,920	15,120	8,852	3,178	4,243	1,224	4,345
Local contributions	-	2,386	-	-	-	-	-	-	-	-
Miscellaneous	313	77	929	967	12,578	245	1,612	26,360	155,378	116,835
Annual totals	<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>	<u>\$ 872,289</u>

Source: District Records

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Vacant land	\$ 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	\$ 11,395,800
Residential	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	1,530,369,500
Commercial	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	147,897,000
Industrial	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	6,084,800
Apartment	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	450,545,500
Total assessed value	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	2,146,292,600
Public utilities (a)	43	43	44	42	41	41	41	42	100	100
Net valuation taxable	<u>\$ 547,219,043</u>	<u>\$ 553,934,243</u>	<u>\$ 561,341,344</u>	<u>\$ 566,413,842</u>	<u>\$ 572,676,741</u>	<u>\$ 582,981,141</u>	<u>\$ 586,736,641</u>	<u>\$ 594,068,842</u>	<u>\$ 2,146,465,300</u>	<u>\$ 2,146,292,700</u>
Estimated actual county equalized value	<u>\$ 1,271,124,374</u>	<u>\$ 1,294,238,885</u>	<u>\$ 1,267,422,316</u>	<u>\$ 1,358,306,576</u>	<u>\$ 1,404,307,850</u>	<u>\$ 1,409,869,748</u>	<u>\$ 1,416,896,018</u>	<u>\$ 1,416,810,975</u>	<u>\$ 1,870,395,011</u>	<u>\$ 1,903,754,402</u>
Percentage of net valuation to estimated actual equalized value	<u>43.05%</u>	<u>42.80%</u>	<u>44.29%</u>	<u>41.70%</u>	<u>40.78%</u>	<u>41.35%</u>	<u>41.41%</u>	<u>41.93%</u>	<u>114.76%</u>	<u>112.74%</u>
Total direct school tax rate (b)	<u>\$ 4.600</u>	<u>\$ 4.870</u>	<u>\$ 4.789</u>	<u>\$ 5.001</u>	<u>\$ 5.176</u>	<u>\$ 5.156</u>	<u>\$ 5.205</u>	<u>\$ 5.236</u>	<u>\$ 1.492</u>	<u>\$ 1.540</u>

*

Source: Municipal Tax Assessor

Notes: 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	General	(From J-6)	Total Direct			
	Rate (a)	Obligation Debt Service (b)	School Tax Rate	Municipality	County		
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	
2024	1.454	0.086	1.540	0.702	0.320	2.562	

Sources: Municipal Tax Collector

Notes: 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

	2024			2015		
	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%	\$ -		0.00%
Treetops at Highlands LLC	40,781,500	2	1.90%	8,000,000	1	1.46%
CLA Management Company	34,936,200	3	1.63%	4,994,800	4	0.91%
Orchard Gardens LLC	33,013,100	4	1.54%	4,600,300	7	0.84%
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	0.95%
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	0.89%
Rutgers University c/o Richardson	26,146,700	9	1.22%	4,922,100	5	0.90%
Highland Park Manor LLC	15,594,800	10	0.73%	2,500,000	10	0.46%
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>\$ 47,377,200</u>		<u>8.66%</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
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%
2024	32,639,259	32,639,259	100.00%

Source: District records including the Certificate and Report of School Taxes (A4F Form)

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

See independent auditors' report.

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

Fiscal Year Ending June 30,	Governmental Activities					Business-Type Activities Leases	Total District	% of Personal Income (a)	Per Capita (a)
	General	Certificates		Bond					
	Obligation	of		Anticipation					
	Bonds	Participation	Leases	Notes (BANs)					
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	1.30%	921	
2024	11,390,000	-	529,984	-	-	11,919,984	N/A	797	

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	
	General		Net General	Taxable	Per
	Obligation		Bonded Debt	Value of	
	Bonds	Deductions	Outstanding	Property (a)	
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
2024	11,390,000	-	11,390,000	0.53%	761

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, 2023

Governmental Unit	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Debt
Debt repaid with property taxes			
Municipality	\$ 16,337,851	100.00%	\$ 16,337,851
County general obligation debt	573,306,641	1.21%	<u>6,937,010</u>
Subtotal, overlapping debt			23,274,861
School district direct debt			<u>13,015,000</u>
Total direct and overlapping debt			<u><u>\$ 36,289,861</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.

Notes: 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 2024

	Equalized Valuation Basis
	2023
	\$ 1,903,907,398
	2022
	1,584,606,028
	2021
	1,399,324,112
	<u>\$ 4,887,837,538</u>
Average equalized valuation of taxable property	<u>\$ 1,629,279,179</u>
Debt limit (4.0% of average equalization value)	\$ 65,171,167
Total net debt applicable to limit	<u>11,390,000</u>
Legal debt margin	<u>\$ 53,781,167</u>

	Fiscal Year				
	2020	2021	2022	2023	2024
Debt limit	\$ 57,868,370	\$ 55,756,354	\$ 55,894,676	\$ 58,556,760	\$ 65,171,167
Total net debt applicable	<u>17,005,000</u>	<u>16,195,000</u>	<u>14,625,000</u>	<u>13,015,000</u>	<u>11,390,000</u>
Legal debt margin	<u>\$ 40,863,370</u>	<u>\$ 39,561,354</u>	<u>\$ 41,269,676</u>	<u>\$ 45,541,760</u>	<u>\$ 53,781,167</u>
Total net debt applicable to the limit as a percentage of debt limit	29.39%	29.05%	26.17%	22.23%	17.48%

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt limit	\$ 52,100,526	\$ 51,013,507	\$ 50,540,439	\$ 51,671,859	\$ 53,143,871
Total net debt applicable	<u>23,110,000</u>	<u>22,015,000</u>	<u>21,080,000</u>	<u>19,750,000</u>	<u>18,390,000</u>
Legal debt margin	<u>\$ 28,990,526</u>	<u>\$ 28,998,507</u>	<u>\$ 29,460,439</u>	<u>\$ 31,921,859</u>	<u>\$ 34,753,871</u>
Total net debt applicable to the limit as a percentage of debt limit	44.36%	43.16%	41.71%	38.22%	34.60%

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)
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	1,063,413,588	70,951	3.70%
2024	14,959	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.

N/A Information is not available

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

2024

			Percentage of
			Total Municipal
Employer	Employees	Rank	Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2015

			Percentage of
			Total Municipal
Employer	Employees	Rank	Employment

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/program										
Instruction										
Regular	119.4	119.1	119.7	118.4	116.1	110.1	110.9	113.4	110.3	122.9
Special education	49.6	52.3	53.9	54.9	66.7	67.1	72.2	72.7	78.7	80.3
Other instruction	5.3	9.1	9.6	9.1	10.1	9.8	8.6	10.8	8.4	11.5
Support services										
Student and instruction related services	42.4	48.1	53.6	51.1	55.0	59.3	61.3	62.2	63.1	62.2
General administration	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
School administration services	14.4	18.4	15.6	14.6	15.4	15.4	15.1	15.5	13.0	16.0
Central services	4.5	4.5	4.5	4.2	4.2	4.2	4.7	4.4	4.2	6.2
Administrative information technology	0.5	0.5	0.5	0.5	0.8	0.8	0.9	0.8	0.8	0.9
Plant operations and maintenance	3.2	5.5	5.7	7.0	9.9	8.5	8.3	11.3	6.0	6.0
Total	<u>242.3</u>	<u>260.5</u>	<u>266.1</u>	<u>262.8</u>	<u>280.2</u>	<u>277.2</u>	<u>284.0</u>	<u>293.1</u>	<u>286.5</u>	<u>308.0</u>

Source: District Personnel Records

See independent auditors' report.

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

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2024	1,605	50,984,695	31,766	10.06%	167	1 to 9.61	1,593.8	1,451.6	0.79%	91.07%

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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	332	309	315	338	309	298	248	265	309	318
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	473	461	484	478	461	470	438	445	435	428
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	339	344	361	362	360	372	364	361	347	349
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	474	497	511	480	472	441	477	484	491	510
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, 2024:										
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
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
2024	145,728	56,686	395,347	597,761
Total school facilities	<u>\$ 1,115,845</u>	<u>\$ 861,961</u>	<u>\$ 2,879,617</u>	<u>\$ 4,857,423</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, 2024
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy - Utica Mutual		
Property-Blanket building & contents	\$ 94,610,420	\$ 1,000
Comprehensive general liability	3,000,000	-
Comprehensive automobile liability	1,000,000	500
Crime policy	100,000	500
Inland marine policy	962,280	1,000
 Umbrella Liability - Utica Mutual		
Umbrella policy	25,000,000	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 - Houston Casualty	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	268,000	-
Business administrator's bond	275,000	-

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Insurance Schedule (continued)
June 30, 2024
(Unaudited)

	Coverage	Deductible
Environmental Liability - Syndicate 2623/623 at Lloyds/Beazley		
Each pollution condition	\$ 1,000,000	\$ 25,000
Aggregate	1,000,000	25,000
Microbial matter deductible		
Buildings less than 20 years old	-	50,000
Buildings between 20 and 50 years old	-	100,000
Buildings over 50 years old	-	250,000
Personal property	100,000	25,000
International Package Policy - The Hartford		
Business personal property	25,000	2,500
General liability		
Each occurrence	1,000,000	-
Damage to premises rented to you	1,000,000	-
Medical expense	50,000	-
Personal and advertising injury	1,000,000	-
General aggregate	2,000,000	-
Products/completed operations aggregate	2,000,000	-
Employee benefits - each claim	1,000,000	-
Employee benefits - aggregate	2,000,000	-
Automobile liability	1,000,000	-
Employers liability	1,000,000	-

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, 2024, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements, and have issued our report thereon dated January 15, 2025.

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 2024-001 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

January 15, 2025
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, 2024. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the 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, 2024.

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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance 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. 20CS00265600January 15, 2025
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, 2024

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period		Balance 06/30/23	Carryover Amount	Cash Received	Budgetary Expenditure	Adjust- ment	Repayment of Prior Year Balance	Balance June 30, 2024		
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor
General Fund														
U.S. Department of Health and Human Services passed through State Department of Education Medical Assistance Program Cluster	93.778	2005NJ5MAP	\$ 63,329	07/01/23	06/30/24	\$ -	\$ -	\$ 63,329	\$ 63,329	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund						-	-	63,329	63,329	-	-	-	-	-
Special Revenue Fund														
U.S. Department of Health and Human Services passed through State Department of Children and Families School Based Youth Services Program	93.558	N/A	314,924	07/01/22	06/30/23	3,011	-	-	3,011	-	-	-	-	-
School Based Youth Services Program	93.558	N/A	316,842	07/01/23	06/30/24	-	-	316,842	316,825	40	-	-	57	-
Total School Based Youth						3,011	-	316,842	319,836	40	-	-	57	-
U.S. Department of Education passed through State Department of Education IDEA (Special Education Cluster)														
IDEA Basic	84.027A	H027A230100	446,764	07/01/22	06/30/23	(210,027)	-	221,196	22,152	10,983	-	-	-	-
IDEA Basic	84.027A	H027A240100	500,495	07/01/23	06/30/24	-	-	481,094	490,846	-	-	(9,752)	-	-
IDEA Preschool	84.173A	H173A230114	15,696	07/01/22	06/30/23	(6,279)	-	6,279	-	-	-	-	-	-
IDEA Preschool	84.173A	H173A240114	15,779	07/01/23	06/30/24	-	-	11,728	15,779	-	-	(4,051)	-	-
Total IDEA (Special Education Cluster)						(216,306)	-	720,297	528,777	10,983	-	(13,803)	-	-
ESSA Title I A	84.010	S010A230030	316,635	07/01/22	06/30/23	(100,290)	-	169,433	69,147	4	-	-	-	-
ESSA Title I A	84.010	S010A240030	344,610	07/01/23	06/30/24	-	-	167,010	218,701	-	-	(51,691)	-	-
ESSA Title I SIA A	84.010	S010A230030	20,000	07/01/22	06/30/23	(1,626)	-	1,765	139	-	-	-	-	-
ESSA Title I SIA A	84.010	S010A240030	124,538	07/01/23	06/30/24	-	-	41,935	51,098	-	-	(9,163)	-	-
ESSA Title II A	84.367A	S367A230029	43,405	07/01/22	06/30/23	(14,419)	-	13,399	-	-	-	(1,020)	-	-
ESSA Title II A	84.367A	S367A240029	97,627	07/01/23	06/30/24	-	-	34,473	73,100	-	-	(38,627)	-	-
ESSA Title III	84.365	S365A230030	45,068	07/01/22	06/30/23	(1,479)	-	8,806	7,327	-	-	-	-	-
ESSA Title III	84.365	S365A240030	43,032	07/01/23	06/30/24	-	-	22,716	25,912	-	-	(3,196)	-	-
ESSA Title III Immigrant	84.365	S365A220030	7,975	07/01/21	06/30/22	444	-	-	-	(444)	-	-	-	-
ESSA Title III Immigrant	84.365A	S365A240030	8,825	07/01/23	06/30/24	-	-	-	1,248	-	-	(1,248)	-	-
ESSA Title IV A	84.424	S424A230031	26,342	07/01/22	06/30/23	(6,476)	-	6,476	-	-	-	-	-	-
ESSA Title IV A	84.424	S424A240031	49,862	07/01/23	06/30/24	-	-	7,150	17,241	-	-	(10,091)	-	-
COVID-19														
CRSSA - ESSER II	84.425D	S425D200027	971,654	03/13/20	09/30/23	(131,716)	-	110,181	-	21,535	-	-	-	-
CRRSA - Learning Acceleration	84.425D	S425D210027	62,356	03/13/20	09/30/23	(1,732)	-	4,592	2,860	-	-	-	-	-
CRRSA - Mental Health	84.425D	S425D210027	45,000	03/13/20	09/30/23	(9,812)	-	13,241	3,429	-	-	-	-	-
ARP - ESSER														
ARP - ESSER	84.425U	S425U210027	2,183,730	03/13/20	09/30/24	1,730	-	683,170	1,339,837	-	-	(654,937)	-	-
NJTSS Mental Health Support	84.425U	S425U210027	88,501	03/13/20	09/30/24	10,651	-	42,412	59,893	-	-	(6,830)	-	-
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	144,395	03/13/20	09/30/24	(607)	-	48,370	96,751	4,710	-	(44,278)	-	-
Evidenced Based Summer Learning and Enrichment	84.425U	S425U210027	40,000	03/13/20	09/30/24	-	-	-	6,378	-	-	(6,378)	-	-
Evidenced Based Beyond the School Day	84.425U	S425U210027	40,000	03/13/20	09/30/24	-	-	12,295	38,440	-	-	(26,145)	-	-
ARP IDEA Basic	84.027X	H027X210100	80,327	07/01/21	06/30/22	(14,545)	-	15,639	1,094	-	-	-	-	-
ARP Homeless Children	84.425W	S425W240031	20,449	03/13/20	09/30/24	-	-	20,449	20,449	-	-	-	-	-

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A (continued)
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period		Balance 06/30/23	Carryover Amount	Cash Received	Budgetary Expenditure	Adjust- ment	Adjustment/ Repayment of Prior Year Balance	Balance June 30, 2024		
				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	\$ 17,923	07/01/22	06/30/23	\$ (17,923)	\$ -	\$ 17,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Special Revenue Fund						(501,095)	-	2,478,574	2,881,657	36,828	-	(867,407)	57	-
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	231NJ304N1099	60,386	07/01/22	06/30/23	3,964	-	-	3,964	-	-	-	-	-
Non-Cash Assistance (Commodities)	10.555	241NJ304N1099	69,501	07/01/23	06/30/24	-	-	69,501	65,880	-	-	-	3,621	-
Cash Assistance	10.555	231NJ304N1099	328,339	07/01/22	06/30/23	(61,213)	-	61,213	-	-	-	-	-	-
Cash Assistance	10.555	241NJ304N1099	341,590	07/01/23	06/30/24	-	-	264,714	341,590	-	-	(76,876)	-	-
School Breakfast Program	10.553	231NJ304N1099	79,691	07/01/22	06/30/23	(15,837)	-	15,837	-	-	-	-	-	-
School Breakfast Program	10.553	241NJ304N1099	67,810	07/01/23	06/30/24	-	-	52,163	67,810	-	-	(15,647)	-	-
Total Child Nutrition Cluster						(73,086)	-	463,428	479,244	-	-	(92,523)	3,621	-
P-EBT	10.649	2022225900941	653	07/01/23	06/30/24	-	-	653	653	-	-	-	-	-
Supply Chain Assistance	10.555	241NJ304N1099	40,637	07/01/23	06/30/24	-	-	40,637	40,637	-	-	-	-	-
Local Food for Schools Cooperative Agreement Program	10.185	16161NJ304N1099	5,765	07/01/22	06/30/23	-	-	5,765	5,765	-	-	-	-	-
Total Enterprise Fund						(73,086)	-	510,483	526,299	-	-	(92,523)	3,621	-
Total Federal Awards						<u>\$ (574,181)</u>	<u>\$ -</u>	<u>\$ 3,052,386</u>	<u>\$ 3,471,285</u>	<u>\$ 36,828</u>	<u>\$ -</u>	<u>\$ (959,930)</u>	<u>\$ 3,678</u>	<u>\$ -</u>

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, 2024

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2023		Cash Received	Budgetary Expenditure	Repayment of Prior Year Balances	Adjustment	Balance June 30, 2024			Memo		
					Deferred Rev. (Accts. Rec)	Due to Grantor					Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure	
General Fund																
State Department of Education																
Special Education Categorical Aid	24-495-034-5120-089	\$ 1,695,651	07/01/23	06/30/24	\$ -	\$ -	\$ 1,526,085	\$ 1,695,651	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,566	\$ 1,695,651	
Equalization Aid	24-495-034-5120-078	4,413,041	07/01/23	06/30/24	-	-	3,971,733	4,413,041	-	-	-	-	-	441,308	4,413,041	
Security Aid	24-495-034-5120-084	66,702	07/01/23	06/30/24	-	-	60,032	66,702	-	-	-	-	-	6,670	66,702	
Transportation Aid	24-495-034-5120-014	240,771	07/01/23	06/30/24	-	-	216,694	240,771	-	-	-	-	-	24,077	240,771	
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	
Extraordinary Aid	24-495-034-5120-044	1,161,710	07/01/23	06/30/24	-	-	-	1,161,710	-	-	(1,161,710)	-	-	-	1,161,710	
Non-Public Transportation Aid	23-495-034-5120-014	73,320	07/01/22	06/30/23	(73,320)	-	73,320	-	-	-	-	-	-	-	73,320	
Non-Public Transportation Aid	24-495-034-5120-014	109,655	07/01/23	06/30/24	-	-	-	109,655	-	-	(109,655)	-	-	-	109,655	
On-Behalf TPAF Pension Contribution - Post Retirement Medical	24-495-034-5094-001	1,484,643	07/01/23	06/30/24	-	-	1,484,643	1,484,643	-	-	-	-	-	-	1,484,643	
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	24-495-034-5094-004	61,509	07/01/23	06/30/24	-	-	61,509	61,509	-	-	-	-	-	-	61,509	
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	24-495-034-5094-004	2,619	07/01/23	06/30/24	-	-	2,619	2,619	-	-	-	-	-	-	2,619	
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	24-495-034-5094-002	5,393,460	07/01/23	06/30/24	-	-	5,393,460	5,393,460	-	-	-	-	-	-	5,393,460	
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	23-495-034-5094-003	1,062,409	07/01/22	06/30/23	(104,288)	-	104,288	-	-	-	-	-	-	-	1,062,409	
Reimbursed TPAF Social Security Contribution	24-495-034-5094-003	1,166,507	07/01/23	06/30/24	-	-	1,106,604	1,166,507	-	-	(59,903)	-	-	-	1,166,507	
Total General Fund					(1,322,740)	2,315	15,146,119	15,796,268	-	-	(1,331,268)	-	2,315	641,621	19,054,194	
Special Revenue Fund																
State Department of Education																
Preschool Education Aid	24-495-034-5120-086	799,524	07/01/23	06/30/24	-	-	705,591	799,524	-	-	-	-	-	93,933	799,524	
Non-Public Aid																
Textbook Aid	23-100-034-5120-064	6,006	07/01/22	06/30/23	-	1,737	-	-	1,737	-	-	-	-	-	4,269	
Textbook Aid	24-100-034-5120-064	5,607	07/01/23	06/30/24	-	-	5,607	5,607	-	3,154	-	-	3,154	-	5,607	
Nursing Services	23-100-034-5120-070	12,880	07/01/22	06/30/23	-	1,629	-	-	1,629	-	-	-	-	-	12,880	
Nursing Services	24-100-034-5120-070	13,680	07/01/23	06/30/24	-	-	13,680	13,680	-	1,830	-	-	1,830	-	13,680	
Security Aid	23-100-034-5120-509	23,575	07/01/22	06/30/23	-	783	-	-	783	-	-	-	-	-	22,792	
Security Aid	24-100-034-5120-509	23,370	07/01/23	06/30/24	-	-	23,370	23,370	-	133	-	-	133	-	23,370	
Technology Initiative Aid	23-100-034-5120-373	3,822	07/01/22	06/30/23	-	375	-	-	375	-	-	-	-	-	3,822	
Technology Initiative Aid	24-100-034-5120-373	4,753	07/01/23	06/30/24	-	-	4,753	4,753	-	30	-	-	30	-	4,753	
Auxiliary Aid																
Transportation Aid	23-100-034-5120-068	463	07/01/22	06/30/23	-	463	-	-	463	-	-	-	-	-	-	
Transportation Aid	24-100-034-5120-068	538	07/01/23	06/30/24	-	-	538	538	-	538	-	-	538	-	538	
Handicapped Aid																
Examination and Classification	24-100-034-5120-066	4,835	07/01/23	06/30/24	-	-	4,835	2,846	-	663	-	-	2,652	-	2,846	
Supplemental Instruction	24-100-034-5120-066	4,626	07/01/23	06/30/24	-	-	4,626	4,626	-	-	-	-	-	-	4,626	
Corrective Speech	24-100-034-5120-066	744	07/01/23	06/30/24	-	-	744	744	-	-	-	-	-	-	744	
School Climate	23-WB01-G02	6,660	07/01/22	06/30/23	-	14	-	-	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	-	-	-	-	-	-	37,602	
SDA Emergent and Capital Maintenance Needs	24-100-034-5120-519	37,076	07/01/22	06/30/23	-	-	37,076	37,076	-	-	-	-	-	-	37,076	
Total Special Revenue Fund					3,002	5,001	800,820	895,766	5,001	6,348	-	-	8,337	93,933	980,772	

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B (continued)
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To		Balance June 30, 2023		Cash Received	Budgetary Expenditure	Repayment of Prior Year Balances	Adjustment	Balance June 30, 2024			Memo	
					Deferred Rev. (Accts. Rec)	Due to Grantor					Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
Capital Projects Fund															
NJ School Development Authority															
Irving School - Tower Section Roof Replacement	2150-070-23-R501	\$ 57,860	07/01/23	06/30/24	\$ -	\$ -	\$ -	\$ 14,184	\$ -	\$ -	\$ (14,184)	\$ -	\$ -	\$ 57,860	\$ 14,184
High School Roof Replacement - Section C,D,H	2150-050-23-R501	252,819	07/01/23	06/30/24	-	-	-	108,496	-	-	(108,496)	-	-	252,819	108,496
Total Capital Projects Fund					-	-	-	122,680	-	-	(122,680)	-	-	310,679	122,680
Debt Service Fund															
Debt Service Aid - State Support	24-495-034-5120-017	9,789	07/01/23	06/30/24	-	-	9,789	9,789	-	-	-	-	-	-	9,789
Enterprise Fund															
State Department Of Agriculture															
State School Lunch Program	23-100-010-3350-023	12,356	07/01/22	06/30/23	(2,295)	-	2,295	-	-	-	-	-	-	-	12,356
State School Lunch Program	24-100-010-3350-023	26,950	07/01/23	06/30/24	-	-	21,360	26,950	-	-	(5,590)	-	-	-	26,950
State School Breakfast Program	23-100-010-3350-023	4,543	07/01/22	06/30/23	(828)	-	828	-	-	-	-	-	-	-	4,543
Total Enterprise Fund					(3,123)	-	24,483	26,950	-	-	(5,590)	-	-	-	43,849
Total State Financial Assistance					<u>\$ (1,322,861)</u>	<u>\$ 7,316</u>	<u>\$ 15,981,211</u>	16,851,453	<u>\$ 5,001</u>	<u>\$ 6,348</u>	<u>\$ (1,459,538)</u>	<u>\$ -</u>	<u>\$ 10,652</u>	<u>\$ 1,046,233</u>	<u>\$ 20,211,284</u>
Less: On-Behalf TPAF Pension System Contributions															
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	24-495-034-5094-002	5,393,460	07/01/23	06/30/24				5,393,460							
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	24-495-034-5094-004	61,509	07/01/23	06/30/24				61,509							
On-Behalf TPAF Pension Contribution - Postretirement Medical	24-495-034-5094-001	1,484,643	07/01/23	06/30/24				1,484,643							
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	24-495-034-5094-004	2,619	07/01/23	06/30/24				2,619							
Total for State Financial Assistance - Major Program Determination								<u>\$ 9,909,222</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, 2024

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 District'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 (\$158,007) for the general fund, (\$548,125) 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, 2024

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	\$ 63,329	\$ 15,638,261	\$ 15,701,590
Special revenue fund	2,447,984	784,447	3,232,431
Capital projects fund	-	122,680	122,680
Debt service fund	-	9,789	9,789
Food service fund	526,299	26,950	553,249
Total awards and financial assistance	<u>\$ 3,037,612</u>	<u>\$ 16,582,127</u>	<u>\$ 19,619,739</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, 2024. 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, 2024.

Note 6 - Adjustments on the Schedule of State & Federal Financial Assistance

On Schedule A, the adjustments to IDEA Basic, Title I, Title III, CRSSA - ESSER II, ARP - ESSER Accelerated Learning Coach and Educator Support and Equipment Grant totaling \$36,828 represents \$24,515 of cancelled prior year encumbrances and \$12,313 of transactions reclassified to the general fund. On Schedule B, the adjustments to Non-Public Textbook Aid, Non-Public Nursing Aid and Non-Public Security Aid totaling \$6,348 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, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued Unmodified

Internal Control Over Financial Reporting:

- | | | | |
|--|------------------|---------------------------|--|
| 1. Were material weakness(es) identified? | <u> </u> Yes | <u> X </u> No | |
| 2. Were significant deficiencies identified? | <u> X </u> Yes | <u> </u> 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? | <u> </u> Yes | <u> X </u> No | |
| 2. Were significant deficiencies identified? | <u> </u> Yes | <u> X </u> None reported | |

What was the type of auditors' 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:

AL Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
		<i>ARP ESSER Cluster:</i>
<i>84.425U</i>	<i>S425U210027</i>	<i>ARP ESSER II</i>
<i>84.425U</i>	<i>S425U210027</i>	<i>NJTSS Mental Health Support</i>
<i>84.425U</i>	<i>S425U210027</i>	<i>ARP Accelerated Learning</i>
<i>84.425U</i>	<i>S425U210027</i>	<i>ARP Summer Learning</i>
		<i>Evidenced Based Beyond the</i>
<i>84.425U</i>	<i>S425U210027</i>	<i>School Day</i>
<i>84.425W</i>	<i>S425W240031</i>	<i>ARP Homeless Children</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, 2024

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? X Yes No

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes X No

2. Were there significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

What was the type of auditors' 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 X No

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
<u>24-495-034-5120-089</u>	<u>State Aid Public Cluster:</u>
<u>24-495-034-5120-078</u>	<u>Special Education Categorical Aid</u>
<u>24-495-034-5120-084</u>	<u>Equalization Aid</u>
<u>24-495-034-5120-044</u>	<u>Security Aid</u>
<u>24-495-034-5094-003</u>	<u>Preschool Education Aid</u>
	<u>Reimbursed TPAF Social Security Contribution</u>

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

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 2024-001 (2023-003)

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, 2024

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, 2024.

State Awards

There were no findings or questioned costs for the fiscal year ended June 30, 2024.

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, 2024

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 2023-003 which is repeated as findings 2024-001.