HIGHLAND PARK BOROUGH
PUBLIC SCHOOL DISTRICT

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

JUNE 30, 2025

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

BKC
Certified Public Accountants, PC

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025

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HIGHLAND PARK
PUBLIC SCHOOLS
www.hpschools.net
435 Mansfield St, Highland Park

(732) 572-2400, EXT 5810

December 1, 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, 2025 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 2024-2025 fiscal year with an average enrollment of 1,585 students, which is 9 less students than the previous year's enrollment. The following details the changes in the student enrollment of the School District over the last ten years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2024-25	1,585	-0.57%
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 %
2016-17	1,598	-0.1 %
2015-16	1,600	1.1 %

ECONOMIC CONDITION AND OUTLOOK

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

Current economic conditions in New Jersey indicate the likelihood of reductions in state aid for fiscal year 2026–2027. In addition to these concerns, the District faces uncertainty regarding federal funding levels under the Elementary and Secondary Education Act (ESEA). In response to these uncertainties, the District is closely monitoring operating expenditures and actively pursuing supplemental revenue sources, particularly grant opportunities, to ensure its ability to continue providing high-quality educational services to the community.

EDUCATIONAL PROGRAM

The School District collaborated closely with the local community to develop a comprehensive strategic plan that identifies multiple goals and corresponding action steps. The plan establishes clear priorities aimed at fostering inclusion, strengthening communication, increasing academic rigor, and ensuring safe and accessible facilities.

The majority of the District's financial resources are dedicated to academic, social, and emotional programs designed to meet the diverse needs of all students. These offerings include college preparatory and Advanced Placement courses, as well as programs for general education students, gifted and talented learners, honors-level students, and students with special needs. In addition to its academic programming, the District provides a robust extracurricular and athletic program that offers opportunities in student government, academic and service clubs, honor societies, drama and musical performances, and athletic teams for both male and female students.

The District remains committed to educating special education students within their home community whenever possible. To support this commitment, a full continuum of services is offered, including in-class support, resource centers, and self-contained programs.

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, the District's most recent initiative centers on the expansion of its preschool program to a full-day model. In 2022–2023, the District invested in the lease of four modular classrooms, providing capacity for an additional sixty general education preschool students. In fiscal year 2023–2024, two existing classrooms were repurposed, resulting in two additional preschool classrooms. In fiscal year 2024–2025, the District was awarded a ROD grant to support interior alterations at Irving Primary School, which will accommodate an additional fifteen general education preschool students beginning in the 2026–2027 school year. The District continues to actively pursue additional funding opportunities to support further expansion of preschool facilities. This sustained commitment to increasing early childhood capacity represents a critical step toward reducing opportunity and achievement gaps within the 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, 2025.

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 combing 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

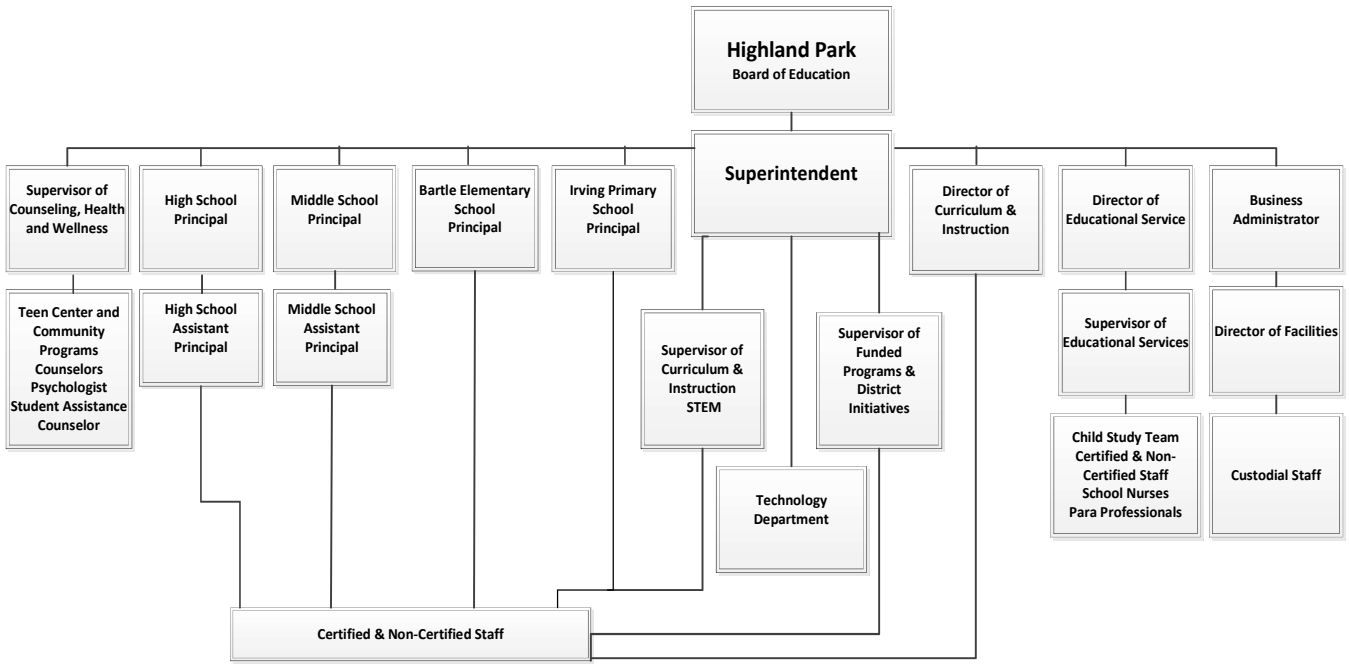
Denise M. DeRosa
Business Administrator/Board Secretary

POLICY

HIGHLAND PARK
BOARD OF EDUCATION

Section: Administration
1110 Organizational Chart
Page 1 of 1

ORGANIZATIONAL CHART
2024-2025



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, 2025

Members of the Board of Education	Title	Term Expires
Ms. Allison Casal-Dunn	President	12/31/2027
Ms. Ann Vardeman	Vice-President	12/31/2025
Dr. Dan Battey		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
Dr. Monique Coleman		12/31/2027
Ms. Marilyn Pruce		12/31/2027

Other Officials	Title
Dr. Kristina Susca	Superintendent of Schools
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, 2025

Jonathan Busch, Esq. Busch Law Group, LLC 450 Main Street Metuchen, New Jersey 08840	School Board Attorney
BKC, CPAs, PC 39 State Route 12, Ste 2 Flemington, NJ 08822	Auditors
Donna O'Gorman, AIA DMR Architects 777 Terrace Avenue, 6th Floor Hasbrouck Heights, NJ 07604	Architect
Obi Agudosi, AIA OCA Architects, Inc. 211 Warrant Street, Suite 219 Newark, NJ 07103	Architect

BKC
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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, 2025, 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, 2025, 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 December 1, 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

BKC, CPAs, PC

MH

Michael Holk, CPA, PSA
NO. 20CS00265600

December 1, 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, 2025
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, 2025. 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 2025 are as follows:

- General revenues accounted for $51,482,203 in revenues, or 89.72% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $5,901,595, or 10.28% of total revenues of $57,383,798.

- The School District had $55,161,328 in expenses; only $5,901,595 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and state aid) of $51,482,203 were adequate to provide for these programs.

- Among governmental funds, the general fund had $47,838,346 in revenues and $46,448,970 in expenditures. After accounting for net other financing uses of $83,398; the general fund's balance increased by $1,305,978 from the previous year.

- Total assets of governmental activities increased by $365,638 as cash and cash equivalents increased by $1,743,348, receivables decreased by $451,118 and capital assets decreased by $926,592.

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.

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 2025?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- Governmental Activities - All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities; and

- Business-Type Activities - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and Before/After School Program enterprise funds are reported as a business activity.

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Fund financial reports provide detailed information about the 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.

THE SCHOOL DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position as of June 30, 2025, and a comparison with net position as of June 30, 2024. The comparison between the years shows an increase in total net position of $1,638,521.

Table 1
Net Position

	06/30/25	06/30/24	Variance Dollars	Variance %
Current & other assets	$ 10,539,452	$ 9,360,677	$ 1,178,775	12.59%
Capital assets	31,974,009	32,892,448	(918,439)	-2.79%
Total assets	42,513,461	42,253,125	260,336	.62%
Deferred amount on refunding bond issue	239,970	348,470	(108,500)	-31.14%
Deferred pension activity	832,435	998,295	(165,860)	-16.61%
Total deferred outflow of resources	1,072,405	1,346,765	(274,360)	-20.37%
Long-term liabilities	16,340,256	18,405,981	(2,065,725)	-11.22%
Other liabilities	2,295,339	1,901,863	393,476	20.69%
Total liabilities	18,635,595	20,307,844	(1,672,249)	-8.23%
Deferred pension activity	571,214	551,510	19,704	3.57%
Total deferred inflow of resources	571,214	551,510	19,704	3.57%
Net position				
Net investment in capital assets	22,181,175	21,320,934	860,241	4.03%
Restricted	5,655,545	4,654,950	1,000,595	21.50%
Unrestricted	(3,457,663)	(3,235,348)	(222,315)	6.87%
Total net position	$ 24,379,057	$ 22,740,536	$ 1,638,521	7.21%

Total assets increased by $260,336. Cash and cash equivalents increased by $1,688,700, net receivables and other assets decreased by $509,925 and capital assets decreased by $918,439.

The unrestricted net position at June 30, 2025 of ($3,457,663) 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.

Table 2 provides a summary of the School District's changes in net position in fiscal year ending June 30, 2025 with comparisons to fiscal year ending June 30, 2024.

Table 2
Changes in Net Position

	Fiscal Year Ending		Variance	
	06/30/25	06/30/24	Dollars	%
Revenues				
Program revenues				
Charges for services	$ 1,430,451	$ 1,549,002	$ (118,551)	-7.65%
Operating grants	4,297,942	3,846,465	451,477	11.74%
Capital grants	173,202	122,680	50,522	41.18%
General revenues				
Property taxes	33,490,891	32,639,259	851,632	2.61%
Unrestricted grants	17,681,628	18,863,406	(1,181,778)	-6.26%
Other	309,684	479,169	(169,485)	-35.37%
Total revenues	57,383,798	57,499,981	(116,183)	-0.20%
Program expenses				
Instruction				
Regular	17,689,792	19,116,517	(1,426,725)	-7.46%
Special	8,632,973	8,938,451	(305,478)	-3.42%
Other	1,602,833	1,495,135	107,698	7.20%
Support services				
Tuition	3,468,416	3,152,238	316,178	10.03%
Student & instructional staff	10,370,955	10,588,646	(217,691)	-2.06%
General & business administration	2,144,096	1,817,761	326,335	17.95%
School administration	3,031,583	2,882,137	149,446	5.19%
Maintenance	3,424,691	3,506,543	(81,852)	-2.33%
Transportation	2,516,992	2,860,598	(343,606)	-12.01%
Charter schools	384,601	286,251	98,350	34.36%
Interest on long-term debt	331,378	360,322	(28,944)	-8.03%
Food service	1,033,024	928,686	104,338	11.24%
Community service programs	529,994	352,350	177,644	50.42%
Total expenses	55,161,328	56,285,635	(1,124,307)	-2.00%
Increase (decrease) before special items	2,222,470	1,214,346	1,008,124	83.02%
Special items				
Donated assets	66,051	-	66,051	*
Loss on disposal	(650,000)	-	(650,000)	*
Total special items	(583,949)	-	(583,949)	*
Increase (decrease) in net position	$ 1,638,521	$ 1,214,346	$ 424,175	34.93%

* undefined

Governmental Activities

Property taxes made up 59.78% of revenues for governmental funds for the Highland Park Borough Public School District for fiscal year 2025. The District's total revenues for governmental funds were $56,024,501 for the fiscal year ended June 30, 2025. 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 $125,725.
- Charges for services represent $317,911 of revenue, or 35.04%. 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 $585,624.

Before and After School Child Care Program

- The Before and After School Child Care Program had program revenues of $411,840, operating expenses of $529,994 and non-operating revenues of $40,158. The net loss for fiscal year 2025 was $77,996.

Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending June 30, 2025 with comparisons to fiscal year ending June 30, 2024.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/25	06/30/24	06/30/25	06/30/24
Instruction	$ 27,925,598	$ 29,550,103	$ 26,119,616	$ 27,634,355
Support services				
Tuition	3,468,416	3,152,238	2,990,140	2,661,654
Student & instructional staff	10,370,955	10,588,646	8,364,407	8,960,811
General & business administration	2,144,096	1,817,761	2,137,168	1,815,307
School administration	3,031,583	2,882,137	2,839,971	2,745,152
Plant operations & maintenance	3,424,691	3,506,543	3,369,811	3,457,804
Pupil transportation	2,516,992	2,860,598	2,514,819	2,859,060
Charter schools	384,601	286,251	384,601	286,251
Interest on long-term debt	331,378	360,322	331,378	360,322
Total expenses	$ 53,598,310	$ 55,004,599	$ 49,051,911	$ 50,780,716

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 administration 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 64.38%, continues to be from local sources including tax levy, outside tuition, and miscellaneous revenues. State aid and federal aid represents approximately 35.62% of the total revenues.

The following schedule presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2025:

Revenues	Amount	Percentage of Total	Increase/ (Decrease) From Prior Year	Percentage Increase (Decrease)
Local Sources				
Tax levy				
General	$ 31,678,775	58.83%	$ 856,545	2.78%
Debt service	1,812,116	3.37%	(4,913)	-0.27%
Other revenues	1,176,084	2.18%	(169,137)	-12.57%
State Aid	17,094,510	31.74%	539,333	3.26%
Federal Aid	2,088,647	3.88%	(422,666)	-16.83%
Total	$ 53,850,132	100.00%	$ 799,162	1.51%

THE DISTRICT'S EXPENDITURES

The following schedule represents a summary of the expenditures of the governmental funds for the fiscal year ended June 30, 2025:

Expenditures	Amount	Percentage of Total	Increase (Decrease) From Prior Year	Percentage Increase (Decrease)
Current expense	$ 48,984,993	92.66%	$ (1,259,602)	-2.51%
Capital outlay	1,373,307	2.60%	470,007	52.03%
Charter schools	384,601	0.73%	98,350	34.36%
Debt service				
Principal	1,887,180	3.57%	189,433	11.16%
Interest	235,454	0.44%	(20,387)	-7.97%
Total	$ 52,865,535	100.00%	$ (522,199)	-0.98%

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 2025 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.

CAPITAL ASSETS

Table 4 provides a summary of the School District's capital assets net of depreciation and amortization for fiscal years 2025 and 2024. At the end of fiscal year 2025, the District had $31,974,009 invested in land, buildings, capital lease, machinery and equipment.

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

	06/30/25	06/30/24	Variance Dollars	Variance %
Land	$ 415,000	$ 415,000	$ -	0.00%
Construction in progress	154,563	1,458,429	(1,303,866)	-89.40%
Land improvements	746,946	264,623	482,323	182.27%
Buildings & improvements	29,768,819	29,478,923	289,896	.98%
Leased assets	280,084	649,651	(369,567)	-56.89%
Furniture & equipment	608,597	625,822	(17,225)	-2.75%
Total	$ 31,974,009	$ 32,892,448	$ (918,439)	-2.79%

DEBT ADMINISTRATION

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, 2025 the amount of $9,750,000 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, 2025 is $74,254,143. General obligation authorized debt at June 30, 2025 is $9,750,000, resulting in a legal debt margin of $64,504,143.

Table 5 provides a summary of the School District's outstanding long-term debt at June 30, 2025 with comparisons to June 30, 2024.

Table 5
Outstanding Long-Term Liabilities at Year-End

			Variance	
	06/30/25	06/30/24	Dollars	%
2016 refunding bonds for 2006 issue	$ -	$ 1,120,000	$ (1,120,000)	-100.00%
2020 refunding bonds for 2012 issue	9,750,000	10,270,000	(520,000)	-5.06%
PERS net pension liability	5,456,836	5,954,620	(497,784)	-8.36%
Lease payable	282,804	529,984	(247,180)	-46.64%
Compensated absences	850,616	531,377	319,239	60.08%
Total	$ 16,340,256	$ 18,405,981	$ (2,065,725)	-11.22%

FOR THE FUTURE

The Highland Park Borough Public School District is currently in good financial condition. However, the state's ongoing fiscal challenges have resulted in only modest increases in state aid in recent years. For the 2025-2026 fiscal year, the State modified the formula used to calculate aid, which resulted in a decrease in funding for the District. Because the District is currently below the state's adequacy level, it was eligible to increase the local tax levy. In response, the Board of Education approved a $1,055,000 tax levy increase. Of that amount, the State is providing $50,238 in tax levy incentive aid, designed to encourage districts under adequacy to raise local revenues. This increase allowed the District to preserve critical staff positions and programs, while also allocating funds toward much-needed facilities repairs. As state support declines and the financial burden continues to shift to homeowners, especially in a community that is primarily residential with limited capacity for new ratables, it becomes increasingly important to pursue external revenue sources, enforce sound purchasing practices, and implement cost-containment measures. Continued efforts to share services with other school districts and with the Borough of Highland Park will also remain essential in maintaining long-term financial stability and educational quality.

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, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 2,479,717	$ 313,223	$ 2,792,940
Due from other funds	34,868	-	34,868
Receivables, net	1,825,331	116,880	1,942,211
Inventory	-	26,818	26,818
Restricted assets			
Capital reserve account - cash	4,801,791	-	4,801,791
Emergency reserve account - cash	169,749	-	169,749
Maintenance reserve account - cash	338,925	-	338,925
Unemployment claims - cash	170,841	-	170,841
Scholarship - cash	67,725	-	67,725
Student activities - cash	193,584	-	193,584
Capital assets, net			
Land and construction in progress	569,563	-	569,563
Other capital assets, net of depreciation and amortization	31,311,533	92,913	31,404,446
Total assets	41,963,627	549,834	42,513,461
Deferred outflows of resources			
Deferred amount on pension activity	832,435	-	832,435
Deferred amount on refunding bond issue	239,970	-	239,970
Total deferred outflows of resources	1,072,405	-	1,072,405
Liabilities			
Accounts payable	1,213,277	159,987	1,373,264
Due to other funds, net	-	34,868	34,868
Accrued interest	63,994	-	63,994
Accrued salaries	122,844	135	122,979
Payables to other governments	5,047	-	5,047
Payroll deductions and withholdings payable	71,932	-	71,932
Unearned revenue	508,405	20,154	528,559
Unemployment compensation	94,696	-	94,696
Long-term liabilities			
Due within one year	2,065,638	-	2,065,638
Due beyond one year	14,274,618	-	14,274,618
Total liabilities	18,420,451	215,144	18,635,595
Deferred inflows of resources			
Deferred amount on pension liability	571,214	-	571,214

See accompanying notes to the financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	$ 22,088,262	$ 92,913	$ 22,181,175
Restricted for			
Capital reserve fund	4,801,791	-	4,801,791
Emergency reserve fund	169,749	-	169,749
Maintenance reserve fund	338,925	-	338,925
Unemployment claims	83,511	-	83,511
Scholarship	67,725	-	67,725
Student activities	193,669	-	193,669
Debt service	175	-	175
Unrestricted	(3,699,440)	241,777	(3,457,663)
Total net position	$ 24,044,367	$ 334,690	$ 24,379,057

See accompanying notes to the financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2025

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions	Net (Expense) Revenue & Changes in Net Position: Governmental Activities	Net (Expense) Revenue & Changes in Net Position: Business-Type Activities	Net (Expense) Revenue & Changes in Net Position: Total
Governmental activities								
Instruction								
Regular	$ 9,599,645	$ 8,090,147	$ 330,121	$ 879,798	$ 75,343	$ (16,404,530)	$ -	$ (16,404,530)
Special education	4,012,104	3,420,839	-	15,897	35,333	(7,381,713)	-	(7,381,713)
Other special instruction	831,767	368,263	-	461,869	3,291	(734,870)	-	(734,870)
Other instruction	1,075,733	527,100	-	-	4,330	(1,598,503)	-	(1,598,503)
Support services								
Tuition	3,468,416	-	-	478,276	-	(2,990,140)	-	(2,990,140)
Students and instruction related services	6,940,377	3,430,578	344,482	1,629,504	32,562	(8,364,407)	-	(8,364,407)
General and business administration services	1,485,007	659,089	-	-	6,928	(2,137,168)	-	(2,137,168)
School administration services	1,949,124	1,082,459	-	180,527	11,085	(2,839,971)	-	(2,839,971)
Plant operations and maintenance	3,080,347	344,344	26,097	24,626	4,157	(3,369,811)	-	(3,369,811)
Pupil transportation	2,509,634	7,358	-	2,000	173	(2,514,819)	-	(2,514,819)
Charter schools	384,601	-	-	-	-	(384,601)	-	(384,601)
Interest on long-term debt	331,378	-	-	-	-	(331,378)	-	(331,378)
Total governmental activities	35,668,133	17,930,177	700,700	3,672,497	173,202	(49,051,911)	-	(49,051,911)
Business-type activities								
Food service	1,033,024	-	317,911	585,624	-	-	(129,489)	(129,489)
Before and after school child care fund	529,994	-	411,840	39,821	-	-	(78,333)	(78,333)
Total business-type activities	1,563,018	-	729,751	625,445	-	-	(207,822)	(207,822)
Total primary government	$ 37,231,151	$ 17,930,177	$ 1,430,451	$ 4,297,942	$ 173,202	(49,051,911)	(207,822)	(49,259,733)
General revenues, special items and transfers								
Property taxes levied for general purposes						31,678,775	-	31,678,775
Property taxes levied for debt service						1,812,116	-	1,812,116
Federal and state aid not restricted						17,681,628	-	17,681,628
Investment earnings						185,933	-	185,933
Miscellaneous income						119,650	4,101	123,751
Special items								
Donated assets						66,051	-	66,051
Loss on disposal of assets						(650,000)	-	(650,000)
Total general revenues and special items						50,894,153	4,101	50,898,254
Change in net position						1,842,242	(203,721)	1,638,521
Net position - beginning						22,202,125	538,411	22,740,536
Net position - ending						$ 24,044,367	$ 334,690	$ 24,379,057

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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 2,201,660	$ 277,882	$ -	$ 175	$ 2,479,717
Due from other funds	330,861	85	-	-	330,946
Receivables from other governments					
State	1,155,601	-	295,882	-	1,451,483
Federal	-	247,533	-	-	247,533
Local	112,543	-	-	-	112,543
Other accounts receivable	6,178	7,594	-	-	13,772
Restricted cash and equivalents	5,481,306	261,309	-	-	5,742,615
Total assets	$ 9,288,149	$ 794,403	$ 295,882	$ 175	$ 10,378,609
Liabilities and fund balances					
Liabilities					
Accounts payable	$ 1,057,352	$ 155,925	$ -	$ -	$ 1,213,277
Due to other funds	85	111	295,882	-	296,078
Payroll deductions and withholdings payable	71,932	-	-	-	71,932
Accrued salaries	122,073	771	-	-	122,844
Payable to other governments					
State	2,315	2,732	-	-	5,047
Unearned revenue	8,027	500,378	-	-	508,405
Unemployment compensation claims payable	94,696	-	-	-	94,696
Total liabilities	1,356,480	659,917	295,882	-	2,312,279

See accompanying notes to the financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2025

	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					
Excess surplus - current year	$ 424,924	$ -	$ -	$ -	$ 424,924
Capital reserve account	4,801,791	-	-	-	4,801,791
Emergency reserve account	169,749	-	-	-	169,749
Maintenance reserve account	338,925	-	-	-	338,925
Unemployment claims	83,511	-	-	-	83,511
Scholarships	-	67,725	-	-	67,725
Student activities	-	193,669	-	-	193,669
Committed fund balance					
Year-end encumbrances	398,135	-	-	-	398,135
Assigned fund balance					
Designated for subsequent year's expenditures	1,408,712	-	-	-	1,408,712
Unassigned fund balance	305,922	(126,908)	-	175	179,189
Total fund balances	7,931,669	134,486	-	175	8,066,330
Total liabilities and fund balances	$ 9,288,149	$ 794,403	$ 295,882	$ 175	

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.	31,881,096
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	261,221
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.	(16,340,256)
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.	239,970
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(63,994)
Total net position of governmental activities	$ 24,044,367

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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	$ 31,678,775	$ -	$ -	$ 1,812,116	$ 33,490,891
Tuition - individuals	35,415	-	-	-	35,415
Tuition - other LEAs	290,543	-	-	-	290,543
Tuition - other	4,163	-	-	-	4,163
Interest on investments	185,933	-	-	-	185,933
Rents and royalties	26,097	-	-	-	26,097
Local contributions	-	514,283	-	-	514,283
Miscellaneous	119,650	-	-	-	119,650
Total	32,340,576	514,283	-	1,812,116	34,666,975
State sources	15,467,096	1,444,723	173,202	9,489	17,094,510
Federal sources	30,674	2,057,973	-	-	2,088,647
Total revenues	47,838,346	4,016,979	173,202	1,821,605	53,850,132
Expenditures					
Current					
Instructional					
Regular instruction	8,795,424	804,221	-	-	9,599,645
Special education instruction	3,996,207	15,897	-	-	4,012,104
Other special instruction	369,898	461,869	-	-	831,767
Other instruction	1,075,733	-	-	-	1,075,733
Support service and undistributed costs					
Tuition	2,990,140	478,276	-	-	3,468,416
Student and instruction related services	5,649,472	1,290,905	-	-	6,940,377
General and business administrative services	1,485,007	-	-	-	1,485,007
School administrative services	1,778,629	170,495	-	-	1,949,124
Plant operations and maintenance	3,052,218	28,129	-	-	3,080,347
Pupil transportation	2,507,634	2,000	-	-	2,509,634
Unallocated benefits	13,772,089	260,750	-	-	14,032,839

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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	$ 290,715	$ 684,988	$ 397,604	$ -	$ 1,373,307
Charter school	384,601	-	-	-	384,601
Debt service					
Principal	247,180	-	-	1,640,000	1,887,180
Interest and other charges	54,023	-	-	181,431	235,454
Total expenditures	46,448,970	4,197,530	397,604	1,821,431	52,865,535
Excess (deficiency) of revenues over (under) expenditures	1,389,376	(180,551)	(224,402)	174	984,597
Other financing sources (uses)					
Transfers in (out)	(83,398)	140,994	(57,596)	-	-
Total other financing sources (uses)	(83,398)	140,994	(57,596)	-	-
Net change in fund balance	1,305,978	(39,557)	(281,998)	174	984,597
Fund balances, July 1	6,625,691	174,043	281,998	1	7,081,733
Fund balances, June 30	$ 7,931,669	$ 134,486	$ -	$ 175	$ 8,066,330

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, 2025

Total net changes in fund balances - Governmental fund (from B-2)		$ 984,597
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which depreciation exceeds capital outlays in the period:		
Capital outlays	$ 1,373,307	
Donated assets	66,051	
Depreciation and amortization expense	(1,715,950)	
Loss on disposal of asset	(650,000)	
		(926,592)
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	1,640,000	
Lease principal payments	247,180	
		1,887,180
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.		312,220

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 (continued)
For the Fiscal Year Ended June 30, 2025

In the Statement of Activities, deferred outflows for refunding bond costs are amortized to current year expenses over the amortization period.	$ (108,500)
In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.	12,576
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.	(319,239)
Change in net position of governmental activities	$ 1,842,242

See accompanying notes to the financial statements.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Fund Net Position
June 30, 2025

	Food Service Fund	Before and After School Child Care Fund	Total
Asset			
Current assets			
Cash and cash equivalents	$ 313,223	$ -	$ 313,223
Due from other funds	2,323	-	2,323
Receivables from other governments			
State	2,437	9,712	12,149
Federal	33,670	-	33,670
Other receivables	55,142	15,919	71,061
Inventory	26,818	-	26,818
Total current assets	433,613	25,631	459,244
Noncurrent assets			
Capital assets	260,059	-	260,059
Less: accumulated depreciation	167,146	-	167,146
Total noncurrent assets	92,913	-	92,913
Total assets	526,526	25,631	552,157
Liabilities			
Current liabilities			
Due to other funds	18,298	18,893	37,191
Accounts payable	155,669	4,318	159,987
Accrued salaries	-	135	135
Unearned revenues			
Commodities	5,974	-	5,974
Prepaid sales	14,180	-	14,180
Total liabilities	194,121	23,346	217,467
Net position			
Net investment in capital assets	92,913	-	92,913
Unrestricted	239,492	2,285	241,777
Total net position	$ 332,405	$ 2,285	$ 334,690

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, 2025

	Food Service Fund	Before and After School Child Care Fund	Total
Operating revenues			
Charges for services			
Daily sales - reimbursable programs	$ 244,349	$ -	$ 244,349
Daily sales - non-reimbursable programs	53,453	-	53,453
Special function sales	20,109	-	20,109
Before and after school child care service fees	-	411,840	411,840
Total operating revenues	317,911	411,840	729,751
Operating expenses			
Cost of sales - reimbursable programs	335,864	-	335,864
Cost of sales - nonreimbursable programs	47,162	-	47,162
Commodity costs	52,370	-	52,370
Salaries	290,099	468,692	758,791
Employee benefits	90,257	-	90,257
Purchased professional and technical services	4,730	37,803	42,533
Purchased property services	40,188	-	40,188
Other purchased services			
Management fee	41,090	-	41,090
Insurance	5,147	-	5,147
Other purchased services	3,491	14,410	17,901
General supplies	111,594	9,089	120,683
Depreciation	11,032	-	11,032
Total operating expenses	1,033,024	529,994	1,563,018
Operating income (loss)	(715,113)	(118,154)	(833,267)
Non-operating revenues (expenses)			
State sources			
State school lunch program	33,820	-	33,820
State child care assistance program	-	39,821	39,821
Federal sources			
National school breakfast program	84,970	-	84,970
National school lunch program			
Cash assistance	400,801	-	400,801
Non-cash assistance (commodities)	52,370	-	52,370
P-EBT	643	-	643
Local Food Program	13,020	-	13,020
Miscellaneous	3,764	337	4,101
Total non-operating revenues (expenses)	589,388	40,158	629,546
Change in net position	(125,725)	(77,996)	(203,721)
Net position, beginning	458,130	80,281	538,411
Net position, ending	$ 332,405	$ 2,285	$ 334,690

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, 2025

	Food Service Fund	Before and After School Child Care Fund	Total
Cash flows from operating activities			
Receipts from services provided (net)	$ 315,865	$ 420,521	$ 736,386
Payments to employees	-	(474,198)	(474,198)
Payments to Food Service Management Co. (net)	(757,830)	-	(757,830)
Payments to vendors and customers (net)	(119,113)	(66,053)	(185,166)
Interfund activity	(7,936)	-	(7,936)
Net cash provided by (used for) operating activities	(569,014)	(119,730)	(688,744)
Cash flows from non-capital financing activities			
State sources	36,973	30,109	67,082
Federal sources	558,287	-	558,287
Interfund activity	-	18,457	18,457
Miscellaneous	3,764	337	4,101
Net cash provided by (used for) non-capital financing activities	599,024	48,903	647,927
Cash flows from capital and related financing activities			
Acquisition of capital assets	(19,185)	-	(19,185)
Net cash provided by (used for) capital and related financing activities	(19,185)	-	(19,185)
Net increase (decrease) in cash and cash equivalents	10,825	(70,827)	(60,002)
Cash and cash equivalents, beginning	302,398	70,827	373,225
Cash and cash equivalents, ending	$ 313,223	$ -	$ 313,223

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, 2025

	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)	$ (715,113)	$ (118,154)	$ (833,267)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	11,032	-	11,032
Federal food donation program	52,370	-	52,370
(Increase) decrease in due from other funds	8,039	-	8,039
(Increase) decrease in accounts receivable	(2,168)	8,681	6,513
(Increase) decrease in inventory	(5,354)	-	(5,354)
Increase (decrease) in accounts payable	79,705	(4,751)	74,954
Increase (decrease) in unearned revenues	2,353	-	2,353
Increase (decrease) in prepaid expenses	122	-	122
Increase (decrease) in accrued salaries	-	(5,506)	(5,506)
Net cash provided by (used for) operating activities	$ (569,014)	$ (119,730)	$ (688,744)

See accompanying notes to the financial statements.

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, 2025 of 1,597 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.

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.

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.

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:

Note 1 - Summary of significant accounting policies (continued)

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

Proprietary Fund types

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

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

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

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

Equipment	12 Years

Fiduciary Fund types

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

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution. Budget amendments during the fiscal year ended June 30, 2025 were insignificant.

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 2024-2025 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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, 2025.

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

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. 101, *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.

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.

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.

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, 2025, 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.

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, 2025, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	$	250,000
Insured by GUDPA		9,282,196
Total bank balances	$	9,532,196

Deposits at June 30, 2025 appear in the financial statements as summarized below:

	Ref.		
Unrestricted cash			
Governmental funds, Balance Sheet	B-1	$	2,479,717
Enterprise funds, Statement of Net Position	B-4		313,223
Restricted cash			
Governmental funds, Balance Sheet	B-1		5,742,615
Total cash		$	8,535,555

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2025 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	1,458,429	519,386	1,823,252	154,563
Total	1,873,429	519,386	1,823,252	569,563
Capital assets, being depreciated or amortized				
Land improvements	1,199,299	525,948	-	1,725,247
Building and improvements	51,726,955	1,421,673	-	53,148,628
Furniture and equipment	2,329,261	101,452	-	2,430,713
Vehicles	62,542	44,151	-	106,693
Right-to-use asset	741,709	-	-	741,709
Total	56,059,766	2,093,224	-	58,152,990
Accumulated depreciation and amortization				
Land improvements	934,676	43,625	-	978,301
Building and improvements	22,248,032	1,131,777	-	23,379,809
Furniture and equipment	1,826,307	163,646	-	1,989,953
Vehicles	24,434	7,335	-	31,769
Right-to-use asset	92,058	369,567	-	461,625
Total	25,125,507	1,715,950	-	26,841,457
Total capital assets, being depreciated, net	30,934,259	377,274	-	31,311,533
Transfers	-	(1,173,252)	(1,173,252)	-
Governmental activities capital assets, net	$ 32,807,688	$ (276,592)	$ 650,000	$ 31,881,096

	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture equipment	$ 240,874	$ 19,185	$ -	$ 260,059
Less: accumulated depreciation	156,114	11,032	-	167,146
Business type activities capital assets, net	$ 84,760	$ 8,153	$ -	$ 92,913

Note 4 - Capital assets (continued)

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

Instruction		
Regular	$	671,639
Special education		236,870
Other special instruction		48,903
Co-curricular activities		93,149
Support services		
Student and instruction		435,529
General and business administration		91,105
School administration		117,113
Plant and maintenance		21,642
Total depreciation and amortization expense, governmental activities	$	1,715,950

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2025 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	$ 11,390,000	$ -	$ 1,640,000	$ 9,750,000	$ 1,885,000
PERS net pension liability	5,954,620	-	497,784	5,456,836	-
Leases payable	529,984	-	247,180	282,804	138,473
Compensated absences payable	531,377	319,239	-	850,616	42,165
Total governmental activities long-term liabilities	$ 18,405,981	$ 319,239	$ 2,384,964	$ 16,340,256	$ 2,065,638

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, 2025 including interest payments are listed as follows:

Year Ended June 30	Principal	Interest	Total
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	$ 9,750,000	$ 516,157	$ 10,266,157

General Obligation Bonds - General obligation school building bonds payable at June 30, 2025, with their outstanding balances are comprised of the following individual issues:

$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%.	$ 9,750,000
Totals	$ 9,750,000

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, 2025 is $74,254,143. General obligation debt at June 30, 2025 is $9,750,000, resulting in a legal debt margin of $64,504,143.

Leases payable - Leases payable at June 30, 2025, with their outstanding balances are comprised of the following:

Year Ended June 30	Principal	Interest	Total
2026	$ 138,473	$ 11,963	$ 150,436
2027	144,331	6,105	150,436
Total	$ 282,804	$ 18,068	$ 300,872

$560,170 - Chromebooks, commencing 5/17/23, 4.23% interest, due in annual installments beginning August 15, 2023 through August 15, 2026.	$ 282,804
Total	$ 282,804

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.

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.

Note 6 - Pension plans (continued)

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

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 (benefit). 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, 2023 through June 30, 2024. 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.

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 (benefit) 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, 2024 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, 2024 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 2024, the State's pension contribution was more than the actuarial determined amount.

Note 6 - Pension plans (continued)

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

Allocation methodology and reconciliation to financial statements (continued)

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 were credited with the full payment and any such amounts were not 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 is 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, 2025 was 15.85% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

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.

During the fiscal year ended June 30, 2024, the State of New Jersey contributed $17,593 to the PERS for normal pension benefits on behalf of the District.

Note 6 - Pension plans (continued)

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

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2024:

Total pension liability	$	5,456,836
Proportionate Share		0.0401590930%
Plan fiduciary net position as a percentage of the total pension liability		68.22%

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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%

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, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Note 6 - Pension plans (continued)

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

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024 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, 2024 measurement date are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Rate of Return
U.S. equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private equity	13.00%	12.40%
Real estate	8.00%	10.95%
Real assets	3.00%	8.20%
High yield	4.50%	6.74%
Private credit	8.00%	8.90%
Investment grade credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk mitigation strategies	3.00%	7.10%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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.

Note 6 - Pension plans (continued)

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

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

The following presents the collective net pension liability of as of June 30, 2024 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%)	$ 5,456,836
At a 1% lower rate (6.00%)	7,311,827
At a 1% higher rate (8.00%)	3,963,271

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2024 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	$ 109,310	$ 14,528
Changes of assumptions	6,779	62,086
Net difference between projected and actual earnings on pension plan investments	-	253,019
Changes in proportion and differences between District contributions and proportionate share of contributions	169,893	241,581
District contributions subsequent to the measurement date	546,453	-
Total	$ 832,435	$ 571,214

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, 2025, the plan measurement date is June 30, 2024) of $546,453 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2025.

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, 2024 measurement date:

Note 6 - Pension plans (continued)

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

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

	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	$ 56,934	$ 52,376	$ 109,310
Changes of assumptions	13,081	(6,302)	6,779
Differences between expected and actual investment earnings	27,422	(27,422)	-
Deferred inflows of resources			
Differences between expected and actual experience	(24,341)	9,813	(14,528)
Changes of assumptions	(360,875)	298,789	(62,086)
Difference between projected and actual earnings on pension plan investments	-	(253,019)	(253,019)
Net changes	$ (287,779)	$ 74,235	$ (213,544)

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:

Fiscal Year Ended June 30,	
2025	$ (231,685)
2026	179,271
2027	(103,139)
2028	(59,541)
2029	1,550
Total	$ (213,544)

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, 5.08, 5.04, 5.13, 5.16, and 5.21 years for the 2024, 2023, 2022, 2021, 2020, and 2019, respectively.

Note 6 - Pension plans (continued)

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

Pension expense (benefit)

For the year ended June 30, 2025, the District recognized net pension expense (benefit) of $234,231, which represents the District's proportionate share of allocable plan pension expense (benefit) of $118,920, plus the net amortization of deferred amounts from changes in proportion of $112,309, plus other adjustments to the net pension liability of $3,002. 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, 2024 measurement date are as follows:

Service cost	$	263,753
Interest on total pension liability		985,193
Benefit Changes		-
Member contributions		(216,010)
Administrative expense		7,629
Other- Chapter 19 adjustment		(7,942)
Expected investment return net of investment expense		(595,128)
Pension expense related to specific liabilities of individual employers		(7,594)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		30,015
Changes of assumptions		(240,775)
Difference between projected and actual investment earnings on pension plan investments		(100,221)
Pension expense (benefit)	$	118,920

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:

Note 6 - Pension plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Plan description (continued)

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 with 25 years or more of service credit before age 62, and Tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

Special funding situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows 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.

Note 6 - Pension plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Special funding situation (continued)

During the State fiscal year ended June 30, 2024, the State of New Jersey contributed $5,470,659 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, 2024 measurement date is as follows:

District proportionate share of net pension liability	$ 100,874,698
Less: State proportionate share of net pension liability	38,318,628
Net pension liability	$ 62,556,070
Proportionate share	0.1265673951%
Plan fiduciary net position as a percentage of the total pension liability	37.99%

Actuarial assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2024 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, 2024 measurement date are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Rate of Return
U.S. equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private equity	13.00%	12.40%
Real estate	8.00%	10.95%
Real assets	3.00%	8.20%
High yield	4.50%	6.74%
Private credit	8.00%	8.90%
Investment grade credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk mitigation strategies	3.00%	7.10%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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.

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, 2024 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%)	$	62,556,070
At a 1% lower rate (6.00%)		74,356,745
At a 1% higher rate (8.00%)		52,617,671

Pension expense (benefit)

The components of the allocable pension expense (benefit), which exclude amounts related to specific liabilities of individual employers, for the District for the year ended June 30, 2024 measurement date are as follows:

Service cost	$	1,763,404
Interest on total pension liability		6,829,010
Benefit Changes		-
Member contributions		(1,223,662)
Administrative expense		30,334
Expected investment return net of investment expense		(2,376,520)
Pension expense related to specific liabilities of individual employers		(659)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		206,031
Changes of assumptions		(5,278,100)
Difference between projected and actual investment earnings on pension plan investments		(178,033)
Pension expense (benefit)	$	(228,195)

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 2025) 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.

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, 2025 was $7,704.

D. Other pension plan information

During the year ended June 30, 2025, the State of New Jersey contributed $1,540,303 to the TPAF for postretirement medical benefits, $64,499 for non-contributory insurance premiums, $2,691 for long-term disability insurance, and $5,206,886 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 $1,210,007 during the year ended June 30, 2025 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.

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 2024 total OPEB liability of $59,650,630,530 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at https://www.nj.gov/treasury/pensions/gasb-notices-opeb.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, 2024 measurement date is as follows:

State's proportionate share of the OPEB liability	$	59,650,630,530
District's proportionate share of the State's OPEB liability		65,654,112
Employer OPEB expense and related revenue		2,384,971
Allocable proportionate percentage		0.1100644057%

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability

	Total OPEB Liability
Total OPEB liability at June 30, 2023	$ 57,113,033
Service cost	2,728,156
Interest cost	2,161,178
Change of benefit terms	-
Differences between expected and actual experiences	333,955
Changes of assumptions	4,911,801
Member contributions	56,516
Gross benefit payments	(1,650,527)
Total OPEB liability at June 30, 2024	$ 65,654,112

There were no changes of the benefit terms from June 30, 2023 to June 30, 2024.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% as of the June 30, 2023 Plan measurement date to 3.93% as of the June 30, 2024 Plan measurement date.

The total non-employer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. 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 (based on years of service)	PERS (based on years of service)
Salary increases	2.75% - 5.65%	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.

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

The actuarial assumptions used in the July 1, 2023 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 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate for June 30, 2024 was 3.93%. 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, 2024 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 (3.93%)	$	65,654,112
At a 1% lower rate (2.93%)		76,895,026
At a 1% higher rate (4.93%)		56,614,084

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	$	65,654,112
At a 1% lower rate (1% decrease)		54,690,353
At a 1% higher rate (1% increase)		79,935,131

Note 7 - Postretirement benefits (continued)

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

For the fiscal year ended June 30, 2024, the District recognized OPEB expense (revenue) of $2,384,971 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	Lincoln Investment Planning Inc.
Equitable	Vanguard
TIAA-CREF	Fidelity

Note 9 - Interfund receivables and payables

The composition of interfund balances as of June 30, 2025 is as follows:

Fund	Receivable Fund	Payable Fund
General fund	$ 330,861	$ 85
Special revenue fund	85	111
Capital projects fund	-	295,882
Food service fund	-	15,975
Before and after care fund	-	18,893
Total	$ 330,946	$ 330,946

Note 9 - Interfund receivables and payables (continued)

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 capital projects fund to the general fund represents a loan from the general fund of $295,882 due to cash flows related to the delayed receipt of grant revenues. The balance due from the food service fund to the general fund of $16,086 represents salaries in the food service paid from the general fund net of transactions occurring in the food service fund affecting the general fund. The balance due from the child care fund to the general fund of $18,893 represents salaries in the child care fund paid from the general fund. The balance due from the special revenue fund to the food service fund of $111 represents transactions occurring in the special revenue fund affecting the food service fund. The balance of $2,212 due from the food service fund to the general fund represents transactions occurring in the food service fund affecting the general fund.

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2025 consisted of the following:

Food	$	23,180
Supplies		3,638
Total	$	26,818

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.

Note 12 - Risk management (continued)

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
2024-2025	$ -	$ -	$ 37,266	$ 18,026	$ 178,207
2023-2024	-	-	39,257	31,284	158,950
2022-2023	-	43,886	33,893	-	150,977

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	$ 3,602,388	$ 1,500,000	$ 125,532	$ (426,129)	$ 4,801,791
Emergency	80,151	150,000	-	(60,402)	169,749
Maintenance	338,925	250,000	-	(250,000)	338,925
Total	$ 4,021,464	$ 1,900,000	$ 125,532	$ (736,531)	$ 5,310,465

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, 2025 is as follows:

Restricted		
Excess surplus - represents amount in excess of allowable percentage of expenditures in accordance with state statute, the excess surplus is designated for utilization in succeeding year's budgets	$	424,924
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.		4,801,791
Emergency reserve account - Represents funds restricted to finance unanticipated general fund expenditures required for a thorough and efficient education.		169,749
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.		398,135
Assigned		
Designated for subsequent year's expenditures - Represents amount appropriated in the succeeding year's budget to reduce tax requirements.		1,408,712
Unassigned		
Undesignated - Represents fund balance which has not been restricted designated.		920,313
Total fund balance - Budgetary basis (C-1)		8,546,060
Last state aid payments not recognized on GAAP basis		(614,391)
Total fund balance - GAAP basis (exhibit B-1)	$	7,931,669

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, 2025 is $424,924.

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, 2025 of ($3,699,440) on Schedule A-1, Statement of Net Position. The deficit balance is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

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

The District has a deficit unassigned fund balance of ($126,908) in the special revenue fund as of June 30, 2025 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 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.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. 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 December 1, 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, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues					
Local sources					
Local tax levy	$ 31,678,775	$ -	$ 31,678,775	$ 31,678,775	$ -
Other local governmental units - unrestricted	56,650	-	56,650	57,806	1,156
Tuition from individuals	10,000	-	10,000	35,415	25,415
Tuition from other LEAs within the state	125,000	-	125,000	290,543	165,543
Tuition from other sources	117,350	-	117,350	4,163	(113,187)
Rents and royalties	45,000	-	45,000	26,097	(18,903)
Unrestricted miscellaneous revenues	210,000	-	210,000	247,777	37,777
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	32,244,075	-	32,244,075	32,340,576	96,501
State sources					
Categorical transportation aid	240,771	-	240,771	240,771	-
Extraordinary aid	1,000,000	-	1,000,000	1,064,007	64,007
Categorical special education aid	1,695,651	-	1,695,651	1,695,651	-
Equalization aid	4,140,885	-	4,140,885	4,140,885	-
Categorical security aid	66,702	-	66,702	66,702	-
Other state aid	-	122,470	122,470	207,464	84,994
TPAF Pension (on-behalf)	-	-	-	5,206,886	5,206,886
TPAF Non-contributory insurance	-	-	-	64,499	64,499
TPAF Social Security (reimbursed)	-	-	-	1,210,007	1,210,007
TPAF Postretirement benefits	-	-	-	1,540,303	1,540,303
TPAF Long-term disability insurance	-	-	-	2,691	2,691
Total	7,144,009	122,470	7,266,479	15,439,866	8,173,387
Federal sources					
Medicaid reimbursement	56,147	-	56,147	30,674	(25,473)
Total	56,147	-	56,147	30,674	(25,473)
Total revenues	$ 39,444,231	$ 122,470	$ 39,566,701	$ 47,811,116	$ 8,244,415

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Expenditures					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	$ 482,618	$ -	$ 482,618	$ 449,814	$ 32,804
Grades 1-5	2,878,801	21,939	2,900,740	2,756,520	144,220
Grades 6-8	2,097,177	(31,228)	2,065,949	1,817,645	248,304
Grades 9-12	2,893,076	5,211	2,898,287	2,882,880	15,407
Home instruction					
Salaries of teacher	35,000	12,257	47,257	47,257	-
Purchased professional - educational services	35,000	(8,178)	26,822	21,214	5,608
Regular programs - undistributed instruction					
Other salaries for instruction	191,552	(65,240)	126,312	119,422	6,890
Purchased professional - educational services	377,000	99,838	476,838	449,313	27,525
Other purchased services	38,157	3,032	41,189	37,972	3,217
General supplies	351,503	(129,965)	221,538	193,310	28,228
Textbooks	29,392	(10,350)	19,042	18,377	665
Other objects	813	1,500	2,313	1,700	613
Total	9,410,089	(101,184)	9,308,905	8,795,424	513,481
Special education					
Learning and/or language disabilities					
Salaries of teachers	435,191	163,171	598,362	563,545	34,817
Other salaries for instruction	185,019	101,060	286,079	263,529	22,550
Other purchased services	521	-	521	478	43
General supplies	18,856	(2,723)	16,133	7,644	8,489
Other objects	10,105	2,723	12,828	12,828	-
Total	649,692	264,231	913,923	848,024	65,899
Emotional regulation impairment					
Salaries of teachers	144,746	(144,746)	-	-	-
Other salaries for instruction	78,488	(74,322)	4,166	4,166	-
General supplies	5,018	(3,665)	1,353	517	836
Total	228,252	(222,733)	5,519	4,683	836
Resource room/resource center					
Salaries of teachers	2,334,423	(129,832)	2,204,591	2,047,593	156,998
Other salaries for instruction	201,093	(20,910)	180,183	157,700	22,483
Other purchased services	14,225	-	14,225	10,941	3,284
General supplies	6,410	-	6,410	4,120	2,290
Total	2,556,151	(150,742)	2,405,409	2,220,354	185,055

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Autism					
Salaries of teachers	$ 358,135	$ (1,337)	$ 356,798	$ 351,119	$ 5,679
Other salaries for instruction	163,467	(41,275)	122,192	122,192	-
Purchased professional-educational services	9,138	-	9,138	6,750	2,388
General supplies	10,655	-	10,655	6,378	4,277
Total	541,395	(42,612)	498,783	486,439	12,344
Preschool disabilities - full-time					
Salaries of teachers	229,006	33,361	262,367	262,367	-
Other salaries for instruction	107,636	60,465	168,101	168,101	-
General supplies	16,298	(9,661)	6,637	6,239	398
Total	352,940	84,165	437,105	436,707	398
Total special education	4,328,430	(67,691)	4,260,739	3,996,207	264,532
Bilingual education - instruction					
Salaries of teachers	357,442	15,087	372,529	367,819	4,710
General supplies	2,747	-	2,747	2,079	668
Total	360,189	15,087	375,276	369,898	5,378
School-sponsored co/extra curricular activities - instruction					
Salaries	275,000	600	275,600	243,323	32,277
Purchased services	31,050	(1,180)	29,870	27,459	2,411
Supplies and materials	5,248	-	5,248	4,438	810
Other objects	4,375	580	4,955	4,350	605
Total	315,673	-	315,673	279,570	36,103
School-sponsored athletics - instruction					
Salaries	300,010	-	300,010	288,517	11,493
Purchased services	63,574	(360)	63,214	56,745	6,469
Supplies and materials	21,610	-	21,610	21,350	260
Other objects	19,570	-	19,570	19,078	492
Total	404,764	(360)	404,404	385,690	18,714
Other supplemental/at-risk programs - instruction					
Salaries of reading specialists	463,098	-	463,098	410,473	52,625
Total	463,098	-	463,098	410,473	52,625
Total instruction regular	$ 15,282,243	$ (154,148)	$ 15,128,095	$14,237,262	$ 890,833

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	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	$ 10,000	$ 114,394	$ 124,394	$ 124,394	$ -
Tuition to other LEAs within the state - special	1,248,699	(343,003)	905,696	732,230	173,466
Tuition to cssd. & regional day schools	166,111	(66,808)	99,303	5,296	94,007
Tuition to priv. school for the disabled w/i state	1,967,496	(21,339)	1,946,157	1,468,966	477,191
Tuition to priv. sch. disabled & other LEAs-spl, o/s state	-	41,557	41,557	41,557	-
Tuition - other	610,834	38,216	649,050	617,697	31,353
Total	4,003,140	(236,983)	3,766,157	2,990,140	776,017
Undistributed expenditures - attendance & social work					
Salaries	367,521	6,641	374,162	355,514	18,648
Other purchased services	41,000	350	41,350	41,061	289
Total	408,521	6,991	415,512	396,575	18,937
Undistributed expenditures - health services					
Salaries	324,599	(18,442)	306,157	304,108	2,049
Purchased professional and technical services	35,100	103,119	138,219	90,040	48,179
Other purchased services	2,636	235	2,871	1,028	1,843
Supplies and materials	15,804	(212)	15,592	7,844	7,748
Supplies - menstrual products	-	200	200	148	52
Other objects	43	212	255	255	-
Total	378,182	85,112	463,294	403,423	59,871
Undistributed expenditures - speech, ot, pt & related services					
Salaries	759,927	(82,576)	677,351	615,833	61,518
Purchased professional - educational services	193,215	80,576	273,791	217,497	56,294
Supplies and materials	7,140	-	7,140	6,857	283
Total	960,282	(2,000)	958,282	840,187	118,095
Undistributed expend - other supp. service stds. - extra service					
Salaries	484,643	22,249	506,892	465,683	41,209
Purchased professional - educational services	695,780	170,642	866,422	673,512	192,910
Supplies and materials	14,509	-	14,509	6,300	8,209
Total	1,194,932	192,891	1,387,823	1,145,495	242,328
Undistributed expenditures - guidance					
Salaries of other professional staff	653,451	-	653,451	636,799	16,652
Salaries of secretarial and clerical assistants	66,259	-	66,259	56,904	9,355
Purchased professional - educational services	2,500	1,975	4,475	2,875	1,600
Other purchased professional and technical services	1,000	-	1,000	350	650
Other purchased services	26,005	(990)	25,015	20,392	4,623
Supplies and materials	2,600	184	2,784	1,818	966
Other objects	1,445	30	1,475	890	585
Total	753,260	1,199	754,459	720,028	34,431

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Undistributed expenditures - child study teams					
Salaries of other professional staff	$ 644,175	$ (65,120)	$ 579,055	$ 556,587	$ 22,468
Salaries of secretarial and clerical assistants	178,660	-	178,660	173,112	5,548
Other salaries	12,250	3,253	15,503	15,503	-
Purchased professional - educational services	401,512	125,300	526,812	457,985	68,827
Other purchased professional and technical services	58,550	20,000	78,550	23,480	55,070
Other purchased services	30,987	(713)	30,274	24,875	5,399
Supplies and materials	18,133	-	18,133	13,979	4,154
Other objects	2,420	478	2,898	2,898	-
Total	1,346,687	83,198	1,429,885	1,268,419	161,466
Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	171,381	46,098	217,479	217,479	-
Salaries of other professional staff	62,108	(23,096)	39,012	37,627	1,385
Purchased professional - educational services	4,625	(105)	4,520	4,520	-
Other purchased services	1,250	654	1,904	1,466	438
Supplies and materials	1,500	(924)	576	227	349
Other objects	1,550	-	1,550	517	1,033
Total	242,414	22,627	265,041	261,836	3,205
Undistributed expenditures - edu. media service/sch. library					
Salaries	212,783	-	212,783	212,357	426
Salaries of technology coordinators	190,411	-	190,411	187,985	2,426
Other purchased services	16,077	(1,635)	14,442	14,260	182
Supplies and materials	5,151	1,270	6,421	6,245	176
Total	424,422	(365)	424,057	420,847	3,210
Undistributed expenditures - instructional staff training services					
Salaries of supervisor of instruction	155,593	-	155,593	139,716	15,877
Other salaries	8,416	1,320	9,736	1,472	8,264
Purchased professional - educational services	62,149	(4,605)	57,544	39,367	18,177
Other purchased services	20,500	(4,558)	15,942	8,135	7,807
Supplies and materials	4,350	(1,050)	3,300	840	2,460
Other objects	3,240	-	3,240	3,132	108
Total	254,248	(8,893)	245,355	192,662	52,693
Undistributed expend. - support service - general admin.					
Salaries	306,794	1,327	308,121	308,121	-
Legal services	120,000	(1,327)	118,673	102,639	16,034
Audit fees	42,000	-	42,000	41,900	100
Architectural/engineering services	58,407	216,001	274,408	152,459	121,949
Other purchased professional services	5,500	1,137	6,637	6,637	-
Purchased technical services	-	95	95	95	-
Communications/telephone	61,816	9,716	71,532	59,509	12,023
BOE other purchased services	3,000	2,000	5,000	-	5,000
Misc. purch services	235,611	(2,000)	233,611	223,205	10,406
General supplies	9,394	(95)	9,299	6,381	2,918
BOE in-house training/meeting supplies	2,500	-	2,500	351	2,149
Miscellaneous expenditures	3,600	-	3,600	3,469	131
BOE membership dues and fees	16,000	-	16,000	15,224	776
Total	864,622	226,854	1,091,476	919,990	171,486

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Undistributed expenditures - support service - school admin.					
Salaries of principals/assistant principals	$ 940,688	$ 53,055	$ 993,743	$ 992,083	$ 1,660
Salaries of secretarial and clerical assistants	508,895	30,349	539,244	539,244	-
Other salaries	12,500	(7,403)	5,097	5,097	-
Purchased professional and technical services	14,600	(106)	14,494	7,309	7,185
Other purchased services	28,227	2,652	30,879	27,005	3,874
Supplies and materials	40,479	3,412	43,891	31,859	12,032
Other objects	9,482	3,125	12,607	10,023	2,584
Total	1,554,871	85,084	1,639,955	1,612,620	27,335
Undistributed expenditures - central services					
Salaries	493,232	-	493,232	449,285	43,947
Purchased professional services	53,000	-	53,000	52,700	300
Purchased technical services	31,230	1,134	32,364	32,364	-
Miscellaneous purchased services	23,468	(1,912)	21,556	19,319	2,237
Supplies and materials	12,984	-	12,984	8,860	4,124
Interest on lease purchase agreements	526	79	605	605	-
Other objects	2,400	699	3,099	1,884	1,215
Total	616,840	-	616,840	565,017	51,823
Undistributed expenditures - admin. info. technology					
Salaries	118,417	325	118,742	118,742	-
Other purchased services	57,049	(4,526)	52,523	47,267	5,256
Total	175,466	(4,201)	171,265	166,009	5,256
Undistributed expenditures - req. maint. for school facilities					
Salaries	334,996	-	334,996	327,683	7,313
Cleaning, repair, and maintenance services	327,428	(1,365)	326,063	213,778	112,285
General supplies	89,375	24,143	113,518	88,240	25,278
Other objects	-	150	150	150	-
Total	751,799	22,928	774,727	629,851	144,876
Undistributed expenditures - custodial services					
Salaries of non-instructional aides	128,495	(17,739)	110,756	108,192	2,564
Purchased professional and technical services	19,400	4,503	23,903	16,860	7,043
Cleaning, repair, and maintenance service	1,413,118	(4,896)	1,408,222	1,408,222	-
Rental of land & bldg. other than lease purch agreement	49,596	(49,596)	-	-	-
Other purchased property services	46,500	(5,900)	40,600	30,779	9,821
Insurance	81,997	401	82,398	82,398	-
Miscellaneous purchased services	3,500	(401)	3,099	983	2,116
General supplies	90,600	7,292	97,892	97,892	-
Energy (natural gas)	160,000	(22,000)	138,000	107,697	30,303
Energy (electricity)	330,000	96,000	426,000	374,658	51,342
Other objects	1,300	-	1,300	-	1,300
Total	2,324,506	7,664	2,332,170	2,227,681	104,489
Undistributed expenditures - care and upkeep of grounds					
Cleaning, repair, and maintenance service	88,097	-	88,097	82,122	5,975
General supplies	13,000	-	13,000	5,382	7,618
Total	101,097	-	101,097	87,504	13,593

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Undistributed expenditures - security					
Salaries	$ 107,842	$ 85	$ 107,927	$ 99,597	$ 8,330
Purchased professional and technical services	1,800	(85)	1,715	699	1,016
Cleaning, repair, and maintenance service	69,602	(36,402)	33,200	3,746	29,454
General supplies	4,000	-	4,000	3,141	859
Total	183,244	(36,402)	146,842	107,183	39,659
Undistributed expenditures - student trans. service					
Salaries for pupil trans. (betw. home & school) - reg.	12,760	(368)	12,392	12,168	224
Salaries for pupil trans. (betw. home & school) - sp.	11,800	368	12,168	12,168	-
Management fee - ESC & CTSA trans. program	130,000	-	130,000	103,315	26,685
Contract service-aid in lieu pymts. - non-public schl.	205,000	(2,655)	202,345	180,133	22,212
Contract service-aid in lieu pymts.-charter schl. stud.	15,000	2,655	17,655	16,478	1,177
Contract service (oth. than betw. home & schl)-vend.	184,590	460	185,050	134,719	50,331
Contract service (reg. students) - ESCs & CTSAs	820,000	(540)	819,460	602,066	217,394
Contract service (spl. ed. students) - ESCs & CTSAs	1,560,000	109,655	1,669,655	1,446,092	223,563
Miscellaneous purchased services - transportation	-	540	540	495	45
Total	2,939,150	110,115	3,049,265	2,507,634	541,631
Unallocated benefits - employee benefits					
Social Security contributions	435,000	2,071	437,071	437,071	-
Other retirement contributions - PERS	575,000	11,854	586,854	578,825	8,029
Other retirement contributions - regular	5,500	2,204	7,704	7,704	-
Unemployment compensation	-	1,613	1,613	1,613	-
Workmen's compensation	173,195	(6,945)	166,250	160,150	6,100
Health benefits	4,598,013	(43,598)	4,554,415	4,224,859	329,556
Tuition reimbursement	44,494	(12,522)	31,972	31,332	640
Other employee benefits	222,825	24,989	247,814	247,814	-
Unused sick payment to terminated/retired staff	48,000	10,335	58,335	58,335	-
Total	6,102,027	(9,999)	6,092,028	5,747,703	344,325
On-behalf TPAF Pension contribution	-	-	-	5,206,886	(5,206,886)
On-behalf TPAF Non-contributory insurance	-	-	-	64,499	(64,499)
On-behalf TPAF Postretirement medical benefits	-	-	-	1,540,303	(1,540,303)
On-behalf TPAF Long-term disability insurance	-	-	-	2,691	(2,691)
Reimbursed TPAF Social Security contribution	-	-	-	1,210,007	(1,210,007)
Total	-	-	-	8,024,386	(8,024,386)
Total undistributed expenditures	$ 25,579,710	$ 545,820	$ 26,125,530	$31,235,190	$ (5,109,660)
Total current	$ 40,861,953	$ 391,672	$ 41,253,625	$45,472,452	$ (4,218,827)

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Capital outlay					
Equipment					
Special education - instruction					
Multiple disabilities	$ -	$ 5,047	$ 5,047	$ 5,047	$ -
Undistributed					
Undistributed expend. - support service - students - spl.	2,589	-	2,589	2,589	-
Undistributed expenditures - admin. info. technology	14,697	8,971	23,668	23,668	-
Undistributed expend. - req. maint. for school facilities	61,115	12,332	73,447	68,362	5,085
Undistributed expenditures - custodial services	4,223	62	4,285	4,285	-
Undistributed expenditures - care and upkeep of grounds	-	2,067	2,067	688	1,379
Undistributed expenditures - security	-	36,402	36,402	36,402	-
Total equipment	82,624	64,881	147,505	141,041	6,464
Facilities acquisition and construction service					
Architectural/engineering services	34,000	14,504	48,504	28,563	19,941
Construction services	401,129	(14,504)	386,625	121,110	265,515
Lease purchase agreements - principal	71,312	175,947	247,259	247,180	79
Assessment for debt service on SDA funding	54,023	-	54,023	54,023	-
Total facilities acquisition and construction service	560,464	175,947	736,411	450,876	285,535
Total capital outlay	$ 643,088	$ 240,828	$ 883,916	$ 591,917	$ 291,999
Transfer of funds to charter schools	$ 327,457	$ 57,144	$ 384,601	$ 384,601	$ -
Total expenditures	$ 41,832,498	$ 689,644	$ 42,522,142	$ 46,448,970	$ (3,926,828)
Excess (deficiency) of revenues over (under) expenditures	$ (2,388,267)	$ (567,174)	$ (2,955,441)	$ 1,362,146	$ 4,317,587
Other financing sources (uses)					
Operating transfer in					
Transfers from capital projects fund	-	-	-	57,596	57,596
Operating transfer out					
Transfer to special revenue fund - preschool programs	(140,994)	-	(140,994)	(140,994)	-
Total other financing sources (uses)	(140,994)	-	(140,994)	(83,398)	57,596
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,529,261)	(567,174)	(3,096,435)	1,278,748	4,375,183
Fund balances, July 1	7,267,312	-	7,267,312	7,267,312	-
Fund balances, June 30	$ 4,738,051	$ (567,174)	$ 4,170,877	$ 8,546,060	$ 4,375,183

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	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	$ (107,152)	$ -	$ (107,152)	$ (107,152)	$ -
Increase in capital reserve	-	1,625,532	1,625,532	1,625,532	-
Interest deposit to capital reserve	1,000	-	1,000	-	(1,000)
Withdrawal from capital reserve	(426,129)	-	(426,129)	(426,129)	-
Increase in emergency reserve	-	150,000	150,000	150,000	-
Interest earned on emergency reserve	20	-	20	-	(20)
Withdrawal from emergency reserve	(60,402)	-	(60,402)	(60,402)	-
Increase in maintenance reserve	-	250,000	250,000	250,000	-
Interest earned on maintenance reserve	280	-	280	-	(280)
Withdrawal from maintenance reserve	(250,000)	-	(250,000)	(250,000)	-
Budgeted fund balance	(1,686,878)	(2,592,706)	(4,279,584)	96,899	4,376,483
Total	$ (2,529,261)	$ (567,174)	$ (3,096,435)	$ 1,278,748	$ 4,375,183
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - current year				$ 424,924	
Capital reserve				4,801,791	
Emergency reserve				169,749	
Maintenance reserve				338,925	
Unemployment compensation				83,511	
Committed fund balance					
Year-end encumbrances				398,135	
Assigned fund balance					
Designated for subsequent year's expenditures				1,408,712	
Unassigned fund balance				920,313	
Fund balance per budgetary basis				8,546,060	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(614,391)	
Fund balance per governmental funds (GAAP)				$ 7,931,669	

See independent auditors' report.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues					
Local sources	$ 1,009,929	$ -	$ 1,009,929	$ 705,181	$ (304,748)
State sources	1,456,614	-	1,456,614	1,450,015	(6,599)
Federal sources	1,753,810	-	1,753,810	1,610,981	(142,829)
Total revenues	4,220,353	-	4,220,353	3,766,177	(454,176)
Other Financing Sources					
Transfers In	140,994	-	140,994	140,994	-
Total revenues & other financing sources	$ 4,361,347	$ -	$ 4,361,347	$ 3,907,171	$ (454,176)
Expenditures					
Instruction					
Salaries	$ 974,289	$ (81,202)	$ 893,087	$ 882,172	$ 10,915
Purchased professional and technical services	114,248	(13,539)	100,709	94,036	6,673
Other purchased services	3,244	-	3,244	1,500	1,744
General supplies	154,521	29,008	183,529	146,643	36,886
Textbooks	16,058	-	16,058	15,812	246
Total	1,262,360	(65,733)	1,196,627	1,140,163	56,464
Support services					
Tuition	478,245	31	478,276	478,276	-
Salaries	686,551	33,367	719,918	684,645	35,273
Employee benefits	426,080	2,456	428,536	392,960	35,576
Purchased professional and technical services	461,040	53,971	515,011	475,087	39,924
Plant operations and maintenance	29,448	-	29,448	28,128	1,320
Other purchased services	343,874	(46,836)	297,038	34,982	262,056
Transportation	2,000	-	2,000	2,000	-
Travel	565	1,703	2,268	2,268	-
Supplies and materials	44,036	12,544	56,580	45,003	11,577
Other objects	18,643	-	18,643	18,526	117
Student activities	337,874	-	337,874	337,874	-
Scholarships	13,190	-	13,190	13,190	-
Total	2,841,546	57,236	2,898,782	2,512,939	385,843

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Capital outlay					
Facilities - construction	$ 157,441	$ -	$ 157,441	$ 152,420	$ 5,021
Instructional equipment	-	2,882	2,882	2,616	266
Non-instructional equipment	100,000	5,615	105,615	105,615	-
Total	257,441	8,497	265,938	260,651	5,287
Total expenditures	$ 4,361,347	$ -	$ 4,361,347	$ 3,913,753	$ 447,594
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ -	$ (6,582)	$ (6,582)
Fund balances, July 1	267,976	-	267,976	267,976	-
Fund balances, June 30	$ 267,976	$ -	$ 267,976	$ 261,394	$ (6,582)
Recapitulation of fund balance					
Restricted fund balance					
Scholarships				$ 67,725	
Student activities				193,669	
Fund balance per budgetary basis				261,394	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(126,908)	
Fund balance per governmental funds (GAAP)				$ 134,486	

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, 2025

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	$ 47,811,116	$ 3,766,177
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	-	496,210
Outstanding encumbrances - current year	-	(212,167)
Prior year encumbrances canceled	-	(266)
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	641,621	93,933
State aid receivable current year	(614,391)	(126,908)
Total revenues (GAAP basis)	$ 47,838,346	$ 4,016,979

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, 2025

Uses/Outflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	$ 46,448,970	$ 3,913,753
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	-	496,210
Outstanding encumbrances - current year	-	(212,167)
Prior year encumbrances canceled	-	(266)
Total expenditures (GAAP basis)	$ 46,448,970	$ 4,197,530

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			
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	0.0401590930%	5,456,836	3,486,652	156.51%	68.22%
2025	N/A	N/A	3,447,439	N/A	N/A

N/A = Information not available

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
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%
2025	546,453	(546,453)	-	3,447,439	15.85%

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 proportion		State's			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	proportion	Total	District's covered employee payroll		
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	0.00%	-	62,556,070	62,556,070	16,222,646	0.00%	37.99%
2025	N/A	N/A	N/A	N/A	16,792,717	N/A	N/A

N/A = Information not available

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
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%
2025	5,470,659	(5,470,659)	-	16,792,717	32.58%

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 proportion		State's			District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other postemployment employee benefits liability
	Percentage	Value	proportion	Total	District's covered employee payroll		
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	0.00%	-	65,654,112	65,654,112	19,709,298	0.00%	0.00%
2025	N/A	N/A	N/A	N/A	20,240,156	N/A	N/A

N/A = Information not available

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2025

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 2023 and 7.00% in State fiscal year 2024. The inflation rate was 2.75% in State fiscal year 2023 and 2.75% in State fiscal year 2024.

Note 3 - Changes in assumptions - PERS

The discount rate was 7.00% in State fiscal year 2023 and 7.00% in State fiscal year 2024. The inflation rate was 2.75% for State fiscal year 2023 and 2.75% for State fiscal year 2024.

Note 4 - Changes in assumptions - other postretirement employee benefits

The other postretirement employee benefits discount rate increased from 3.65% in State fiscal year 2023 to 3.93% in State fiscal year 2024.

Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% 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, 2025

	IDEA Basic	IDEA Preschool	ESEA Title IA	ESEA Title I SIA A	ESEA Title IIA	ESEA Title III	ESEA Title III (Immigration)
Revenues							
Local sources	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State sources	-	-	-	-	-	-	-
Federal sources	512,969	15,897	372,262	192,449	68,651	37,117	10,050
Total revenues	512,969	15,897	372,262	192,449	68,651	37,117	10,050
Other financing sources							
Transfer from general fund	-	-	-	-	-	-	-
Total revenues and other financing sources	$ 512,969	$ 15,897	$ 372,262	$ 192,449	$ 68,651	$ 37,117	$ 10,050
Expenditures							
Instruction							
Salaries	$ -	$ 14,767	$ 167,453	$ 95,541	$ -	$ 4,750	$ -
Purchased professional and technical services	-	-	4,720	3,600	-	-	-
Other purchased services	-	-	-	-	-	-	-
General supplies	-	-	33,103	-	-	17,745	-
Textbooks	-	-	-	-	-	-	-
Total	-	14,767	205,276	99,141	-	22,495	-
Support services							
Tuition	478,276	-	-	-	-	-	-
Salaries	-	-	20,824	16,975	26,526	375	5,375
Employee benefits	-	1,130	74,536	51,546	2,054	392	507
Purchased professional and technical services	34,693	-	40,377	19,000	35,487	8,330	-
Plant operations & maintenance	-	-	-	-	-	-	-
Other purchased services	-	-	10,976	2,050	3,645	3,555	-
Transportation	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Supplies and materials	-	-	5,446	3,737	75	1,476	4,080
Other objects	-	-	14,827	-	864	494	88
Student activities	-	-	-	-	-	-	-
Scholarships	-	-	-	-	-	-	-
Total	512,969	1,130	166,986	93,308	68,651	14,622	10,050
Capital							
Facilities	-	-	-	-	-	-	-
Instructional equipment	-	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
Total expenditures	$ 512,969	$ 15,897	$ 372,262	$ 192,449	$ 68,651	$ 37,117	$ 10,050
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fund balances, July 1	-	-	-	-	-	-	-
Fund balances, June 30	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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, 2025

	ESEA Title IV	School Based Youth Program	ARP ESSER	ARP Accelerated Learning	ARP Beyond the School Day	ARP Mental Health
Revenues						
Local sources	$ -	$ -	$ -	$ -	$ -	$ -
State sources	-	-	-	-	-	-
Federal sources	36,165	307,322	27,974	8,261	1,560	20,304
Total revenues	36,165	307,322	27,974	8,261	1,560	20,304
Other financing sources						
Transfer from general fund	-	-	-	-	-	-
Total revenues and other financing sources	$ 36,165	$ 307,322	$ 27,974	$ 8,261	$ 1,560	$ 20,304
Expenditures						
Instruction						
Salaries	$ -	$ -	$ 9,200	$ -	$ -	$ -
Purchased professional and technical services	1,600	-	-	-	-	-
Other purchased services	-	-	-	-	-	-
General supplies	10,428	-	7,835	4,511	-	-
Textbooks	-	-	-	-	-	-
Total	12,028	-	17,035	4,511	-	-
Support services						
Tuition	-	-	-	-	-	-
Salaries	3,475	292,107	4,445	-	-	9,611
Employee benefits	266	-	1,044	-	-	735
Purchased professional and technical services	13,540	1,750	-	3,750	-	5,000
Plant operations & maintenance	-	-	-	-	-	-
Other purchased services	3,887	5,299	-	-	-	1,770
Transportation	-	2,000	-	-	-	-
Travel	-	65	-	-	-	-
Supplies and materials	-	4,201	-	-	1,560	3,188
Other objects	353	1,900	-	-	-	-
Student activities	-	-	-	-	-	-
Scholarships	-	-	-	-	-	-
Total	21,521	307,322	5,489	3,750	1,560	20,304
Capital						
Facilities	-	-	5,450	-	-	-
Instructional equipment	2,616	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total	2,616	-	5,450	-	-	-
Total expenditures	$ 36,165	$ 307,322	$ 27,974	$ 8,261	$ 1,560	$ 20,304
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, 2025

	Preschool Expansion Aid	State Nonpublic	Local	Scholarships	Student Activities	Total
Revenues						
Local sources	$ -	$ -	$ 360,699	$ 8,732	$ 335,750	$ 705,181
State sources	1,268,946	181,069	-	-	-	1,450,015
Federal sources	-	-	-	-	-	1,610,981
Total revenues	1,268,946	181,069	360,699	8,732	335,750	3,766,177
Other financing sources						
Transfer from general fund	140,994	-	-	-	-	140,994
Total revenues and other financing sources	$ 1,409,940	$ 181,069	$ 360,699	$ 8,732	$ 335,750	$ 3,907,171
Expenditures						
Instruction						
Salaries	$ 590,461	$ -	$ -	$ -	$ -	$ 882,172
Purchased professional and technical services	31,816	52,300	-	-	-	94,036
Other purchased services	-	-	1,500	-	-	1,500
General supplies	66,934	-	6,087	-	-	146,643
Textbooks	-	15,812	-	-	-	15,812
Total	689,211	68,112	7,587	-	-	1,140,163
Support services						
Tuition	-	-	-	-	-	478,276
Salaries	302,554	-	2,378	-	-	684,645
Employee benefits	260,750	-	-	-	-	392,960
Purchased professional and technical services	5,000	112,957	195,203	-	-	475,087
Plant operations & maintenance	27,336	-	792	-	-	28,128
Other purchased services	-	-	3,800	-	-	34,982
Transportation	-	-	-	-	-	2,000
Travel	2,203	-	-	-	-	2,268
Supplies and materials	17,271	-	3,969	-	-	45,003
Other objects	-	-	-	-	-	18,526
Student activities	-	-	-	-	337,874	337,874
Scholarships	-	-	-	13,190	-	13,190
Total	615,114	112,957	206,142	13,190	337,874	2,512,939
Capital						
Facilities	-	-	146,970	-	-	152,420
Instructional equipment	-	-	-	-	-	2,616
Non-instructional equipment	105,615	-	-	-	-	105,615
Total	105,615	-	146,970	-	-	260,651
Total expenditures	$ 1,409,940	$ 181,069	$ 360,699	$ 13,190	$ 337,874	$ 3,913,753
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ -	$ (4,458)	$ (2,124)	$ (6,582)
Fund balances, July 1	-	-	-	72,183	195,793	267,976
Fund balances, June 30	$ -	$ -	$ -	$ 67,725	$ 193,669	$ 261,394

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis
For the Fiscal Year Ended June 30, 2025

	Final Budget	Actual	Variance Final to Actual
Expenditures			
Instruction			
Salaries	$ 443,868	$ 443,868	$ -
Other salaries for instruction	146,593	146,593	-
Purchased professional and technical services	31,816	31,816	-
Supplies	66,934	66,934	-
Total	689,211	689,211	-
Support services			
Salaries - program director	40,243	40,243	-
Salaries - other professional staff	40,529	40,529	-
Salaries - secretarial & clerical	20,980	20,980	-
Salaries - other	17,680	17,680	-
Salaries - community parent involvement	91,561	91,561	-
Salaries - master teachers	91,561	91,561	-
Employee benefits	260,750	260,750	-
Purchased professional and technical services	5,000	5,000	-
Purchased property services	27,336	27,336	-
Travel	2,203	2,203	-
Supplies	17,271	17,271	-
Total	615,114	615,114	-
Capital outlay			
Non-instructional equipment	105,615	105,615	-
Total	105,615	105,615	-
Total expenditures	$ 1,409,940	$ 1,409,940	$ -

See independent auditors' reports.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2025

Calculation of Budget & Carryover	
Total revised 2024 - 2025 preschool education aid allocation	$ 1,268,946
Add: actual ECPA/PEA carryover (June 30, 2024)	-
Less: PEA deduction from state school aid 2025 - 2026	-
Add: budgeted transfer from general fund	140,994
Total preschool education aid funds available for 2024 - 2025 budget	1,409,940
Less: 2024 - 2025 budgeted preschool education aid	(1,409,940)
Available and unbudgeted preschool education aid funds as of June 30, 2025	-
Add: 2024 - 2025 unexpended preschool education aid	-
2024 - 2025 Actual carryover preschool education aid	$ -
Preschool education aid carryover budgeted for preschool programs 2025 - 2026	$ -
Unbudgeted carryover preschool education aid	$ -

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, 2025

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date Prior Years	GAAP Expenditures to Date Current Year	Unexpended Appropriations 06/30/25
High School roof replacement	09/18/23	$ 560,418	$ 271,240	$ 289,178	$ -
Irving School tower section roof replacement	09/18/23	143,886	35,460	108,426	-
		$ 704,304	$ 306,700	$ 397,604	$ -

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, 2025

Revenues and other financing sources		
State sources - SDA aid	$	(14,797)
Total revenues		(14,797)
Expenditures and other financing uses		
Construction services		397,604
Transfer to capital reserve		57,596
Total expenditures and other financing uses		455,200
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses		(469,997)
Fund balance - beginning		469,997
Fund balance - ending	$	-
Reconciliation of Financial Assistance Difference for GAAP Purposes		
State financial assistance - budgetary basis (Schedule F-2)	$	(14,797)
Adjustment to GAAP basis		187,999
State financial assistance - GAAP basis (Schedule B-2)	$	173,202

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, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	$ 379,228	$ -	$ 379,228	$ 324,306
State sources - NJ SDA ROD grant	252,819	(16,707)	236,112	236,112
Total revenues	632,047	(16,707)	615,340	560,418
Expenditures and other financing uses				
Purchased professional and technical services	19,205	-	19,205	19,205
Construction services	252,035	289,178	541,213	541,213
Transfer to capital reserve	-	54,922	54,922	-
Total expenditures	271,240	344,100	615,340	560,418
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	(71,629)
Revised authorized cost	560,418
Percentage completion	100%

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, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	$ 86,790	$ -	$ 86,790	$ 84,116
State sources - NJ SDA ROD grant	57,860	1,910	59,770	59,770
Total revenues	144,650	1,910	146,560	143,886
Expenditures and other financing uses				
Purchased professional and technical services	4,395	-	4,395	4,395
Construction services	31,065	108,426	139,491	139,491
Transfer to capital reserve	-	2,674	2,674	-
Total expenditures	35,460	111,100	146,560	143,886
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	(764)
Revised authorized cost	143,886
Percentage completion	100%

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, 2025

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance 07/01/24	Issued	Retired	Balance 06/30/25
Refunding School Bonds of 2016	11/22/16	$ 8,555,000			1.39%	$ 1,120,000	$ -	$ 1,120,000	$ -
Refunding School Bonds of 2020	9/30/20	11,400,000	03/01/26	$ 1,885,000	1.33%	10,270,000	-	520,000	9,750,000
			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%	-	-	-	-
						$ 11,390,000	$ -	$ 1,640,000	$ 9,750,000

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Leases - General Fund
For the Fiscal Year Ended June 30, 2025

Description	Date of Lease	Amount of Original Issue	Balance 07/01/24	Issued	Retired	Balance 06/30/25
Communication System	7/1/2020	$ 222,389	$ 33,744	$ -	$ 33,744	$ -
Copier machines	10/25/2021	87,347	26,359	-	26,359	-
Modular classroom	3/10/2023	99,192	54,223	-	54,223	-
Chromebooks	5/17/2023	560,170	415,658	-	132,854	282,804
			$ 529,984	$ -	$ 247,180	$ 282,804

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues					
Local sources					
Debt service tax levy	$ 1,812,117	$ -	$ 1,812,117	$ 1,812,116	$ (1)
State sources					
Debt service aid	9,489	-	9,489	9,489	-
Total revenues	1,821,606	-	1,821,606	1,821,605	(1)
Expenditures					
Regular debt service					
Redemption of bond principal	1,640,000	-	1,640,000	1,640,000	-
Interest on bonds	181,607	-	181,607	181,431	176
Total expenditures	1,821,607	-	1,821,607	1,821,431	176
Excess (deficiency) of revenues over (under) expenditures	(1)	-	(1)	174	(175)
Fund balance, July 1	1	-	1	1	-
Fund balance, June 30	$ -	$ -	$ -	$ 175	$ (175)
Recapitulation of excess (deficiency) of revenue over (under) expenditures					
Budgeted fund balance	$ (1)	$ -	$ (1)	$ 174	$ (175)

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Government activities										
Net investment in capital assets	$ 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	$ 22,088,262
Restricted	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	5,655,545
Unrestricted	(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)	(3,699,440)
Total governmental activities	$ 12,420,561	$ 12,184,277	$ 11,511,249	$ 11,256,214	$ 12,753,794	$ 14,791,891	$ 18,271,268	$ 21,003,727	$ 22,202,125	$ 24,044,367
Business-type activities										
Net investment in capital assets	$ 49,377	$ 43,204	$ 36,363	$ 42,372	$ 63,528	$ 64,428	$ 63,469	$ 95,442	$ 84,760	$ 92,913
Unrestricted	374,784	426,375	440,833	451,576	341,569	205,517	374,922	427,021	453,651	241,777
Total business-type activities	$ 424,161	$ 469,579	$ 477,196	$ 493,948	$ 405,097	$ 269,945	$ 438,391	$ 522,463	$ 538,411	$ 334,690
District-wide										
Net investment in capital assets	$ 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	$ 22,181,175
Restricted	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	5,655,545
Unrestricted	(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)	(3,457,663)
Total district-wide	$ 12,844,722	$ 12,653,856	$ 11,988,445	$ 11,750,162	$ 13,158,891	$ 15,061,836	$ 18,709,659	$ 21,526,190	$ 22,740,536	$ 24,379,057
					*					

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

* as restated

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

	Fiscal year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
Instruction										
Regular	$ 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	$ 17,689,792
Special education	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	7,432,943
Other special education	712,296	888,524	1,580,181	1,043,841	1,098,176	1,123,988	988,054	978,230	931,882	1,200,030
Other instruction	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	1,602,833
Support services										
Tuition	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	3,468,416
Student and instruction related services	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	10,370,955
General and business administrative services	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	2,144,096
School administration	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	3,031,583
Plant operations and maintenance	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	3,424,691
Pupil transportation	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	2,516,992
Transfer to charter schools	386,002	388,784	340,461	335,512	293,186	246,678	230,166	217,504	286,251	384,601
Interest on long term debt	1,034,427	698,742	623,716	584,341	560,470	605,601	440,420	254,544	360,322	331,378
Total governmental activities expenses	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	53,598,310
Business-type activities										
Food services	587,347	618,367	628,191	634,725	488,437	253,445	897,673	813,138	928,686	1,033,024
Other	303,049	370,663	374,038	382,942	343,817	140,359	302,748	257,013	352,350	529,994
Total business-type activities	890,396	989,030	1,002,229	1,017,667	832,254	393,804	1,200,421	1,070,151	1,281,036	1,563,018
Total district expenses	$ 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	$ 55,161,328

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

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

	Fiscal year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program revenues										
Governmental activities										
Charges for services										
Regular instruction	$ 50,339	$ 46,902	$ 70,668	$ 151,501	$ 159,845	$ 40,239	$ 151,951	$ 207,268	$ 348,328	$ 330,121
Special education instruction	20,687	-	-	-	-	-	-	-	-	-
Student and instruction related services	-	1,408	485	-	-	-	230,258	321,013	412,147	344,482
Plant operations and maintenance	121,145	172,616	63,951	49,326	36,881	75,315	8,258	44,340	47,512	26,097
Operating grants and contributions	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	3,672,497
Capital grants and contributions	44,475	-	(32,939)	-	-	-	-	-	122,680	173,202
Total governmental activities program revenues	1,783,183	1,688,173	1,579,957	1,778,269	1,631,044	2,202,992	3,159,521	3,263,927	4,223,883	4,546,399
Business-type activities										
Charges for services										
Food service	293,412	299,870	289,002	306,704	212,932	4,784	46,198	275,042	345,012	317,911
Other	366,190	386,754	375,432	373,331	271,471	23,785	244,333	286,181	396,003	411,840
Operating grants and contributions	312,324	349,560	345,412	354,384	258,480	225,937	1,076,937	551,484	553,249	625,445
Total business-type activities program revenues	971,926	1,036,184	1,009,846	1,034,419	742,883	254,506	1,367,468	1,112,707	1,294,264	1,355,196
Total district - program revenues	$ 2,755,109	$ 2,724,357	$ 2,589,803	$ 2,812,688	$ 2,373,927	$ 2,457,498	$ 4,526,989	$ 4,376,634	$ 5,518,147	$ 5,901,595
Net (expense) revenues										
Governmental activities	$ (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)	$ (49,051,911)
Business-type activities	81,530	47,154	7,617	16,752	(89,371)	(139,298)	167,047	42,556	13,228	(207,822)
Total district-wide net expenses	$ (36,608,720)	$ (41,282,356)	$ (45,885,293)	$ (45,187,295)	$ (44,203,338)	$ (48,699,127)	$ (45,904,810)	$ (46,129,383)	$ (50,767,488)	$ (49,259,733)

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

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

	Fiscal year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General revenues and other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	$ 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	$ 31,678,775
Taxes levied for debt service	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	1,812,116
Unrestricted grants and contributions	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	17,681,628
Investment earnings	7,739	11,170	21,744	28,592	20,870	2,524	2,934	129,204	211,330	185,933
Miscellaneous income	76,214	44,173	30,338	53,819	30,222	50,594	88,143	223,991	265,119	119,650
Special item - donated assets	-	-	-	-	-	-	-	-	-	66,051
Special item - gain (loss) on disposal of capital assets	-	-	-	-	-	-	-	-	-	(650,000)
Operating transfers in/(out)	-	(40,000)	-	(16,392)	(20,000)	-	-	-	-	-
Total governmental activities	37,529,352	41,093,226	45,219,882	44,949,012	45,326,967	50,597,926	49,575,353	48,904,398	51,979,114	50,894,153
Business-type activities										
Miscellaneous income	-	-	-	-	520	4,146	1,399	41,516	2,720	4,101
Transfers in/(out)										
Special item - prior year accounts receivable canceled	-	(1,736)	-	-	-	-	-	-	-	-
Total business-type activities	-	(1,736)	-	-	520	4,146	1,399	41,516	2,720	4,101
Total district-wide	$ 37,529,352	$ 41,091,490	$ 45,219,882	$ 44,949,012	$ 45,327,487	$ 50,602,072	$ 49,576,752	$ 48,945,914	$ 51,981,834	$ 50,898,254
Change in net position										
Governmental activities	$ 839,102	$ (236,284)	$ (673,028)	$ (255,035)	$ 1,213,000	$ 2,038,097	$ 3,503,496	$ 2,732,459	$ 1,198,398	$ 1,842,242
Business-type activities	81,530	45,418	7,617	16,752	(88,851)	(135,152)	168,446	84,072	15,948	(203,721)
Total district	$ 920,632	$ (190,866)	$ (665,411)	$ (238,283)	$ 1,124,149	$ 1,902,945	$ 3,671,942	$ 2,816,531	$ 1,214,346	$ 1,638,521

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

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

	Fiscal year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Restricted	$ 857,435	$ 1,132,873	$ 998,967	$ 791,115	$ 910,428	$ 1,677,105	$ 2,464,690	$ 3,904,172	$ 4,104,975	$5,818,900
Committed	738,735	262,967	151,576	214,397	179,439	165,389	85,534	433,600	107,152	398,135
Assigned	700,000	800,000	999,990	1,000,000	1,728,054	1,728,054	2,002,210	1,999,817	1,686,878	1,408,712
Unassigned	529,052	521,488	100,153	(103,276)	86,440	1,304,277	1,816,319	847,834	726,686	305,922
Total general fund	$ 2,825,222	$ 2,717,328	$ 2,250,686	$ 1,902,236	$ 2,904,361 *	$ 4,874,825	$ 6,368,753	$ 7,185,423	$ 6,625,691	$ 7,931,669
All other governmental funds										
Restricted, reported in										
Special revenue fund	$ -	$ -	$ -	$ -	$ 232,190	$ 215,345	$ 239,879	$ 255,765	$ 267,976	$ 261,394
Capital projects fund	297,888	297,888	292,397	292,397	292,397	292,397	289,508	-	281,998	-
Assigned, reported in										
Debt service fund	-	152,153	5,619	-	-	39,030	-	-	1	-
Unassigned, reported in										
Special revenue fund	(27,875)	(22,649)	(25,262)	(28,298)	(25,120)	(22,810)	(22,267)	(22,692)	(93,933)	(126,908)
Debt service fund	-	-	-	-	-	7,668	7,668	1	-	175
Total all other governmental funds	$ 270,013	$ 427,392	$ 272,754	$ 264,099	$ 499,467 *	$ 531,630	$ 514,788	$ 233,074	$ 456,042	$ 134,661

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

* as restated

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax levy	$ 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	$ 33,490,891
Tuition charges	71,026	46,310	70,668	151,501	159,845	40,239	151,951	207,268	348,328	330,121
Interest earnings	7,739	11,170	21,744	28,592	20,870	2,524	2,934	129,204	211,330	185,933
Miscellaneous	118,508	71,217	119,059	152,027	106,110	197,206	390,976	671,357	785,563	660,030
State sources	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	16,921,308
State sources - capital projects	44,475	51,108	(32,939)	-	-	-	(2,889)	-	122,680	173,202
Federal sources	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	2,088,647
Total revenues	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	53,850,132
Expenditures										
Instruction										
Regular instruction	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	8,795,424
Special education instruction	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	3,996,207
Other special instruction	271,245	300,803	367,728	338,675	385,556	344,576	346,473	333,059	332,358	369,898
Other instruction	751,555	886,365	917,096	889,692	821,559	781,789	958,268	938,261	999,899	1,075,733
Support services										
Tuition	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	2,990,140
Student and inst related services	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	5,649,472
General administration	754,044	734,919	686,492	651,577	612,400	677,889	751,036	801,082	753,377	919,990
School administration services	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	1,612,620
Central services	427,213	446,396	462,444	442,066	460,846	486,117	659,178	576,612	587,530	565,017
Administrative information technology	52,905	56,525	53,190	63,171	91,544	98,398	62,514	105,008	131,246	166,009
Plant operations and maintenance	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	3,052,218
Pupil transportation	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	2,507,634
Employee benefits	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	5,747,703
On-behalf TPAF Pension and Social Security contributions	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	8,024,386
Capital outlay	537,291	229,182	37,402	59,643	232,782	291,606	798,771	1,129,754	142,751	290,715
Transfers to charter schools	386,002	388,784	340,461	335,512	293,186	246,678	230,166	217,504	286,251	384,601
Special revenue funds	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	4,197,530
Capital projects fund	111,189	49,369	-	-	-	152,201	-	-	306,700	397,604
Debt service										
Principal	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	1,887,180
Interest and other charges	978,754	761,271	600,521	571,725	542,772	409,311	304,987	275,307	255,841	235,454
Total expenditures	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	52,865,535

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

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Excess (deficiency) of revenues over (under) expenditures	$ 383,615	$ 40,116	$ (621,280)	$ (340,713)	$ 972,913	$ 1,617,271	$ 1,394,739	$ (124,406)	$ (336,764)	$ 984,597
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)	-	(16,392)	(20,000)	-	-	-	-	-
Total other financing sources (uses)	-	9,369	-	(16,392)	(20,000)	385,356	82,347	659,362	-	-
Net change in fund balances	$ 383,615	$ 49,485	$ (621,280)	$ (357,105)	$ 952,913	$ 2,002,627	$ 1,477,086	$ 534,956	$ (336,764)	$ 984,597
Debt service as a percentage of non-capital expenditures	6.55%	5.71%	5.32%	5.08%	5.08%	4.79%	4.67%	4.29%	3.83%	4.24%

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.

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Interest income	$ 7,739	$ 11,170	$ 21,744	$ 28,592	$ 20,870	$ 2,524	$ 2,934	$ 129,204	$ 211,330	$ 185,933
Rentals	40,883	50,124	50,258	49,326	36,881	600	5,138	44,340	47,512	26,097
Prior year										
Account balance canceled	-	3,522	3,400	1,032	-	81	395	-	-	-
Refund	3,086	2,362	18,051	25,089	21,125	45,723	57,145	67,389	133,417	7,066
Outstanding checks voided	-	-	-	-	-	-	-	-	10,522	-
Tuition	71,026	46,310	70,668	151,501	159,845	40,239	151,951	207,268	348,328	330,121
Proceeds from sale of assets	-	2,880	-	-	-	-	-	-	-	-
Energy rebates	8,776	5,781	7,920	15,120	8,852	3,178	4,243	1,224	4,345	-
Local contributions	2,386	-	-	-	-	-	-	-	-	-
Miscellaneous	77	929	967	12,578	245	1,612	26,360	155,378	116,835	112,584
Annual totals	$ 133,973	$ 123,078	$ 173,008	$ 283,238	$ 247,818	$ 93,957	$ 248,166	$ 604,803	$ 872,289	$ 661,801

Source: District Records

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

	Fiscal year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Vacant land	$ 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	$ 10,885,400
Residential	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	1,532,685,400
Commercial	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	148,284,600
Industrial	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	5,330,800
Apartment	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	448,244,800
Total assessed value	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	2,145,431,000
Public utilities (a)	43	44	42	41	41	41	42	100	100	100
Net valuation taxable	$ 553,934,243	$ 561,341,344	$ 566,413,842	$ 572,676,741	$ 582,981,141	$ 586,736,641	$ 594,068,842	$ 2,146,465,300	$ 2,146,292,700	$ 2,145,431,100
Estimated actual county equalized value	$ 1,294,238,885	$ 1,267,422,316	$ 1,358,306,576	$ 1,404,307,850	$ 1,409,869,748	$ 1,416,896,018	$ 1,416,810,975	$ 1,870,395,011	$ 1,903,754,402	$ 2,079,712,198
Percentage of net valuation to estimated actual equalized value	42.80%	44.29%	41.70%	40.78%	41.35%	41.41%	41.93%	114.76%	112.74%	103.16%
Total direct school tax rate (b)	$ 4.870	$ 4.789	$ 5.001	$ 5.176	$ 5.156	$ 5.205	$ 5.236	$ 1.492 *	$ 1.540	$ 1.662

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

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: Basic Rate (a)	School District Direct Rate: General Obligation Debt Service (b)	School District Direct Rate: (From J-6) Total Direct School Tax Rate	Overlapping Rates: Municipality	Overlapping Rates: County	Total Direct & Overlapping Tax Rate
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
2025	1.572	0.090	1.662	0.724	0.337	2.723

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

	2025			2016		
	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	1.44%
CLA Management Company	34,936,200	3	1.63%	4,994,800	4	0.90%
Orchard Gardens LLC	33,013,100	4	1.54%	4,600,300	7	0.83%
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	0.94%
Highland Montgomery LLC	29,847,700	7	1.39%	3,704,000	8	0.67%
Cedar Holding Associates	26,994,100	8	1.26%	4,871,600	6	0.88%
Rutgers University c/o Richardson	26,146,700	9	1.22%	4,922,100	5	0.89%
Highland Park Manor LLC	15,594,800	10	0.73%	2,500,000	10	0.45%
Donaldson Park Apartments	-		0.00%	5,019,800	3	0.91%
East Coast Harper & Highland House/Garden	-		0.00%	3,544,600	9	0.64%
	$ 323,761,600		15.09%	$ 47,377,200		8.55%

Source: Municipal Tax Assessor

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
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%
2025	33,490,891	33,490,891	100.00%

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

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

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

Fiscal Year Ending June 30,	Governmental Activities: General Obligation Bonds	Governmental Activities: Certificates of Participation	Governmental Activities: Leases	Governmental Activities: Bond Anticipation Notes (BANs)	Business-Type Activities: Leases	Total District	% of Personal Income (a)	Per Capita (a)
2016	$ 22,015,000	$ -	$ -	$ -	$ -	$ 22,015,000	2.96%	$ 1,564
2017	21,080,000	-	-	-	-	21,080,000	2.79%	1,507
2018	19,750,000	-	-	-	-	19,750,000	2.56%	1,422
2019	18,390,000	-	-	-	-	18,390,000	2.30%	1,332
2020	17,005,000	-	-	-	-	17,005,000	2.04%	1,241
2021	16,195,000	-	353,812	-	-	16,548,812	1.89%	1,218
2022	14,625,000	-	298,900	-	-	14,923,900	1.43%	997
2023	13,015,000	-	788,079	-	-	13,803,079	1.29%	921
2024	11,390,000	-	529,984	-	-	11,919,984	1.06%	797
2025	9,750,000	-	282,804	-	-	10,032,804	N/A	652

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 area calculated using personal income and population for the prior calendar year.

N/A Information is not available

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: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
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
2025	9,750,000	-	9,750,000	0.45%	634

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.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2024

Governmental Unit	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Debt
Debt repaid with property taxes			
Municipality	$ 15,292,323	100.00%	$ 15,292,323
County general obligation debt	885,879,466	1.28%	11,339,257
Subtotal, overlapping debt			26,631,580
School district direct debt			11,390,000
Total direct and overlapping debt			$ 38,021,580

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.

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

Legal Debt Margin Calculation for Fiscal Year 2025

	Equalized Valuation Basis	
	2024	$ 2,080,547,305
	2023	1,903,907,398
	2022	1,584,606,028
		$ 5,569,060,731
Average equalized valuation of taxable property		$ 1,856,353,577
Debt limit (4.0% of average equalization value)		$ 74,254,143
Total net debt applicable to limit		9,750,000
Legal debt margin		$ 64,504,143

	Fiscal Year				
	2021	2022	2023	2024	2025
Debt limit	$ 55,756,354	$ 55,894,676	$ 58,556,760	$ 65,171,167	$ 74,254,143
Total net debt applicable	16,195,000	14,625,000	13,015,000	11,390,000	9,750,000
Legal debt margin	$ 39,561,354	$ 41,269,676	$ 45,541,760	$ 53,781,167	$ 64,504,143
Total net debt applicable to the limit as a percentage of debt limit	29.05%	26.17%	22.23%	17.48%	13.13%

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt limit	$ 51,013,507	$ 50,540,439	$ 51,671,859	$ 53,143,871	$ 57,868,370
Total net debt applicable	22,015,000	21,080,000	19,750,000	18,390,000	17,005,000
Legal debt margin	$ 28,998,507	$ 29,460,439	$ 31,921,859	$ 34,753,871	$ 40,863,370
Total net debt applicable to the limit as a percentage of debt limit	43.16%	41.71%	38.22%	34.60%	29.39%

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)
2016	14,075	$ 743,075,550	$ 52,794	3.10%
2017	13,989	755,392,011	53,999	2.90%
2018	13,891	771,339,448	55,528	2.60%
2019	13,802	800,474,594	57,997	2.20%
2020	13,705	835,086,765	60,933	6.20%
2021	13,592	875,066,552	64,381	4.90%
2022	14,968	1,046,787,080	69,935	2.90%
2023	14,988	1,069,603,632	71,364	3.40%
2024	14,959	1,127,190,568	75,352	3.50%
2025	15,386	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

2025

Employer	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2016

Employer	Employees	Rank	Percentage of Total Municipal 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

Function/program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	119.1	119.7	118.4	116.1	110.1	110.9	113.4	110.3	122.9	121.7
Special education	52.3	53.9	54.9	66.7	67.1	72.2	72.7	78.7	80.3	84.4
Other instruction	9.1	9.6	9.1	10.1	9.8	8.6	10.8	8.4	11.5	10.5
Support services										
Student and instruction related services	48.1	53.6	51.1	55.0	59.3	61.3	62.2	63.1	62.2	49.6
General administration	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administration services	18.4	15.6	14.6	15.4	15.4	15.1	15.5	13.0	16.0	16.0
Central services	4.5	4.5	4.2	4.2	4.2	4.7	4.4	4.2	6.2	5.0
Administrative information technology	0.5	0.5	0.5	0.8	0.8	0.9	0.8	0.8	0.9	1.9
Plant operations and maintenance	5.5	5.7	7.0	9.9	8.5	8.3	11.3	6.0	6.0	6.0
Total	260.5	266.1	262.8	280.2	277.2	284.0	293.1	286.5	308.0	297.1

Source: District Personnel Records

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

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2025	1,597	50,054,582	31,343	-1.33%	165	1 to 9.67	1,584.8	1,451.3	-0.57%	91.58%

Source: District Records

(a) Operating expenditures equal total expenditures less debt service and capital outlay.
(b) Teaching staff includes only full-time equivalents or certificated staff.
(c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary (SRS).

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

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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	309	315	338	309	298	248	265	309	318	326
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	461	484	478	461	470	438	445	435	428	403
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	344	361	362	360	372	364	361	347	349	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	497	511	480	472	441	477	484	491	510	494
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, 2025:	
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.

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
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
2025	147,500	120,939	361,412	629,851
Total school facilities	$ 1,155,921	$ 931,262	$ 3,000,545	$ 5,087,728

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, 2025
(Unaudited)

	Coverage	Deductible
School Commercial Package Policy - Utica Mutual		
Property-Blanket building & contents	$ 99,340,942	$ 5,000
Comprehensive general liability	3,000,000	-
Crime policy	100,000	500
Inland marine policy	1,476,101	1,000
Umbrella Liability - Utica Mutual		
Umbrella policy	20,000,000	10,000
School Board Legal Liability - Utica Mutual		
Per occurrence	1,000,000	7,500
General aggregate	3,000,000	7,500
Employee Benefits Liability - Utica National (Graphic Arts Mutual)		
Each Loss	1,000,000	1,000
Aggregate Limit	3,000,000	1,000
Employment-Related Practices Liability - Ultica National (Graphic Arts Mutual)		
Each Claim	1,000,000	5,000
Policy Aggregate	1,000,000	5,000
Abuse or Molestation Liability - Ultica National (Graphic Arts Mutual)		
Each Claim	1,000,000	-
Aggregate	3,000,000	-
Student Accident Insurance - Zurich Insurance Company		
Policy Limit	6,000,000	-

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Insurance Schedule (continued)
June 30, 2025
(Unaudited)

	Coverage	Deductible
Automobile Policy - Utica National (Graphic Arts Mutual)		
Limit of Liability	$ 1,000,000	$ -
Collision Deductible	-	1,000
Comprehensive Deductible	-	1,000
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	-
Excess Liability- NJUEP		
Excess Liability - Hudon Insurance Group	10,000,000	-
Excess Liability - Allied World	10,000,000	-
Cyber Liability - Houston Casualty	1,000,000	50,000
Public Employees' Faithful Performance - Western Surety Company		
Treasurer of School Monies Bond	271,000	-
Business Administrator's Bond	275,000	-
Environmental Liability - Syndicate 3623 at Lloyds		
Each Pollution Condition	1,000,000	25,000
Aggregate	1,000,000	25,000
Microbioal Matter Deductible - 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

Source: District Records

SINGLE AUDIT SECTION

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS - PART I

BKC
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, 2025, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements, and have issued our report thereon dated December 1, 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.

We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001 that we consider to be a significant deficiency.

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

BKC, CPAs, PC

MH

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

December 1, 2025
Flemington, New Jersey

BKC
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, 2025. 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, 2025.

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

BKC, CPAs, PC

MH

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

December 1, 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, 2025

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period From	Grant Period To	Balance 06/30/24	Carryover Amount	Cash Received	Budgetary Expenditure	Adjust-ment	Repayment of Prior Year Balance	Balance June 30, 2025 Accounts Receivable	Balance June 30, 2025 Deferred Revenue	Balance June 30, 2025 Due to Grantor
General Fund														
U.S. Department of Health and Human Services														
passed through State Department of Health and Human Services														
Medical Assistance Program Cluster	93.778	2005NJ5MAP	$ 30,674	07/01/24	06/30/25	$ -	$ -	$ 30,674	$ 30,674	$ -	$ -	$ -	$ -	$ -
Total General Fund						-	-	30,674	30,674	-	-	-	-	-
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	316,842	07/01/23	06/30/24	57	-	-	57	-	-	-	-	-
School Based Youth Services Program	93.558	N/A	307,265	07/01/24	06/30/25	-	-	307,265	307,265	-	-	-	-	-
Total School Based Youth						57	-	307,265	307,322	-	-	-	-	-
U.S. Department of Education passed														
through State Department of Education														
IDEA (Special Education Cluster)														
IDEA Basic	84.027A	H027A240100	500,495	07/01/23	06/30/24	(9,752)	-	10,737	985	-	-	-	-	-
IDEA Basic	84.027A	H027A250100	530,467	07/01/24	06/30/25	-	-	466,579	511,984	-	-	(45,405)	-	-
IDEA Preschool	84.173A	H173A240114	15,779	07/01/23	06/30/24	(4,051)	-	4,051	-	-	-	-	-	-
IDEA Preschool	84.173A	H173A250114	15,897	07/01/24	06/30/25	-	-	13,292	15,897	-	-	(2,605)	-	-
Total IDEA (Special Education Cluster)						(13,803)	-	494,659	528,866	-	-	(48,010)	-	-
ESSA Title I A	84.010	S010A240030	344,610	07/01/23	06/30/24	(51,691)	-	130,023	78,379	47	-	-	-	-
ESSA Title I A	84.010	S010A250030	358,632	07/01/24	06/30/25	-	-	182,710	293,883	-	-	(111,173)	-	-
ESSA Title I SIA A	84.010	S010A240030	124,538	07/01/23	06/30/24	(9,163)	-	12,514	3,570	219	-	-	-	-
ESSA Title I SIA A	84.010	S010A250030	218,889	07/01/24	06/30/25	-	-	120,783	188,879	-	-	(68,096)	-	-
ESSA Title II A	84.367A	S367A230029	43,405	07/01/22	06/30/23	(1,020)	-	1,020	-	-	-	-	-	-
ESSA Title II A	84.367A	S367A240029	97,627	07/01/23	06/30/24	(38,627)	-	42,785	4,158	-	-	-	-	-
ESSA Title II A	84.367A	S367A250029	72,168	07/01/24	06/30/25	-	-	52,568	64,493	-	-	(11,925)	-	-
ESSA Title III	84.365	S365A240030	43,032	07/01/23	06/30/24	(3,196)	-	9,824	6,628	-	-	-	-	-
ESSA Title III	84.365	S365A250030	38,233	07/01/24	06/30/25	-	-	23,754	30,489	-	-	(6,735)	-	-
ESSA Title III Immigrant	84.365	S365A240030	8,825	07/01/23	06/30/24	(1,248)	-	6,832	5,584		-	-	-	-
ESSA Title III Immigrant	84.365	S365A250030	9,204	07/01/24	06/30/25	-	-	1,396	4,466	-	-	(3,070)	-	-
ESSA Title IV A	84.424	S424A240031	49,862	07/01/23	06/30/24	(10,091)	-	19,192	9,101	-	-	-	-	-
ESSA Title IV A	84.424	S424A250031	45,116	07/01/24	06/30/25	-	-	22,797	27,064	-	-	(4,267)	-	-
COVID-19														
ARP - ESSER														
ARP - ESSER	84.425U	S425U210027	2,183,730	03/13/20	09/30/24	(654,937)	-	682,911	27,974	-	-	-	-	-
NJTSS Mental Health Support	84.425U	S425U210027	88,501	03/13/20	09/30/24	(6,830)	-	27,134	20,304	-	-	-	-	-
Accelerated Learning Coach and														
Educator Support	84.425U	S425U210027	144,395	03/13/20	09/30/24	(44,278)	-	52,539	8,261	-	-	-	-	-
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	(26,145)	-	27,705	1,560	-	-	-	-	-
Total Special Revenue Fund						(867,350)	-	2,224,789	1,610,981	266	-	(253,276)	-	-

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A (continued)
For the Fiscal Year Ended June 30, 2025

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period From	Grant Period To	Balance 06/30/24	Carryover Amount	Cash Received	Budgetary Expenditure	Adjust-ment	Adjustment/ Repayment of Prior Year Balance	Balance June 30, 2025 Accounts Receivable	Balance June 30, 2025 Deferred Revenue	Balance June 30, 2025 Due to Grantor
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	241NJ304N1099	$ 69,501	07/01/23	06/30/24	$ 3,621	$ -	$ -	$ 3,621	$ -	$ -	$ -	$ -	$ -
Non-Cash Assistance (Commodities)	10.555	251NJ304N1099	54,723	07/01/24	06/30/25	-	-	54,723	48,749	-	-	-	5,974	-
Cash Assistance	10.555	241NJ304N1099	341,590	07/01/23	06/30/24	(76,876)	-	76,876	-	-	-	-	-	-
Cash Assistance	10.555	251NJ304N1099	400,801	07/01/24	06/30/25	-	-	373,174	400,801	-	-	(27,627)	-	-
School Breakfast Program	10.553	241NJ304N1099	67,810	07/01/23	06/30/24	(15,647)	-	15,647	-	-	-	-	-	-
School Breakfast Program	10.553	251NJ304N1099	84,970	07/01/24	06/30/25	-	-	78,927	84,970	-	-	(6,043)	-	-
Total Child Nutrition Cluster						(88,902)	-	599,347	538,141	-	-	(33,670)	5,974	-
P-EBT	10.649	2022225900941	643	07/01/24	06/30/25	-	-	643	643	-	-	-	-	-
Local Food for Schools Cooperative Agreement Program	10.185	16161NJ304N1099	13,020	07/01/24	06/30/25	-	-	13,020	13,020	-	-	-	-	-
Total Enterprise Fund						(88,902)	-	613,010	551,804	-	-	(33,670)	5,974	-
Total Federal Awards						$ (956,252)	$ -	$ 2,868,473	$ 2,193,459	$ 266	$ -	$ (286,946)	$ 5,974	$ -

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, 2025

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2024 Deferred Rev. (Accts. Rec)	Balance June 30, 2024 Due to Grantor	Cash Received	Budgetary Expenditure	Repayment of Prior Year Balances	Adjust-ment	Balance June 30, 2025 Accounts Receivable	Balance June 30, 2025 Deferred Revenue	Balance June 30, 2025 Due to Grantor	Memo Budgetary Receivable	Memo Cumulative Expenditure
General Fund															
State Department of Education															
Special Education Categorical Aid	25-495-034-5120-089	$ 1,695,651	07/01/24	06/30/25	$ -	$ -	$ 1,526,089	$ 1,695,651	$ -	$ -	$ -	$ -	$ -	$ 169,562	$ 1,695,651
Equalization Aid	25-495-034-5120-078	4,140,885	07/01/24	06/30/25	-	-	3,726,803	4,140,885	-	-	-	-	-	414,082	4,140,885
Security Aid	25-495-034-5120-084	66,702	07/01/24	06/30/25	-	-	60,032	66,702	-	-	-	-	-	6,670	66,702
Transportation Aid	25-495-034-5120-014	240,771	07/01/24	06/30/25	-	-	216,694	240,771	-	-	-	-	-	24,077	240,771
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
Extraordinary Aid	25-495-034-5120-044	1,064,007	07/01/24	06/30/25	-	-	-	1,064,007	-	-	(1,064,007)	-	-	-	1,064,007
Stabilized School Budget Aid	25-100-034-5120-494	122,470	07/01/24	06/30/25	-	-	122,470	122,470	-	-	-	-	-	-	122,470
State Reimb - Lead Testing	25-495-034-5120-104	6,600	07/01/24	06/30/25	-	-	-	6,600			(6,600)	-	-	-	6,600
Non-Public Transportation Aid	24-495-034-5120-014	109,655	07/01/23	06/30/24	(109,655)	-	109,655	-	-	-	-	-	-	-	109,655
Non-Public Transportation Aid	25-495-034-5120-014	84,994	07/01/24	06/30/25	-	-	-	84,994	-	-	(84,994)	-	-	-	84,994
On-Behalf TPAF Pension Contribution - Post Retirement Medical	25-495-034-5094-001	1,540,303	07/01/24	06/30/25	-	-	1,540,303	1,540,303	-	-	-	-	-	-	1,540,303
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	25-495-034-5094-004	64,499	07/01/24	06/30/25	-	-	64,499	64,499	-	-	-	-	-	-	64,499
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	25-495-034-5094-004	2,691	07/01/24	06/30/25	-	-	2,691	2,691	-	-	-	-	-	-	2,691
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	25-495-034-5094-002	5,206,886	07/01/24	06/30/25	-	-	5,206,886	5,206,886	-	-	-	-	-	-	5,206,886
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	977,065	07/01/20	06/30/21	-	2,315	-	-	-	-	-	-	2,315	-	977,065
Reimbursed TPAF Social Security Contribution	24-495-034-5094-003	1,166,507	07/01/23	06/30/24	(59,903)	-	59,903	-	-	-	-	-	-	-	1,166,507
Reimbursed TPAF Social Security Contribution	25-495-034-5094-003	1,210,007	07/01/24	06/30/25	-	-	1,210,007	1,210,007	-	-	-	-	-	-	1,210,007
Total General Fund					(1,331,268)	2,315	15,007,742	15,446,466	-	-	(1,155,601)	-	2,315	614,391	18,861,403
Special Revenue Fund															
State Department of Education															
Preschool Education Aid	25-495-034-5120-086	1,268,946	07/01/24	06/30/25	-	-	1,142,038	1,268,946	-	-	-	-	-	126,908	1,268,946
Non-Public Aid															
Textbook Aid	24-100-034-5120-064	5,607	07/01/23	06/30/24	-	3,154	-	-	3,154	-	-	-	-	-	2,453
Textbook Aid	25-100-034-5120-064	16,058	07/01/24	06/30/25	-	-	16,058	15,812	-	-	-	-	246	-	15,812
Nursing Services	24-100-034-5120-070	13,680	07/01/23	06/30/24	-	1,830	-	-	1,830	-	-	-	-	-	11,850
Nursing Services	25-100-034-5120-070	44,590	07/01/24	06/30/25	-	-	44,590	44,344	-	-	-	-	246	-	44,344
Security Aid	24-100-034-5120-509	23,370	07/01/23	06/30/24	-	133	-	-	133	-	-	-	-	-	23,237
Security Aid	25-100-034-5120-509	70,315	07/01/24	06/30/25	-	-	70,315	70,105	-	-	-	-	210	-	70,105
Technology Initiative Aid	24-100-034-5120-373	4,753	07/01/23	06/30/24	-	30	-	-	30	-	-	-	-	-	4,723
Technology Initiative Aid	25-100-034-5120-373	15,386	07/01/24	06/30/25	-	-	15,386	15,221	-	-	-	-	165	-	15,221
Auxiliary Aid															
Transportation Aid	24-100-034-5120-068	538	07/01/23	06/30/24	-	538	-	-	538	-	-	-	-	-	-
Compensatory Education	25-100-034-5120-067	3,208	07/01/24	06/30/25	-	-	3,208	3,208	-	-	-	-	-	-	3,208
English as a Second Language	25-100-034-5120-067	1,500	07/01/24	06/30/25	-	-	1,500	1,500	-	-	-	-	-	-	1,500
Handicapped Aid															
Examination and Classification	25-100-034-5120-066	4,835	07/01/23	06/30/24	-	2,652	-	-	2,652	-	-	-	-	-	2,183
Examination and Classification	25-100-034-5120-066	18,016	07/01/24	06/30/25	-	-	18,016	16,689	-	-	-	-	1,327	-	16,689
Supplemental Instruction	25-100-034-5120-066	9,168	07/01/24	06/30/25	-	-	9,168	9,168	-	-	-	-	-	-	9,168
Corrective Speech	24-100-034-5120-066	744	07/01/23	06/30/24	-	-	-	-	-	538	-	-	538	-	206
Corrective Speech	25-100-034-5120-066	5,022	07/01/24	06/30/25	-	-	5,022	5,022	-	-	-	-	-	-	5,022
Total Special Revenue Fund					-	8,337	1,325,301	1,450,015	8,337	538	-	-	2,732	126,908	1,494,667

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, 2025

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2024 Deferred Rev. (Accts. Rec)	Balance June 30, 2024 Due to Grantor	Cash Received	Budgetary Expenditure	Repayment of Prior Year Balances	Adjustment	Balance June 30, 2025 Accounts Receivable	Balance June 30, 2025 Deferred Revenue	Balance June 30, 2025 Due to Grantor	Memo Budgetary Receivable	Memo Cumulative Expenditure
Capital Projects Fund															
NJ School Development Authority															
Irving School - Tower Section Roof Replacement	2150-070-23-R501	$ 57,860	07/01/23	06/30/25	$ (14,184)	$ -	$ -	$ 43,676	$ -	$ -	$ (57,860)	$ -	$ -	$ 57,860	$ 57,860
High School Roof Replacement - Section C,D,H	2150-050-23-R501	238,022	07/01/23	06/30/25	(108,496)	-	-	129,526	-	-	(238,022)	-	-	238,022	238,022
Total Capital Projects Fund					(122,680)	-	-	173,202	-	-	(295,882)	-	-	295,882	295,882
Debt Service Fund															
Debt Service Aid - State Support	25-495-034-5120-017	9,489	07/01/24	06/30/25	-	-	9,489	9,489	-	-	-	-	-	-	9,489
Enterprise Funds															
State Department Of Agriculture															
State School Lunch Program	24-100-010-3350-023	26,950	07/01/23	06/30/24	(5,590)	-	5,590	-	-	-	-	-	-	-	26,950
State School Lunch Program	25-100-010-3350-023	33,820	07/01/24	06/30/25	-	-	31,383	33,820	-	-	(2,437)	-	-	-	33,820
State Department of Human Services - Division of Family Development															
NJ Child Care Assistance Program	Not available	39,821	07/01/24	06/30/25	-	-	30,109	39,821	-	-	(9,712)	-	-	-	39,821
Total Enterprise Funds					(5,590)	-	67,082	73,641	-	-	(12,149)	-	-	-	100,591
Total State Financial Assistance					$ (1,459,538)	$ 10,652	$ 16,409,614	17,152,813	$ 8,337	$ 538	$ (1,463,632)	$ -	$ 5,047	$ 1,037,181	$ 20,762,032
Less: On-Behalf TPAF Pension System Contributions															
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	25-495-034-5094-002	5,206,886	07/01/24	06/30/25				5,206,886							
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	25-495-034-5094-004	64,499	07/01/24	06/30/25				64,499							
On-Behalf TPAF Pension Contribution - Postretirement Medical	25-495-034-5094-001	1,540,303	07/01/24	06/30/25				1,540,303							
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	25-495-034-5094-004	2,691	07/01/24	06/30/25				2,691							
Total for State Financial Assistance - Major Program Determination								$ 10,338,434							

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, 2025

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 $27,230 for the general fund, $250,802 for the special revenue fund and $187,999 for capital projects fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds and Exhibit F-2 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the capital projects fund.

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2025

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	$ 30,674	$ 15,467,096	$ 15,497,770
Special revenue fund	2,057,973	1,444,723	3,502,696
Capital projects fund	-	173,202	173,202
Debt service fund	-	9,489	9,489
Food service fund	551,804	33,820	585,624
Child care fund	-	39,821	39,821
Total awards and financial assistance	$ 2,640,451	$ 17,168,151	$ 19,808,602

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, 2025. 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, 2025.

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

On Schedule A, the adjustments to Title I, Title I ISA totaling $266 which represents cancelled prior year encumbrances. On Schedule B, the adjustment to corrective speech of $538 represents cancelled prior year accounts payable.

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, 2025

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?	__ Yes *X* No
2. Were significant deficiencies identified?	*X* Yes ___ None reported
Noncompliance material to Basic Financial Statements noted?	__ Yes *X* No

Federal Awards

Internal Control Over Major Programs:	
1. Were material weakness(es) identified?	__ Yes *X* No
2. Were significant deficiencies identified?	__ Yes *X* None reported
What was the type of 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
		IDEA Cluster
84.027A	*H027A250100*	*IDEA Basic*
84.173A	*H173A250114*	*IDEA Preschool*

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, 2025

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

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs?	*$750,000*
Did the auditee qualify as a low-risk auditee?	*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:

State Grant/Project Numbers	Name of State Program
	State Aid Public Cluster:
25-495-034-5120-089	*Special Education Categorical Aid*
25-495-034-5120-078	*Equalization Aid*
25-495-034-5120-084	*Security Aid*
25-495-034-5094-044	*Extraordinary Aid*

HIGHLAND PARK BOROUGH PUBLIC SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

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 2025-001 (2024-001)

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, 2025

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, 2025.

State Awards

There were no findings or questioned costs for the fiscal year ended June 30, 2025.

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, 2025

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 has not been taken on prior year finding 2024-001 which is repeated as finding 2025-001.