

**MIDLAND PARK**  
**BOARD OF EDUCATION**

**Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2017**

**Midland Park, New Jersey**

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**of the**

**Midland Park Board of Education**

**Midland Park, New Jersey**

**For The Fiscal Year Ended June 30, 2017**

**Prepared by**

**Midland Park Board of Education**

**Business Office**

**MIDLAND PARK BOARD OF EDUCATION  
TABLE OF CONTENTS**

Page

**INTRODUCTORY SECTION**

Letter of Transmittal	i-iv
Organizational Chart	v
Roster of Officials	vi
Consultants and Advisors	vii

**FINANCIAL SECTION**

Independent Auditor's Report	1-3
------------------------------	-----

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

Management's Discussion and Analysis	4-13
--------------------------------------	------

**Financial Statements**

**A. District-wide Financial Statements**

A-1 Statement of Net Position	14
A-2 Statement of Activities	15

**B. Fund Financial Statements**

*Governmental Funds*

B-1 Balance Sheet	16-17
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	18
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances with the District-Wide Statement of Activities	19

*Proprietary Funds*

B-4 Statement of Net Position	20
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	21
B-6 Statement of Cash Flows	22

*Fiduciary Funds*

B-7 Statement of Fiduciary Net Position	23
B-8 Statement of Changes in Fiduciary Net Position	24

<b>Notes to the Financial Statements</b>	25-58
--	-------

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**C. Budgetary Comparison Schedules**

C-1 Budgetary Comparison Schedule – General Fund	59-66
C-2 Budgetary Comparison Schedule – Special Revenue Fund	67

**MIDLAND PARK BOARD OF EDUCATION  
TABLE OF CONTENTS**

	<u>Page</u>
<b>NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II</b>	
C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information	68
<b>REQUIRED SUPPLEMENTARY INFORMATION - PART III</b>	
<b>L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)</b>	
L-1 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	69
L-2 Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	70
L-3 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	71
Notes to Required Supplementary Information	72
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
<b>D. School Level Schedules - Not Applicable</b>	
<b>E. Special Revenue Fund</b>	
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	73-75
E-2 Preschool Education Aid - Schedule of Expenditures – Budgetary Basis – Not Applicable	76
<b>F. Capital Projects Fund</b>	
F-1 Summary Statement of Project Expenditures	77
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance	78
F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Various Improvements and Renovations to the Midland Park High School and The Highland Avenue, Godwin Elementary Schools	79-80
<b>G. Proprietary Funds – Not Applicable</b>	
<b>H. Fiduciary Funds</b>	
H-1 Combining Statement of Agency Assets and Liabilities	81
H-2 Combining Statement of Changes in Fiduciary Net Position – Not Applicable	82
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	83
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	84

**MIDLAND PARK BOARD OF EDUCATION  
TABLE OF CONTENTS**

		<u>Page</u>
<b>I.</b>	<b>Long-Term Debt</b>	
I-1	Schedule of Bonds Payable	85
I-2	Schedule of Obligations under Capital Leases/Lease Purchase Agreements	86
I-3	Debt Service Fund Budgetary Comparison Schedule	87
<b>J.</b>	<b>STATISTICAL SECTION (Unaudited)</b>	
J-1	Net Position by Component	88
J-2	Changes in Net Position	89
J-3	Fund Balances – Governmental Funds	90
J-4	Changes in Fund Balances, Governmental Funds	91
J-5	General Fund Other Local Revenue by Source	92
J-6	Assessed Value and Actual Value of Taxable Property	93
J-7	Direct and Overlapping Property Tax Rates	94
J-8	Principal Property Taxpayers	95
J-9	Property Tax Levies and Collections	96
J-10	Ratios of Outstanding Debt by Type	97
J-11	Ratios of Net General Bonded Debt Outstanding	98
J-12	Direct and Overlapping Governmental Activities Debt	99
J-13	Legal Debt Margin Information	100
J-14	Demographic and Economic Statistics	101
J-15	Principal Employers – n/a	102
J-16	Full-Time Equivalent District Employees by Function/Program	103
J-17	Operating Statistics	104
J-18	School Building Information	105
J-19	Schedule of Required Maintenance for School Facilities	106
J-20	Insurance Schedule	107
<b>K.</b>	<b>SINGLE AUDIT SECTION</b>	
K-1	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 – Independent Auditor’s Report	108-109
K-2	Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08	110-112
K-3	Schedule of Expenditures of Federal Awards	113
K-4	Schedule of Expenditures of State Financial Assistance	114-115
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	116-117
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	118-119
K-7	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	120
K-7	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	121-122
K-8	Summary Schedule of Prior Year Findings	123

**INTRODUCTORY SECTION**



USDOE Blue Ribbon School of Excellence  
NJDOE Star School

# MIDLAND PARK PUBLIC SCHOOLS

District Administration Offices  
250 Prospect Street  
Midland Park, New Jersey 07432

Godwin School  
Highland School  
Midland Park Junior/Senior High School



Home of the Panthers

Stacy C. Garvey  
Business Administrator/  
Board Secretary  
v. (201) 444-1400  
f. (201) 444-3051  
e. sgarvey@mpsnj.org

November 16, 2017

Honorable President and  
Members of the Board of Education  
Midland Park School District  
County of Bergen, New Jersey

Dear Board Members:

*The comprehensive annual financial report of the Midland Park School District for the fiscal year ended June 30, 2017 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 Midland Park Board of Education. 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 of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.*

*The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and required supplementary information, as well as the auditor's report thereon. The financial section also includes Management's Discussion and Analysis, which is an overview of the District's current financial status and future outlook. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended and the U.S. Uniform Guidance "Audits of States, Local Governments and Non-Profit Organizations", and the state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.*

1. **REPORTING ENTITY AND ITS SERVICES:** *Midland Park School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds of the District are included in this report. The Midland Park Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2016-2017 fiscal year with an enrollment of 955 students.*

2. **ECONOMIC CONDITION AND OUTLOOK:** *The Midland Park area is almost completely developed and expansion is limited. There are, however, some businesses relocating to the area; resulting in moderate increases in the employment level, which results in a somewhat increase in this tax base, both residential and industrial. The Midland Park area will continue to prosper as its population cycle continues to evolve in a sequenced pattern.*

3. **MAJOR INITIATIVES:**

**Goal #1**

- *Develop an in-district Professional Development Academy to be held on January 16, 2017. Academy workshops will reflect results of the Needs Assessment Survey and be district-specific in content. All professional development providers will be administrators and certificated staff members.*

**Goal #2**

- *Develop a districtwide Intervention and Referral Services (I&RS) manual in electronic form, to include mandated I&RS procedures and required documents. Ensure consistency in I&RS protocols for identified students; provide professional development for instructional staff.*

**Goal #3**

- *Develop a district-specific HIB reporting program in electronic form; train ABS District Coordinator, School Specialists, and all certificated staff members in revised protocols for reporting in accord with ABS statute. (Net savings to the district: \$2,000)*

4. **INTERNAL ACCOUNTING CONTROLS:** *Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a*



control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality.

Annual appropriated budgets are adopted for the current, capital outlay and special schools sections in the General Fund, the Special Revenue Fund and the Debt Service fund. The final budget amount as amended for the fiscal year is reflected in the financial section of this report.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis.

6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). Detailed information regarding the District's accounting system and financial results is reflected in the financial section of this report.

7. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. 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.

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

9. **OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins CPAs, was selected by the Board Of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related U. S. Uniform Guidance and

state Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Midland 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,

*Marie C. Cirasella, Ed. D.*

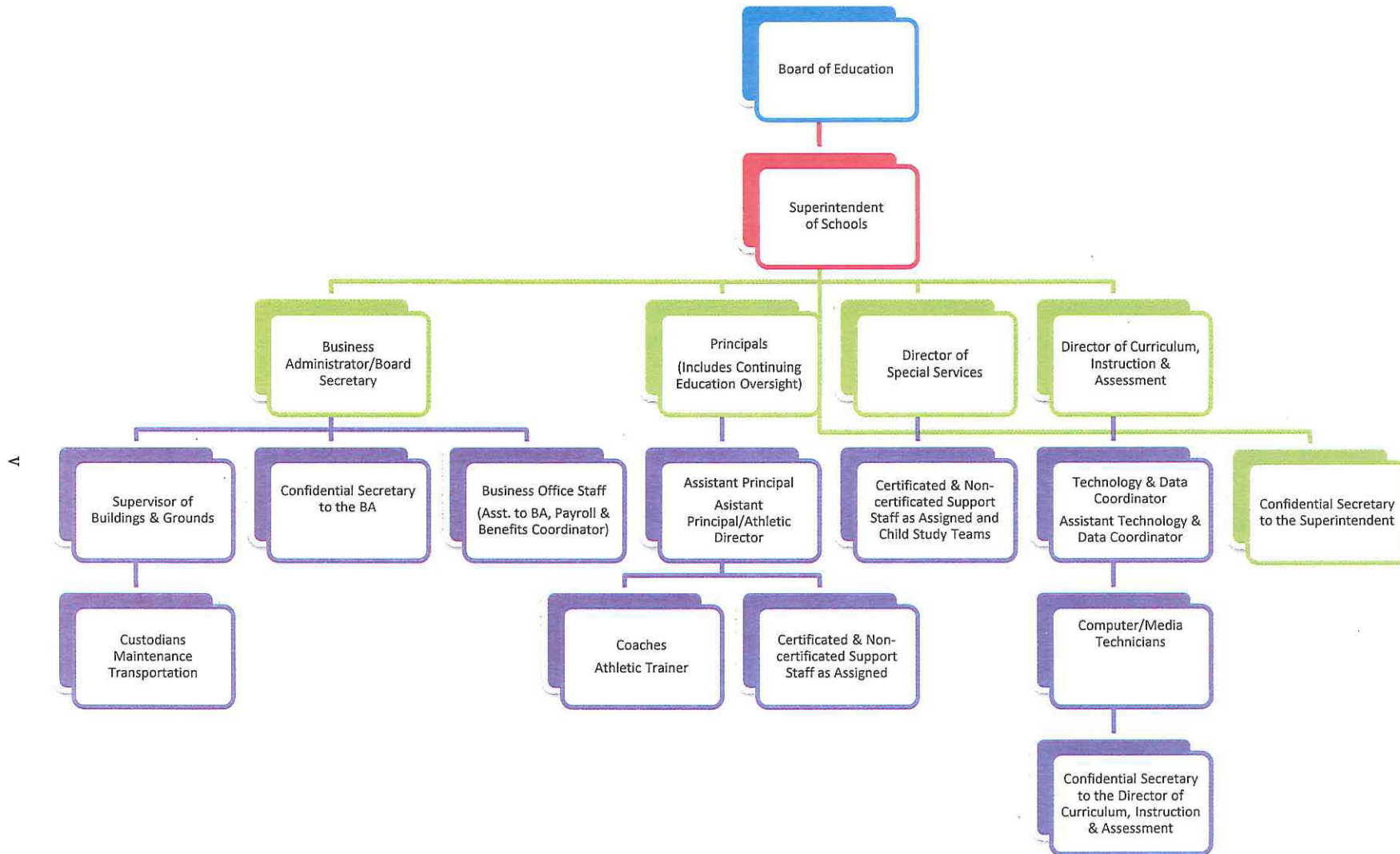
Marie Cirasella, Ed. D.,  
Superintendent of Schools

*Stacy Garvey*

Stacy Garvey,  
Board Secretary/  
Business Administrator

# MIDLAND PARK PUBLIC SCHOOLS DISTRICT ORGANIZATIONAL CHART

Board Approval: November 1, 2016



**MIDLAND PARK BOARD OF EDUCATION  
MIDLAND PARK, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2017**

*Members of the Board of Education* *Term*

*James Canellas* *2017*

*Sandra Criscenzo* *2019*

*Patricia Fantulin* *2018*

*Richard Formicola* *2019*

*Brian McCourt* *2019*

*William Sullivan* *2018*

*Dr. MaryAlice Thomas* *2017*

*Timothy Thomas* *2018*

*Peter Triolo* *2017*

*Other Officials*

*Marie Cirasella, Superintendent of Schools*

*Stacy Garvey, Business Administrator/Board Secretary*

**MIDLAND PARK BOARD OF EDUCATION**

***Consultants and Advisors***

***Audit Firm***

*Lerch, Vinci & Higgins, LLP*

*17-17 Route 208*

*Fair Lawn, NJ 07410*

***Attorney***

*Fogarty and Hara*

*21-00 Route 208 South*

*Fair Lawn, NJ 07410*

***Official Depository***

*Columbia Bank*

*Godwin Avenue*

*Midland Park, NJ 07432*

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA, PSA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Trustees  
Midland Park Board of Education  
Midland Park, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Midland Park Board of Education, as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Midland Park Board of Education as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Midland Park Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Midland Park Board of Education.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

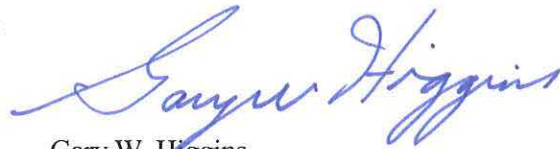


**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated November 16, 2017 on our consideration of the Midland Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Midland Park Board of Education's 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 Midland Park Board of Education's internal control over financial reporting and compliance.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
November 16, 2017

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Midland Park Board of Education  
Midland Park, New Jersey**

**Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2017**

This section of the Midland Park Board of Education's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2016-2017) and the prior year (2015-2016) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2016-2017 fiscal year are as follows:

- Net position increased by \$727,544 over the June 30, 2016 balance.
- General revenues of \$20,699,987 accounted for 67 percent of all revenues. Program revenues of \$10,108,116 accounted for 33 percent of total revenues of \$30,808,103.
- Among major funds, the General Fund had \$23,633,219 in revenues and \$24,145,348 in expenditures. The General Fund's fund balance decreased \$732,789 over the prior year.
- In total, fund balance of Governmental Funds decreased \$3,751,268, which represents a 44 percent decrease from the prior year's fund balance of \$8,466,753. This net decrease is due to the Capital Projects Fund expenditures related to the District's referendum projects.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the Midland Park Board of Education.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Midland Park Board of Education's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Midland Park Board of Education, reporting the District's operation in more detail than the district-wide statements.

**Midland Park Board of Education**  
**Midland Park, New Jersey**

**Management's Discussion and Analysis (continued)**  
**Fiscal Year Ended June 30, 2017**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

- The governmental funds statements tell how basic services such as regular and special education instruction and support services were financed in short term as well as what remains for future spending.
- Proprietary fund statements offer short- and long-term financial information about the activities the Midland Park Board of Education operates like a business. The food service operation is considered a proprietary fund.
- Fiduciary funds statements provide information about the financial relationship in which the District acts as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A-1 summarizes the major features of the Midland Park Board of Education's financial statements, including the portion of the Midland Park Board of Education activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**Midland Park Board of Education  
Midland Park, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2017**

Figure A-1 Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activity of the district that are not proprietary or fiduciary, such as special education and building maintenance, administration and community education and building	Activities the district operates similar to private businesses:  Food Service	Instances in which the district administers resources on behalf of someone else, such as scholarships and student activity funds.
Required financial Statements	Statements of Net Position  Statement of Activities	Balance Sheet  Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position  Statement of Revenues, Expenses, and Changes in Fund Net Position  Statement of Cash Flows	Statements of Fiduciary Net Position  Statement of changes in Fiduciary Net Position
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/deferred inflows/outflows of resources/liability information	All assets, deferred inflows/outflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred inflows/outflows of resources and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities both short-term and long term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and dedications during the year, regardless of when cash is received or paid.

**Midland Park Board of Education  
Midland Park, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2017**

**District-wide Statements**

The district-wide statements report information about the Midland Park Board of Education as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the district's assets, deferred outflows/inflows of resources, and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the Midland Park Board of Education's net position and how they have changed. Net position – the difference between the district's assets/deferred outflows of resources and deferred inflows of resources/liabilities – is one way to measure the District's financial health or position.

- Over time, increase or decreases in the district's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the district you need to consider additional non-financial factors such as changes in the district's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the district's activities are shown in two categories:

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, administration and community education. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund is included here.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the district's funds – focusing on its most significant or “major” funds – not the district as a whole. Funds are accounting devices the district uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and/or by bond covenants.
- The district uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

**Midland Park Board of Education  
Midland Park, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2017**

The district has three kinds of funds:

- *Governmental funds*- Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary funds*- Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as in the district-wide statements.
- *Fiduciary funds*- The District is the trustee, or *fiduciary*, for assets that belong to others such as scholarship fund, payroll and payroll agency funds, and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's district-wide financial statements because the District cannot use these assets to finance its operations.

This report also includes Notes to the Financial Statements. The notes provide additional information provided in the district-wide and fund financial statements. In addition to the basic financial statements and accompanying notes, this report also includes the required supplementary information.

**FINANCIAL ANALYSIS OF THE MIDLAND PARK BOARD OF EDUCATION AS A WHOLE**

The district's financial position is the product of many financial transactions including the net results of activities, the issuance and payment of long term liabilities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table provides a summary of the school district's net position as of June 30, 2017 and 2016.

**Net Position.** The district's combined net position was \$6,003,572 as of June 30, 2017 and \$5,276,028 as of June 30, 2016.

**Midland Park Board of Education  
Midland Park, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2017**

**Statement of Net Position  
As of June 30, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 5,317,770	\$ 10,213,808	\$ 120,334	\$ 78,477	\$ 5,438,104	\$ 10,292,285
Capital Assets - Net	<u>17,722,374</u>	<u>13,359,635</u>	<u>25,625</u>	<u>42,166</u>	<u>17,747,999</u>	<u>13,401,801</u>
<b>Total Assets</b>	<u>23,040,144</u>	<u>23,573,443</u>	<u>145,959</u>	<u>120,643</u>	<u>23,186,103</u>	<u>23,694,086</u>
Deferred Outflows of Resources						
Deferred Amounts on Refunding	118,160	137,853	-	-	118,160	137,853
Deferred Amounts on Net Pension Liability	<u>2,693,907</u>	<u>1,359,390</u>	<u>-</u>	<u>-</u>	<u>2,693,907</u>	<u>1,359,390</u>
<b>Total Deferred Outflows of Resources</b>	<u>2,812,067</u>	<u>1,497,243</u>	<u>-</u>	<u>-</u>	<u>2,812,067</u>	<u>1,497,243</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>25,852,211</u>	<u>25,070,686</u>	<u>145,959</u>	<u>120,643</u>	<u>25,998,170</u>	<u>25,191,329</u>
Long-Term Liabilities	19,248,721	17,852,646			19,248,721	17,852,646
Other Liabilities	<u>716,787</u>	<u>1,954,960</u>	<u>27,217</u>	<u>7,495</u>	<u>744,004</u>	<u>1,962,455</u>
<b>Total Liabilities</b>	<u>19,965,508</u>	<u>19,807,606</u>	<u>27,217</u>	<u>7,495</u>	<u>19,992,725</u>	<u>19,815,101</u>
Deferred Inflows of Resources						
Deferred Commodities Revenue		-	1,873	1,968	1,873	1,968
Deferred Amounts on Net Pension Liability	-	<u>98,232</u>	-	-	-	<u>98,232</u>
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>98,232</u>	<u>1,873</u>	<u>1,968</u>	<u>1,873</u>	<u>100,200</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>19,965,508</u>	<u>19,905,838</u>	<u>29,090</u>	<u>9,463</u>	<u>19,994,598</u>	<u>19,915,301</u>
Net Position:						
Net Investment in Capital Assets	9,034,572	6,957,794	25,625	42,166	9,060,197	6,999,960
Restricted	950,806	943,530			950,806	943,530
Unrestricted	<u>(4,098,675)</u>	<u>(2,736,476)</u>	<u>91,244</u>	<u>69,014</u>	<u>(4,007,431)</u>	<u>(2,667,462)</u>
<b>Total Net Position</b>	<u>\$ 5,886,703</u>	<u>\$ 5,164,848</u>	<u>\$ 116,869</u>	<u>\$ 111,180</u>	<u>\$ 6,003,572</u>	<u>\$ 5,276,028</u>

The table on the following page shows changes in net position for fiscal years 2017 and 2016.

**Changes in Net Position.** The District's total revenues were \$30,808,103 for the fiscal year ended June 30, 2017. Property taxes accounted for 65% of the total revenues for the school year. Operating grants and contributions and unrestricted federal and state aids were 25%. Capital grants and contributions accounted for 5% of the total revenues. The balance or 5% was obtained from charges for services, investment earnings and other miscellaneous revenue.

The total cost of all programs and services was \$30,080,559. The District's expenses are predominantly related to instruction and student and instruction related services accounting for 78% of total costs. The purely administrative activities of the District accounted for just 10% of total costs. Plant operations and maintenance accounted for 8% of total costs. The remaining 4% was comprised of costs relating to pupil transportation, food services and interest on long-term debt.



**Midland Park Board of Education  
Midland Park, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2017**

Total revenues exceeded expenses, which resulted in an increase in net position of \$727,544 over last year.

**Changes in Net Position  
For the Fiscal Years Ended June 30, 2017 and 2016**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 683,855	\$ 702,473	\$ 301,684	\$ 283,963	\$ 985,539	\$ 986,436
Operating Grants and Contributions	7,546,882	5,875,726	94,894	85,579	7,641,776	5,961,305
Capital Grants and Contributions	1,480,801	1,160,454			1,480,801	1,160,454
<b>General Revenues</b>						
Property Taxes	19,990,599	19,615,845			19,990,599	19,615,845
Unrestricted Federal and State Aid	33,651	35,320			33,651	35,320
Investment Earnings	20,329	4,712	76	75	20,405	4,787
Other	655,332	722,452	-	-	655,332	722,452
<b>Total Revenues</b>	<b><u>30,411,449</u></b>	<b><u>28,116,982</u></b>	<b><u>396,654</u></b>	<b><u>369,617</u></b>	<b><u>30,808,103</u></b>	<b><u>28,486,599</u></b>
<b>Expenses</b>						
<b>Instruction</b>						
Regular	12,073,475	10,844,538			12,073,475	10,844,538
Special Education	5,921,928	5,290,136			5,921,928	5,290,136
School Sponsored Activities and Ath.	968,669	839,587			968,669	839,587
Other	802,493	858,751			802,493	858,751
<b>Support Services</b>						
Student and Instruction Related Serv.	3,767,826	3,554,681			3,767,826	3,554,681
General Administration Services	570,128	417,798			570,128	417,798
School Administration Services	1,762,734	1,535,558			1,762,734	1,535,558
Business / Central Services	768,031	760,822			768,031	760,822
Plant Operations and Maintenance	2,347,506	1,901,845			2,347,506	1,901,845
Pupil Transportation	509,474	589,466			509,474	589,466
Food Services	-	-	390,965	372,199	390,965	372,199
	<u>29,492,264</u>	<u>26,593,182</u>	<u>390,965</u>	<u>372,199</u>	<u>29,883,229</u>	<u>26,965,381</u>
Interest on Long-Term Debt	197,330	388,045	-	-	197,330	388,045
<b>Total Expenses</b>	<b><u>29,689,594</u></b>	<b><u>26,981,227</u></b>	<b><u>390,965</u></b>	<b><u>372,199</u></b>	<b><u>30,080,559</u></b>	<b><u>27,353,426</u></b>
Change in Net Position	721,855	1,135,755	5,689	(2,582)	727,544	1,133,173
Net Position, Beginning of Year	<u>5,164,848</u>	<u>4,029,093</u>	<u>111,180</u>	<u>113,762</u>	<u>5,276,028</u>	<u>4,142,855</u>
Net Position, End of Year	<b><u>\$ 5,886,703</u></b>	<b><u>\$ 5,164,848</u></b>	<b><u>\$ 116,869</u></b>	<b><u>\$ 111,180</u></b>	<b><u>\$ 6,003,572</u></b>	<b><u>\$ 5,276,028</u></b>

**Midland Park Board of Education  
Midland Park, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2017**

**Total Cost and Net Cost of Services of Governmental Activities  
For the Fiscal Years Ended June 30, 2017 and 2016**

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Governmental Activities				
Instruction				
Regular	\$ 12,073,475	\$ 10,844,538	\$ 8,083,986	\$ 7,864,290
Special Education	5,921,928	5,290,136	3,408,058	3,325,026
School Sponsored Activities and Athletics	968,669	839,587	690,814	637,971
Other	802,493	858,751	23,986	62,861
Support Services				
Student and Instruction Related Svcs.	3,767,826	3,554,681	3,489,181	3,252,043
General Administration Services	570,128	417,798	570,128	417,798
School Administration Services	1,762,734	1,535,558	1,372,290	1,238,910
Business / Central Services	768,031	760,822	768,031	760,822
Plant Operations and Maintenance	2,347,506	1,901,845	886,752	725,311
Pupil Transportation	509,474	589,466	487,500	569,497
Interest on Long-Term Debt	197,330	388,045	197,330	388,045
Total Governmental Activities	<u>\$ 29,689,594</u>	<u>\$ 26,981,227</u>	<u>\$ 19,978,056</u>	<u>\$ 19,242,574</u>

The following schedule presents a comparison of General Fund (GAAP basis) revenues for the fiscal years ended June 30, 2017 and 2016.

**General Fund Revenues**

	<u>Fiscal Year Ended June 30,</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
	<u>2017</u>	<u>2016</u>		
Local Sources:				
Property Taxes	\$ 19,079,363	\$ 18,705,258	\$ 374,105	2.0%
Tuition	46,397	29,875	16,522	55.3%
Restricted Miscellaneous	1,274,581	1,363,217	(88,636)	-6.5%
Interest Earnings	6,042	4,712	1,330	28.2%
Miscellaneous	18,210	29,728	(11,518)	-38.7%
Intergovernmental				
State Sources	<u>3,208,626</u>	<u>2,782,808</u>	<u>425,818</u>	<u>15.3%</u>
Total Revenues	<u>\$ 23,633,219</u>	<u>\$ 22,915,598</u>	<u>\$ 717,621</u>	<u>3.1%</u>

**Midland Park Board of Education  
Midland Park, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2017**

The following schedule presents a comparison of General Fund (GAAP Basis) expenditures for the fiscal years ended June 30, 2017 and 2016.

**General Fund Expenditures**

	<b>Fiscal Year Ended June 30,</b>		<b>Amount of Increase (Decrease)</b>	<b>Percent Increase (Decrease)</b>
	<b><u>2017</u></b>	<b><u>2016</u></b>		
Instruction	\$ 15,177,780	\$ 14,461,756	\$ 716,024	5.0%
Undistributed Expenditures	8,216,082	7,784,305	431,777	5.5%
Debt Service	78,338	99,185	(20,847)	-21.0%
Capital Outlay	<u>673,148</u>	<u>271,094</u>	<u>402,054</u>	148.3%
 Total Expenditures	 <u>\$ 24,145,348</u>	 <u>\$ 22,616,340</u>	 <u>\$ 1,529,008</u>	 6.8%

**Capital Assets.** As of June 30, 2017 and 2016, the school district had invested in land, construction in progress, site improvements, buildings, building improvements, machinery and equipment as follows:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Land	\$ 28,714	\$ 28,714			\$ 28,714	\$ 28,714
Construction in Progress	9,982,854	4,910,686			9,982,854	4,910,686
Site Improvements	535,056	535,056			535,056	535,056
Buildings and Building Improvements	15,625,116	15,536,356			15,625,116	15,536,356
Machinery and Equipment	<u>3,684,131</u>	<u>3,442,123</u>	\$ 325,924	\$ 325,924	<u>4,010,055</u>	<u>3,768,047</u>
 <b>Total</b>	 29,855,871	 24,452,935	 325,924	 325,924	 30,181,795	 24,778,859
Less: Accumulated Depreciation	<u>(12,133,497)</u>	<u>(11,093,300)</u>	<u>(300,299)</u>	<u>(283,758)</u>	<u>(12,433,796)</u>	<u>(11,377,058)</u>
 <b>Total Capital Assets, Net</b>	 <u>\$ 17,722,374</u>	 <u>\$ 13,359,635</u>	 <u>\$ 25,625</u>	 <u>\$ 42,166</u>	 <u>\$ 17,747,999</u>	 <u>\$ 13,401,801</u>

**Midland Park Board of Education**  
**Midland Park, New Jersey**

**Management's Discussion and Analysis (continued)**  
**Fiscal Year Ended June 30, 2017**

**Debt Administration.** As of June 30, 2017 and 2016 the school district had long-term liabilities in the amount of \$19,248,721 and \$17,852,646 as follows:

**Long-Term Debt**  
**Outstanding Long-Term Liabilities**  
**As of June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Bonds Payable (Including Unamortized Premiums)	\$ 10,706,490	\$ 11,351,739
Capital Leases/Lease Purchase Agreements		77,724
Compensated Absences Payable	318,877	313,491
Net Pension Liability	<u>8,223,354</u>	<u>6,109,692</u>
Total	<u>\$ 19,248,721</u>	<u>\$ 17,852,646</u>

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Midland Park Board of Education, District Administration Offices, 250 Prospect Street, Midland Park, New Jersey 07432. Telephone: 201-444-1400.

**FINANCIAL STATEMENTS**

**MIDLAND PARK BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2017**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,989,042	\$ 108,287	\$ 3,097,329
Receivables, net			
Receivables from Other Governments	2,255,302	4,818	2,260,120
Other	28,986		28,986
Internal Balances	(400)	400	
Inventory		6,829	6,829
Prepaid Items	44,840		44,840
Capital Assets, Not Being Depreciated	10,011,568		10,011,568
Capital Assets, Being Depreciated, Net	<u>7,710,806</u>	<u>25,625</u>	<u>7,736,431</u>
<b>Total Assets</b>	<u>23,040,144</u>	<u>145,959</u>	<u>23,186,103</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	118,160	-	118,160
Deferred Amounts on Net Pension Liability	<u>2,693,907</u>	<u>-</u>	<u>2,693,907</u>
<b>Total Deferred Outflows of Resources</b>	<u>2,812,067</u>	<u>-</u>	<u>2,812,067</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>25,852,211</u>	<u>145,959</u>	<u>25,998,170</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	449,714	21,753	471,467
Accrued Interest Payable	114,502		114,502
Payable to State Government	11,372		11,372
Unearned Revenue	141,199	5,464	146,663
Long-Term Liabilities			
Due Within One Year	680,000		680,000
Due Beyond One Year	<u>18,568,721</u>	<u>-</u>	<u>18,568,721</u>
<b>Total Liabilities</b>	<u>19,965,508</u>	<u>27,217</u>	<u>19,992,725</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue	<u>-</u>	<u>1,873</u>	<u>1,873</u>
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>1,873</u>	<u>1,873</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>19,965,508</u>	<u>29,090</u>	<u>19,994,598</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	9,034,572	25,625	9,060,197
Restricted for:			
Capital Projects	823,468		823,468
Debt Service	16,392		16,392
Other Purposes - Adult Education	110,946		110,946
Unrestricted	<u>(4,098,675)</u>	<u>91,244</u>	<u>(4,007,431)</u>
<b>Total Net Position</b>	<u>\$ 5,886,703</u>	<u>\$ 116,869</u>	<u>\$ 6,003,572</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**MIDLAND PARK BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction:							
Regular	\$ 12,073,475		\$ 3,989,489		\$ (8,083,986)		\$ (8,083,986)
Special Education	5,921,928	\$ 46,397	2,467,473		(3,408,058)		(3,408,058)
School Sponsored Activities and Athletics	968,669		277,855		(690,814)		(690,814)
Other	802,493	637,458	141,049		(23,986)		(23,986)
Support Services							
Student and Instruction- Related Services	3,767,826		257,405	\$ 21,240	(3,489,181)		(3,489,181)
General Administration Services	570,128				(570,128)		(570,128)
School Administration Services	1,762,734		373,661	16,783	(1,372,290)		(1,372,290)
Business / Central Services	768,031				(768,031)		(768,031)
Plant Operations and Maintenance	2,347,506		17,976	1,442,778	(886,752)		(886,752)
Pupil Transportation	509,474		21,974		(487,500)		(487,500)
Interest on Long-Term Debt	197,330	-	-	-	(197,330)	-	(197,330)
Total Governmental Activities	<u>29,689,594</u>	<u>683,855</u>	<u>7,546,882</u>	<u>1,480,801</u>	<u>(19,978,056)</u>	<u>-</u>	<u>(19,978,056)</u>
15 Business-Type Activities							
Food Service	<u>390,965</u>	<u>301,684</u>	<u>94,894</u>	<u>-</u>	<u>-</u>	<u>\$ 5,613</u>	<u>5,613</u>
Total Business-Type Activities	<u>390,965</u>	<u>301,684</u>	<u>94,894</u>	<u>-</u>	<u>-</u>	<u>5,613</u>	<u>5,613</u>
Total Primary Government	<u>\$ 30,080,559</u>	<u>\$ 985,539</u>	<u>\$ 7,641,776</u>	<u>\$ 1,480,801</u>	<u>(19,978,056)</u>	<u>5,613</u>	<u>(19,972,443)</u>
<b>General Revenues:</b>							
					19,079,363		19,079,363
					911,236		911,236
					33,651		33,651
					20,329	76	20,405
					655,332	-	655,332
					<u>20,699,911</u>	<u>76</u>	<u>20,699,987</u>
					721,855	5,689	727,544
					<u>5,164,848</u>	<u>111,180</u>	<u>5,276,028</u>
					<u>\$ 5,886,703</u>	<u>\$ 116,869</u>	<u>\$ 6,003,572</u>

The accompanying Notes to the Financial Statements are an integral part of statement

**FUND FINANCIAL STATEMENTS**



**MIDLAND PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,742,857	\$ 31,165	\$ 214,191	\$ 829	\$ 2,989,042
Due from Other Funds				15,563	15,563
Receivables from Other Governments	32,287	26,739	2,196,276		2,255,302
Other Accounts Receivable	28,986				28,986
Prepaid Items	44,840	-	-	-	44,840
<b>Total Assets</b>	<u>\$ 2,848,970</u>	<u>\$ 57,904</u>	<u>\$ 2,410,467</u>	<u>\$ 16,392</u>	<u>\$ 5,333,733</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 161,919	\$ 46,532	\$ 188,128		\$ 396,579
Other Liabilities	53,135				53,135
Due to Other Funds	400		15,563		15,963
Payable to State Government		11,372			11,372
Unearned Revenue	83,718	-	57,481	-	141,199
<b>Total Liabilities</b>	<u>299,172</u>	<u>57,904</u>	<u>261,172</u>	<u>-</u>	<u>618,248</u>
<b>Fund Balances</b>					
<b>Restricted Fund Balance</b>					
Capital Reserve	507,861				507,861
Capital Reserve- Designated for Subsequent Year's Budget (2017/18 Budget)	185,000				185,000
Adult Education Programs	110,946				110,946
Excess Surplus- Designated for Subsequent Year's Budget (2017/18 Budget)	400,000				400,000
Excess Surplus	375,000				375,000
Capital Projects			2,149,295		2,149,295
Debt Service				\$ 16,392	16,392
<b>Committed Fund Balance</b>					
Year-End Encumbrances	424,924				424,924
<b>Assigned Fund Balance</b>					
Year-End Encumbrances	143,643				143,643
<b>Unassigned, Reported in General Fund</b>					
	402,424	-	-	-	402,424
<b>Total Fund balances</b>	<u>2,549,798</u>	<u>-</u>	<u>2,149,295</u>	<u>16,392</u>	<u>4,715,485</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,848,970</u>	<u>\$ 57,904</u>	<u>\$ 2,410,467</u>	<u>\$ 16,392</u>	<u>\$ 5,333,733</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**MIDLAND PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2017**

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Total Fund Balances - Governmental Funds (Exhibit B-1)	\$	4,715,485
--	----	-----------

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$29,855,871 and the accumulated depreciation is \$12,133,497.

17,722,374

The District has financed capital assets through the issuance of bonds and long-term lease obligations. The interest accrual at year end is:

(114,502)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.

118,160

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Bonds Payable	\$ (10,585,000)	
Premium on Issuance	(121,490)	
Compensated Absences Payable	(318,877)	
Net Pension Liability	<u>(8,223,354)</u>	
		<u>(19,248,721)</u>

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources	<u>2,693,907</u>	
		<u>2,693,907</u>

**Net Position of Governmental Activities (Exhibit A-1)**

**\$ 5,886,703**

**MIDLAND PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 19,079,363			\$ 911,236	\$ 19,990,599
Tuition	46,397				46,397
Other Restricted Miscellaneous Revenues	1,274,581				1,274,581
Miscellaneous	24,252	\$ 125	\$ 14,287	-	38,664
Total - Local Sources	20,424,593	125	14,287	911,236	21,350,241
State Sources	3,208,626	200,084	1,424,018		4,832,728
Federal Sources	-	405,495	-	-	405,495
Total Revenues	23,633,219	605,704	1,438,305	911,236	26,588,464
<b>EXPENDITURES</b>					
Current					
Regular Instruction	9,058,500	150,723			9,209,223
Special Education Instruction	4,670,858	240,462			4,911,320
Other Instruction	683,099				683,099
School-Sponsored Activities and Athletics	765,323				765,323
Student and Instruction Related Services	3,037,787	214,519			3,252,306
General Administration Services	504,226				504,226
School Administration Services	1,401,483				1,401,483
Central Services	661,858				661,858
Plant Operations and Maintenance	2,148,118				2,148,118
Pupil Transportation	462,610				462,610
Debt Service					
Principal	77,724			625,000	702,724
Interest	614			290,675	291,289
Capital Outlay	673,148	-	4,673,005	-	5,346,153
Total Expenditures	24,145,348	605,704	4,673,005	915,675	30,339,732
Excess (Deficiency) of Revenues Over Expenditures	(512,129)	-	(3,234,700)	(4,439)	(3,751,268)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In	2,000		222,660	14,287	238,947
Transfer Out	(222,660)	-	(16,287)	-	(238,947)
Total Other Financing Sources and Uses	(220,660)	-	206,373	14,287	-
Net Change in Fund Balances	(732,789)	-	(3,028,327)	9,848	(3,751,268)
Fund Balance, Beginning of Year	3,282,587	-	5,177,622	6,544	8,466,753
Fund Balance, End of Year	\$ 2,549,798	\$ -	\$ 2,149,295	\$ 16,392	\$ 4,715,485

The accompanying Notes to the Financial Statements are an integral part of this statement.

**MIDLAND PARK BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (3,751,268)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Capital Outlay	\$ 5,346,153	
Depreciation Expense	<u>(1,040,197)</u>	4,305,956

The net effect of various miscellaneous transactions involving capital assets (i.e. donations) is to increase net position. Donated capital assets increase net position in the Statement of Activities but do not appear in the governmental funds because they are not financial resources. 56,783

In the statement of activities, certain operating expenses, e.g., compensated absences and net pension liability 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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Increase in Compensated Absences, Net	(5,386)	
Increase in Pension Expense	<u>(680,913)</u>	(686,299)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. An increase in accrued interest is a decrease in the reconciliation and a decrease in accrued interest is an increase. 93,403

Governmental Funds report the effect of issuance costs pertaining to bonds issued when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Original Issue Premium	20,249	
Deferred Charge on Refunding of Debt	<u>(19,693)</u>	556

The issuance of long-term debt provides current financial resources to governmental funds. Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities:

Capital Leases/ Lease Purchase Agreements Principal Repayment	77,724	
Bonds Principal Repayment	<u>625,000</u>	702,724

**Change in Net Position of Governmental Activities (Exhibit A-2) \$ 721,855**

**MIDLAND PARK BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2017**

	<b>Business-Type Activities Enterprise Fund <u>Food Service</u></b>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 108,287
Accounts Receivable	
Federal	4,588
State	230
Due from Other Funds	400
Inventories	<u>6,829</u>
Total Current Assets	<u>120,334</u>
Capital Assets	
Equipment	325,924
Less: Accumulated Depreciation	<u>(300,299)</u>
Total Capital Assets, Net	<u>25,625</u>
Total Assets	<u>145,959</u>
<b>LIABILITIES</b>	
Current Liabilities	
Unearned Revenue	5,464
Accounts Payable	<u>21,753</u>
Total Current Liabilities	<u>27,217</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Commodities Revenue	<u>1,873</u>
Total Deferred Inflows of Resources	<u>1,873</u>
Total Liabilities and Deferred Inflows of Resources	<u>29,090</u>
<b>NET POSITION</b>	
Investment in Capital Assets	25,625
Unrestricted	<u>91,244</u>
Total Net Position	<u>\$ 116,869</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**MIDLAND PARK BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Business-Type Activities Enterprise Fund <u>Food Service</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales- Reimbursable Programs	\$ 175,288
Daily Sales- Non-Reimbursable Programs	125,095
Special Functions	<u>1,301</u>
 Total Operating Revenues	 <u>301,684</u>
<b>OPERATING EXPENSES</b>	
Cost of Sales- Reimbursable Programs	115,151
Cost of Sales- Non-Reimbursable Programs	50,344
Salaries and Employee Benefits	161,935
Purchased Services-Management Fee	19,962
Purchased Services	1,961
Repairs	2,974
Supplies and Materials	21,197
Miscellaneous Expenditures	900
Depreciation	<u>16,541</u>
 Total Operating Expenses	 <u>390,965</u>
 Operating Loss	 <u>(89,281)</u>
<b>NONOPERATING REVENUES</b>	
Local Sources	
Interest on Investments	76
State Sources	
School Lunch Program	3,313
Federal Sources	
School Breakfast Program	845
National School Lunch Program	65,898
Food Distribution Program	<u>24,838</u>
 Total Nonoperating Revenues	 <u>94,970</u>
 Change in Net Position	 5,689
 Total Net Position, Beginning of Year	 <u>111,180</u>
 Total Net Position, End of Year	 <u>\$ 116,869</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**MIDLAND PARK BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Business-Type Activities Enterprise Fund Food Service</b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 302,893
Cash Payments for Employees' Salaries and Benefits	(161,935)
Cash Payments to Suppliers for Goods and Services	<u>(169,581)</u>
Net Cash Used by Operating Activities	<u>(28,623)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Cash Received from General Fund	6,839
Cash Received from State and Federal Subsidy Reimbursements	<u>68,584</u>
Net Cash Provided by Noncapital Financing Activities	<u>75,423</u>
<b>Cash Flows from Investing Activities</b>	
Interest Received	<u>76</u>
Net Cash Provided by Investing Activities	<u>76</u>
Net Increase in Cash and Cash Equivalents	46,876
Cash and Cash Equivalents, Beginning of Year	<u>61,411</u>
Cash and Cash Equivalents, End of Year	<u>\$ 108,287</u>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>	
Operating Loss	<u>\$ (89,281)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	16,541
Non-Cash Federal Assistance - National School Lunch (Food Distribution)	24,838
Change in Assets, Liabilities and Deferred Inflows of Resources	
Increase/(Decrease) in Accounts Payable	18,513
Increase/(Decreased) in Unearned Revenue	1,209
Increase/(Decrease) in Deferred Commodities Revenue	(95)
(Increase)/Decrease in Inventories	<u>(348)</u>
Total Adjustments	<u>60,658</u>
Net Cash Used by Operating Activities	<u>\$ (28,623)</u>
<b>Non-Cash Financing Activities</b>	
National School Lunch (Food Distribution Program)	\$ 24,743

The accompanying Notes to the Financial Statements are an integral part of this statement.

**MIDLAND PARK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2017**

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b>Scholarships <u>Trust Fund</u></b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ <u>178,908</u>	\$ <u>10,947</u>	\$ <u>214,103</u>
Total Assets	<u>178,908</u>	<u>10,947</u>	<u>\$ 214,103</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings			\$ 8,072
Accrued Salaries and Wages			407
Reserve for Flexible Spending (Sect. 125) Plan			13,975
Due to Student Groups		-	191,649
Due to the State Government	<u>710</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>710</u>	<u>-</u>	<u>\$ 214,103</u>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 178,198</u>	<u>\$ 10,947</u>	

The accompanying Notes to the Financial Statements are an integral part of this statement.



**MIDLAND PARK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b><u>Scholarships Trust Fund</u></b>
<b>ADDITIONS</b>		
Contributions		
Employees	\$ 35,753	
Donations	-	\$ 10,800
	<hr/>	<hr/>
Total Contributions	35,753	10,800
	<hr/>	<hr/>
Investment Earnings		
Interest	170	27
	<hr/>	<hr/>
Net Investment Earnings	170	27
	<hr/>	<hr/>
Total Additions	35,923	10,827
	<hr/>	<hr/>
<b>DEDUCTIONS</b>		
Scholarships Awarded		13,925
Unemployment Claims and Contributions	20,946	-
	<hr/>	<hr/>
Total Deductions	20,946	13,925
	<hr/>	<hr/>
Change in Net Position	14,977	(3,098)
Net Position, Beginning of the Year	163,221	14,045
	<hr/>	<hr/>
Net Position, End of the Year	\$ 178,198	\$ 10,947
	<hr/>	<hr/>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS**

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Midland Park Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Midland Park Board of Education this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. New Accounting Standards**

During fiscal year 2017, the District adopted the following GASB statements:

- GASB No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 77, *Tax Abatement Disclosures*. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government’s future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government’s financial position and economic condition.
- GASB No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. *The Financial Reporting Entity, as amended*.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

**C. Basis of Presentation - Financial Statements**

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**District-Wide Financial Statements**

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Financial Statements**

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

**Reclassifications**

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-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 with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are 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.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when 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 Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, tuition, unrestricted state aid, 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. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. *Cash, Cash Equivalents and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

**2. *Receivables***

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**3. *Inventories***

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred inflows of resources.

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**4. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**5. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Site Improvements	20
Buildings and Building Improvements	40
Machinery and Equipment	8-10
Office Equipment and Furniture	10
Computer Equipment	5

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial 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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.



**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**6. *Deferred Outflows/Inflows of Resources (Continued)***

In addition to liabilities, the statement of financial 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 Board has two types which arise only under the accrual basis of accounting that qualify for reporting in this category. One item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

**7. *Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation, personal and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**8. *Pensions***

In the district-wide financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

**9. *Long-Term Obligations***

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported including the unamortized bond premium or discount.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**10. Net Position/Fund Balance**

**District-Wide Statements**

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

**Governmental Fund Statements**

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Capital Reserve* – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2B.)

*Capital Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2017/2018 District budget certified for taxes.

*Adult Education Programs* – This restriction was created in accordance with NJSA 18A:50-6 to represent the accumulated surplus from excess program fees and sources other than property taxes over the operating costs of the District's Adult Education Program.

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that was appropriated in the 2017/2018 original budget certified for taxes.

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that is required to be appropriated in the 2018/2019 original budget certified for taxes.

*Capital Projects* – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

*Debt Service* – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**10. *Net Position/Fund Balance (Continued)***

**Governmental Fund Statements (Continued)**

**Committed Fund Balance** – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

*Year-End Encumbrances* – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustees for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**Assigned Fund Balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

*Year-End Encumbrances* – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**Unassigned Fund Balance** – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods 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, unrestricted state aid, investment earnings and miscellaneous revenues.

**2. *Property Taxes***

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual “in rem” tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

**3. *Tuition Revenues and Expenditures***

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs.

Tuition Expenditures - Tuition charges for the fiscal years 2015-2016 and 2016-2017 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On December 16, 2014, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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. 6:20-2A.2(m)1. The Board approved several budget transfers during 2016/2017. Also, during 2016/2017 the Board increased the original general fund budget by \$1,607,822 and the original special revenue fund budget by \$165,817. The increase in the general fund budget was funded by the appropriation of prior year extraordinary aid and the reappropriation of prior year general fund encumbrance. The increase in the special revenue fund was funded by additional grant awards.

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or assigned 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 which are reappropriated and honored during the subsequent fiscal year.

**B. Capital Reserve**

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

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. 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. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Capital Reserve (Continued)**

The activity of the capital reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016		\$ 733,599
Increased by		
Interest earnings	\$ 384	
Unexpended Capital Reserve Funds Returned	2,000	
Deposits Approved by Board Resolution	<u>179,538</u>	
Total Increases		<u>181,922</u>
		915,521
Withdrawals:		
Approved by Board Resolution		<u>222,660</u>
Balance, June 30, 2017		<u>\$ 692,861</u>
Designated for Subsequent Year's Budget (2017/2018)	\$ 185,000	
Capital Reserve Available		<u>507,861</u>
		<u>\$ 692,861</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

**C. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for 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 restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2017 is \$775,000. Of this amount, \$400,000 was designated and appropriated in the 2017/2018 original budget certified for taxes and the remaining amount of \$375,000 will be appropriated in the 2018/2019 original budget certified for taxes.

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2017, the book value of the Board's deposits were \$3,501,287 and bank and brokerage firm balances of the Board's deposits amounted to \$4,222,557. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>
Insured	\$ 3,902,826
Uninsured or uncollateralized	<u>319,731</u>
	<u>\$ 4,222,557</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2017 the Board's bank balance of \$319,731 was exposed to custodial credit risk as follows:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>
Uninsured and Collateralized Collateral held by pledging financial institution's trust department or agent not in the Board's name	<u>\$ 319,731</u>

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Investments**

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2017, the Board had no outstanding investments.

Investment and interest earnings in the Capital Projects Fund are assigned to the Debt Service Fund in accordance with Board policy.

**B. Receivables**

Receivables as of June 30, 2017 for the district's individual major funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Accounts	\$ 28,986				\$ 28,986
Intergovernmental					
Federal		\$ 26,739		\$ 4,588	31,327
State	32,287	-	\$ 2,196,276	230	2,228,793
Gross Receivables	61,273	26,739	2,196,276	4,818	2,289,106
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 61,273</u>	<u>\$ 26,739</u>	<u>\$ 2,196,276</u>	<u>\$ 4,818</u>	<u>\$ 2,289,106</u>

**C. Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Total</u>
General Fund	
Adult/Continuing Education Fees	\$ 73,278
Preschool Tuition	10,440
Capital Projects Fund	
Unrealized School Facilities Grants	<u>57,481</u>
Total Unearned Revenue of Governmental Funds	<u>\$ 141,199</u>



**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	<u>Balance,</u> <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance,</u> <u>June 30, 2017</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 28,714			\$ 28,714
Construction in Progress	<u>4,910,686</u>	<u>\$ 5,072,168</u>	<u>-</u>	<u>9,982,854</u>
Total Capital Assets, Not Being Depreciated	<u>4,939,400</u>	<u>5,072,168</u>	<u>-</u>	<u>10,011,568</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	15,536,356	88,760		15,625,116
Site Improvements	535,056			535,056
Machinery and Equipment	<u>3,442,123</u>	<u>242,008</u>	<u>-</u>	<u>3,684,131</u>
Total Capital Assets Being Depreciated	<u>19,513,535</u>	<u>330,768</u>	<u>-</u>	<u>19,844,303</u>
Less Accumulated Depreciation for:				
Site Improvements	(477,640)	(47,026)		(524,666)
Buildings and Building Improvements	(7,769,691)	(665,158)		(8,434,849)
Machinery and Equipment	<u>(2,845,969)</u>	<u>(328,013)</u>	<u>-</u>	<u>(3,173,982)</u>
Total Accumulated Depreciation	<u>(11,093,300)</u>	<u>(1,040,197)</u>	<u>-</u>	<u>(12,133,497)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,420,235</u>	<u>(709,429)</u>	<u>-</u>	<u>7,710,806</u>
Governmental Activities Capital Assets, Net	<u>\$ 13,359,635</u>	<u>\$ 4,362,739</u>	<u>\$ -</u>	<u>\$ 17,722,374</u>

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2017</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 325,924	-	-	\$ 325,924
Total Capital Assets Being Depreciated	<u>325,924</u>	<u>-</u>	<u>-</u>	<u>325,924</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(283,758)	\$ (16,541)	-	(300,299)
Total Accumulated Depreciation	<u>(283,758)</u>	<u>(16,541)</u>	<u>-</u>	<u>(300,299)</u>
Total Capital Assets, Being Depreciated, Net	<u>42,166</u>	<u>(16,541)</u>	<u>-</u>	<u>25,625</u>
Business-Type Activities Capital Assets, Net	<u>\$ 42,166</u>	<u>\$ (16,541)</u>	<u>\$ -</u>	<u>\$ 25,625</u>

Depreciation expense was charged to functions/programs of the District as follows:

**Governmental Activities:**

Instruction		
Regular		\$ 499,295
Special Education		114,422
School-Sponsored Activities and Athletics		31,205
Other Instructional		31,206
Total Instruction		<u>676,128</u>
Support Services		
Student and Instruction Related Services		176,833
General Administration Services		20,804
School Administration Services		62,412
Plant Operations and Maintenance		62,412
Pupil Transportation		10,402
Business / Central Services		31,206
Total Support Services		<u>364,069</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 1,040,197</u>
<b>Business-Type Activities:</b>		
Food Service Fund		<u>\$ 16,541</u>

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2017:

<u>Project</u>	<u>Remaining Commitment</u>
<u>General Fund</u>	
Administrative Office Renovation	\$ 240,791
High School Stage Floor System	41,970
Paving at High School Lot	27,900
<u>Capital Projects Fund</u>	
Mechanical Upgrades - High School	68,884
Windows Project	33,656
Door Replacement Project	<u>27,088</u>
Total	<u>\$ 440,289</u>

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2017, is as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt Service Fund	Capital Projects Fund	\$ 15,563
Food Service Enterprise Fund	General Fund	<u>400</u>
	Total	<u>\$ 15,963</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund.

The District expects all interfund balances to be liquidated within one year.

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers (Continued)**

**Interfund transfers**

	<u>Transfer In:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	
Transfer Out:				
Capital Projects Fund	\$ 2,000	\$ -	\$ 14,287	\$ 16,287
General Fund	<u>-</u>	<u>222,660</u>	<u>-</u>	<u>222,660</u>
Total	<u>\$ 2,000</u>	<u>\$ 222,660</u>	<u>\$ 14,287</u>	<u>\$ 238,947</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**F. Leases**

**Operating Leases**

The District leases chrome books under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2017 were \$76,439. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2018	<u>\$ 76,439</u>
Total	<u>\$ 76,439</u>

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2017 are comprised of the following issues:

\$3,695,000, 2012 Refunding Bonds, due in annual installments of \$350,000 to \$395,000 through August 15, 2023, interest at 3.00%	\$2,640,000
\$8,500,000, 2015 School Bonds, due in annual installments of \$300,000 to \$540,000 through August 15, 2035, interest at 2.00% to 3.125%	<u>7,945,000</u>
Total	<u>\$10,585,000</u>

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

**Governmental Activities:**

Fiscal Year Ended June 30,	<u>Bonds Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2018	\$ 650,000	\$ 277,475	\$ 927,475
2019	675,000	260,825	935,825
2020	695,000	243,575	938,575
2021	715,000	225,825	940,825
2022	735,000	207,575	942,575
2023-2027	2,720,000	804,925	3,524,925
2028-2032	2,290,000	530,175	2,820,175
2033-2036	<u>2,105,000</u>	<u>162,300</u>	<u>2,267,300</u>
Total	<u>\$ 10,585,000</u>	<u>\$ 2,712,675</u>	<u>\$ 13,297,675</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2017 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 47,516,051
Less: Net Debt	<u>10,585,000</u>
Remaining Borrowing Power	<u>\$ 36,931,051</u>

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

	Balance, <u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2017</u>	Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 11,210,000	-	\$ 625,000	\$ 10,585,000	\$ 650,000
Add:					
Unamortized Premium	<u>141,739</u>	<u>-</u>	<u>20,249</u>	<u>121,490</u>	<u>-</u>
Bonds Payable, Gross	11,351,739	-	645,249	10,706,490	650,000
Capital Leases/Lease Purchase Agreements	77,724	-	77,724	-	
Compensated Absences Payable	313,491	\$ 15,874	10,488	318,877	30,000
Net Pension Liability	<u>6,109,692</u>	<u>2,360,327</u>	<u>246,665</u>	<u>8,223,354</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 17,852,646</u>	<u>\$ 2,376,201</u>	<u>\$ 980,126</u>	<u>\$ 19,248,721</u>	<u>\$ 680,000</u>

For the governmental activities, the liabilities for compensated absences, capital leases/lease purchase agreements and net pension liability is generally liquidated by the general fund.

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims and various other types of insurance coverage including property, general liability, crime, student accident and surety bond coverage.

The relationship between the Board and the insurance fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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

Fiscal Year ended <u>June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017		\$ 35,753	\$ 20,946	\$ 178,198
2016		34,843	34,742	163,221
2015	\$ 100,000	33,963	63,746	162,970

**B. Contingent Liabilities**

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2017, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2017, the District has not estimated its arbitrage earnings due to the IRS, if any.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

**Public Employees' Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).



**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Basis of Accounting**

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at [www.state.nj/treasury/doinvest](http://www.state.nj/treasury/doinvest).

**Funding Status and Funding Progress**

As of July 1, 2015, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 28 percent with an unfunded actuarial accrued liability of \$108.6 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 22.33 percent and \$79.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 40.14 percent and \$29.6 billion, respectively.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2015 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.65 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for the PERS and varying percentages based on experience for TPAF.

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.06% for PERS, 7.06% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2017 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2017, 2016 and 2015 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2017	\$ 246,665	\$ 901,624	\$ 2,698
2016	240,192	633,640	3,105
2015	220,946	452,363	2,390

In addition for fiscal year 2016/2017 the District contributed \$1,035 for PERS and the State contributed \$2,017 for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$657,979 during the fiscal year ended June 30, 2017 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees Retirement System (PERS)**

At June 30, 2017, the District reported in the statement of net position (accrual basis) a liability of \$8,223,354 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2016, the District's proportionate share was .02777 percent, which was an increase of .00055 percent from its proportionate share measured as of June 30, 2015 of .02722 percent.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$927,578 for PERS. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 152,929	
Changes of Assumptions	1,703,440	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	313,564	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>523,974</u>	<u>\$ -</u>
Total	<u>\$ 2,693,907</u>	<u>\$ -</u>

At June 30, 2017, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2018	\$ 631,919
2019	631,919
2020	704,346
2021	561,655
2022	164,068
Thereafter	<u>-</u>
	<u>\$ 2,693,907</u>

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

The District's total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.98%

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate (Continued)***

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2034
Municipal Bond Rate *	From July 1, 2034 and Thereafter

\* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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.

***Sensitivity of Net Pension Liability***

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 3.98%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current rate:

	<b>1% Decrease (2.98%)</b>	<b>Current Discount Rate (3.98%)</b>	<b>1% Increase (4.98%)</b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 10,076,760</u>	<u>\$ 8,223,354</u>	<u>\$ 6,693,206</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2016. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF)**

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4,677,826 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2017 the State's proportionate share of the net pension liability attributable to the District is \$62,258,043. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2016. At June 30, 2016, the state's share of the net pension liability attributable to the District was .07914 percent, which was a decrease of .00453 percent from its proportionate share measured as of June 30, 2015 of .08367 percent.

**Actuarial Assumptions**

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%



**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Discount Rate***

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.22%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

**Period of Projected Benefit**

Payments for which the Following  
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2029
Municipal Bond Rate *	From July 1, 2029 and Thereafter

\* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 3.22%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	<b>1% Decrease (<u>2.22%</u>)</b>	<b>Current Discount Rate (<u>3.22%</u>)</b>	<b>1% Increase (<u>4.22%</u>)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 74,350,016</u>	<u>\$ 62,258,043</u>	<u>\$ 52,383,386</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2016. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2016 was not provided by the pension system.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Pension Plan Fiduciary Net Position***

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 584 state and local participating employers and contributing entities for Fiscal Year 2016.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

**Health Benefits Program Fund (HBP) – Local Education** (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Basis of Accounting**

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

**Significant Legislation**

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**Funded Status and Funding Progress**

As of July 1, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.9 billion for state active and retired members and \$41.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2015, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2016, there were 110,512, retirees receiving post-retirement medical benefits and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2016divisioncombined.pdf>.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2017, 2016 and 2015 were \$751,258, \$754,491 and \$718,128, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**F. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For Midland Park Board of Education, the District's share of abated taxes resulting from the municipality/county having entered into a tax abatement agreement is indeterminate.

**BUDGETARY COMPARISON SCHEDULES**

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**MIDLAND PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
<b>REVENUES</b>					
<b>Local Sources</b>					
Property Taxes	\$ 19,079,363		\$ 19,079,363	\$ 19,079,363	
Tuition from Individuals (Integrated Preschool)	25,000		25,000	46,397	\$ 21,397
Other Restricted Miscellaneous Revenues	1,429,984		1,429,984	1,274,581	(155,403)
Interest on Investments				5,658	5,658
Unrestricted Miscellaneous Revenues	22,500		22,500	18,210	(4,290)
Interest Earned on Capital Reserve Funds	500	-	500	384	(116)
<b>Total Local Sources</b>	<u>20,557,347</u>	<u>-</u>	<u>20,557,347</u>	<u>20,424,593</u>	<u>(132,754)</u>
<b>State Sources</b>					
Special Education Aid	531,756		531,756	531,756	-
Equalization Aid	33,981		33,981	33,981	-
Security Aid	18,299		18,299	18,299	-
Transportation Aid	22,354		22,354	22,354	-
PARCC Readiness	9,520		9,520	9,520	-
Per Pupil Growth Aid	9,520		9,520	9,520	-
Professional Learning Community Aid	10,080		10,080	10,080	-
Extraordinary Aid				408,946	408,946
On-behalf TPAF Normal Cost & Accrued Liab. (Non-Budgeted)				870,098	870,098
On-behalf TPAF NCGI Premium Contribution (Non-budgeted)				31,526	31,526
On-behalf TPAF Long Term Disability Insurance (Non-budgeted)				2,017	2,017
On-behalf TPAF Post-Retirement Medical Contributions (Non-budgeted)				751,258	751,258
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	657,979	657,979
<b>Total State Sources</b>	<u>635,510</u>	<u>-</u>	<u>635,510</u>	<u>3,357,334</u>	<u>2,721,824</u>
<b>Total Revenues</b>	<u>21,192,857</u>	<u>-</u>	<u>21,192,857</u>	<u>23,781,927</u>	<u>2,589,070</u>
<b>EXPENDITURES</b>					
<b>CURRENT</b>					
<b>Regular Programs- Instruction</b>					
<b>Salaries of Teachers</b>					
Kindergarten	256,815	\$ 2,828	259,643	259,512	131
Grades 1-5	2,181,599	26,744	2,208,343	2,208,080	263
Grades 6-8	1,088,383	(42,665)	1,045,718	1,045,062	656
Grades 9-12	1,987,805	40,464	2,028,269	2,022,901	5,368
<b>Regular Programs - Home Instruction</b>					
Salaries of Teachers	18,000	-	18,000	8,007	9,993
Purchased Professional/Educational Services	8,000	-	8,000	7,927	73
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	66,781	24,192	90,973	90,328	645
Purchased Professional/Educational Services	22,453	(4,335)	18,118	17,416	702
Other Purchased Services	132,750	18,533	151,283	145,720	5,563
General Supplies	274,259	57,342	331,601	306,866	24,735
Textbooks	90,107	(17,750)	72,357	69,557	2,800
Other Objects	3,089	(295)	2,794	889	1,905
<b>Total Regular Programs</b>	<u>6,130,041</u>	<u>105,058</u>	<u>6,235,099</u>	<u>6,182,265</u>	<u>52,834</u>
<b>Special Education</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	107,465	4,237	111,702	111,702	-
Other Salaries for Instruction	152,039	(23,737)	128,302	128,302	-
Other Purchased Services	50	(50)	-	-	-
General Supplies	5,000	(2,854)	2,146	2,146	-
Textbooks	50	(50)	-	-	-
<b>Total Learning and/or Language Disabilities</b>	<u>264,604</u>	<u>(22,454)</u>	<u>242,150</u>	<u>242,150</u>	<u>-</u>

**MIDLAND PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Special Education (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 56,477	\$ 42,501	\$ 98,978	\$ 98,978	
Other Salaries for Instruction	31,675	(5,535)	26,140	26,140	
Other Purchased Services	100	(100)	-	-	
General Supplies	3,150	(1,625)	1,525	1,451	\$ 74
Textbooks	50	(50)	-	-	-
<b>Total Multiple Disabilities</b>	<u>91,452</u>	<u>35,191</u>	<u>126,643</u>	<u>126,569</u>	<u>74</u>
Resource Room/Resource Center					
Salaries of Teachers	1,052,434	4,549	1,056,983	1,056,983	-
Other Salaries for Instruction	291,755	82,801	374,556	374,556	-
Other Purchased Services	300	(300)	-	-	-
General Supplies	13,000	(6,125)	6,875	6,875	-
Textbooks	400	(400)	-	-	-
<b>Total Resource Room Resource Center</b>	<u>1,357,889</u>	<u>80,525</u>	<u>1,438,414</u>	<u>1,438,414</u>	<u>-</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	132,212	24,492	156,704	156,704	-
Other Salaries for Instruction	139,091	26,554	165,645	165,586	59
Other Purchased Services	50	(50)	-	-	-
General Supplies	4,550	(3,389)	1,161	1,161	-
<b>Total Preschool Disabilities-Part Time</b>	<u>275,903</u>	<u>47,607</u>	<u>323,510</u>	<u>323,451</u>	<u>59</u>
Home Instruction					
Purchased Professional-Educational Services	8,000	(439)	7,561	4,339	3,222
<b>Total Home Instruction</b>	<u>8,000</u>	<u>(439)</u>	<u>7,561</u>	<u>4,339</u>	<u>3,222</u>
<b>Total Special Education</b>	<u>1,997,848</u>	<u>140,430</u>	<u>2,138,278</u>	<u>2,134,923</u>	<u>3,355</u>
School Spons. Co-Curricular Activities-Instruction					
Salaries	83,000	1,568	84,568	83,915	653
Purchased Services	4,400	-	4,400	3,300	1,100
Supplies and Materials	12,850	32,125	44,975	43,797	1,178
Other Objects	1,175	-	1,175	1,105	70
<b>Total School Spons. Co-Curricular Activities-Instr.</b>	<u>101,425</u>	<u>33,693</u>	<u>135,118</u>	<u>132,117</u>	<u>3,001</u>
School Sponsored Athletics - Instruction					
Salaries	338,795	(2,775)	336,020	326,900	9,120
Purchased Services	54,800	(8,651)	46,149	46,149	-
Supplies and Materials	44,485	21,900	66,385	48,746	17,639
Other Objects	16,865	(8,749)	8,116	8,116	-
<b>Total School Sponsored Athletics - Instruction</b>	<u>454,945</u>	<u>1,725</u>	<u>456,670</u>	<u>429,911</u>	<u>26,759</u>
<b>Total Instruction</b>	<u>8,684,259</u>	<u>280,906</u>	<u>8,965,165</u>	<u>8,879,216</u>	<u>85,949</u>



**MIDLAND PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within the State - Regular	\$ 89,100	-	\$ 89,100	\$ 59,526	\$ 29,574
Tuition to Other LEA's Within the State - Special	336,700	-	336,700	272,873	63,827
Tuition to Vocational School Districts- Regular	44,550	\$ 26,550	71,100	71,100	-
Tuition to Vocational School Districts- Special	14,976	11,724	26,700	26,700	-
Tuition to County Special Services School Districts and Regional Day Schools	320,020	79,152	399,172	399,172	-
Tuition to Private Schools for the Disabled Within the State	1,134,567	(262,850)	871,717	788,612	83,105
<b>Total Undistributed Expenditures - Instruction</b>	<u>1,939,913</u>	<u>(145,424)</u>	<u>1,794,489</u>	<u>1,617,983</u>	<u>176,506</u>
Health Services					
Salaries	225,062	19,244	244,306	244,306	-
Purchased Professional Educational Services	3,000	3,145	6,145	6,145	-
Supplies and Materials	5,500	(2,941)	2,559	2,322	237
<b>Total Health Services</b>	<u>233,562</u>	<u>19,448</u>	<u>253,010</u>	<u>252,773</u>	<u>237</u>
Other Support Services - Speech, OT, PT & Related Svcs					
Salaries	437,906	(73,628)	364,278	364,278	-
Purchased Professional/Educational Services	5,000	91,060	96,060	96,060	-
Supplies and Materials	7,000	(7,000)	-	-	-
<b>Total Other Support Services - Speech, OT, PT &amp; Related Svcs</b>	<u>449,906</u>	<u>10,432</u>	<u>460,338</u>	<u>460,338</u>	<u>-</u>
Other Support Services - Extra. Serv.					
Purchased Professional/Education Services	262,295	21,130	283,425	240,707	42,718
<b>Total Other Support Services - Extra. Serv.</b>	<u>262,295</u>	<u>21,130</u>	<u>283,425</u>	<u>240,707</u>	<u>42,718</u>
Other Support Services - Guidance					
Salaries of Other Professional Staff	250,043	20,292	270,335	260,193	10,142
Salaries of Secretarial and Clerical Assistants	35,196	339	35,535	35,535	-
Other Purchased Professional and Technical Services	5,620	4,075	9,695	2,705	6,990
Supplies and Materials	5,660	(1,192)	4,468	4,014	454
Other Objects	10,358	194	10,552	9,916	636
<b>Total Other Support Services - Guidance</b>	<u>306,877</u>	<u>23,708</u>	<u>330,585</u>	<u>312,363</u>	<u>18,222</u>
Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	332,338	(5,155)	327,183	311,799	15,384
Salaries of Secretarial and Clerical Assistants	35,993	(533)	35,460	35,460	-
Purchased Professional/Educational Services	37,000	(8,445)	28,555	28,555	-
Other Purchased Professional and Tech. Services	12,500	(2,764)	9,736	9,165	571
Misc. Purchased Services	1,200	-	1,200	1,075	125
Supplies and Materials	20,450	(10,000)	10,450	9,130	1,320
Other Objects	4,500	(3,480)	1,020	1,020	-
<b>Total Other Support Services - Child Study Teams</b>	<u>443,981</u>	<u>(30,377)</u>	<u>413,604</u>	<u>396,204</u>	<u>17,400</u>

**MIDLAND PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	\$ 63,407	-	\$ 63,407	\$ 63,407	
Salaries of Other Professional Staff	32,275	\$ 416	32,691	32,369	\$ 322
Salaries of Secretarial and Clerical Assistants	25,370	74	25,444	25,444	-
Other Salaries	22,200	-	22,200	21,300	900
Other Purchased Services	51,725	(6,650)	45,075	37,649	7,426
Supplies and Materials	6,000	(3,825)	2,175	2,147	28
Other Objects	900	(111)	789	175	614
	<u>201,877</u>	<u>(10,096)</u>	<u>191,781</u>	<u>182,491</u>	<u>9,290</u>
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff					
Educational Media Services/School Library					
Salaries	124,291	62,722	187,013	178,221	8,792
Salaries of Technology Coordinators	215,871	(58,816)	157,055	157,055	-
Purchased Professional and Technical Services	8,500	(85)	8,415	8,415	-
Supplies and Materials	13,350	7,101	20,451	13,327	7,124
Other Objects	575	-	575	487	88
	<u>362,587</u>	<u>10,922</u>	<u>373,509</u>	<u>357,505</u>	<u>16,004</u>
Total Educational Media Services/School Library					
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	63,407	-	63,407	63,407	-
Salaries of Other Professional Staff	32,275	94	32,369	32,369	-
Other Salaries	25,370	1,659	27,029	27,029	-
Other Purchased Professional and Technical Serv.	15,000	499	15,499	13,649	1,850
Supplies and Materials	520	-	520	337	183
Other Objects	12,100	(16)	12,084	9,949	2,135
	<u>148,672</u>	<u>2,236</u>	<u>150,908</u>	<u>146,740</u>	<u>4,168</u>
Total Instructional Staff Training Services					
Support Services General Administration					
Salaries	232,420	22,350	254,770	254,770	-
Legal Services	35,000	5,000	40,000	38,766	1,234
Audit Fees	24,000	4,915	28,915	23,915	5,000
Architectural/Engineering Services	-	19,055	19,055	3,077	15,978
Other Purchased Professional Services	7,700	(337)	7,363	6,345	1,018
Purchased Technical Services	2,500	(916)	1,584	285	1,299
Communications/Telephone	21,450	6,372	27,822	25,227	2,595
BOE Other Purchased Services	3,000	967	3,967	3,192	775
Misc. Purchased Services	12,600	3,019	15,619	14,140	1,479
General Supplies	6,450	(951)	5,499	4,164	1,335
BOE In-House Training/Meeting Supplies	100	-	100	80	20
Miscellaneous Expenditures	4,100	637	4,737	4,439	298
Board of Education Membership Dues and Fees	9,435	-	9,435	9,435	-
	<u>358,755</u>	<u>60,111</u>	<u>418,866</u>	<u>387,835</u>	<u>31,031</u>
Total Support Services General Administration					
Support Services School Administration					
Salaries of Principals/Asst. Principals	550,366	2,100	552,466	552,466	-
Salaries of Other Professional Staff	98,726	86,382	185,108	182,310	2,798
Salaries of Secretarial and Clerical Assistants	186,464	12,382	198,846	198,239	607
Purchased Professional and Technical Services	4,000	89,500	93,500	10,522	82,978
Other Purchased Services	24,000	(3,304)	20,696	13,224	7,472
Supplies and Materials	16,800	8,298	25,098	23,754	1,344
Other Objects	8,500	(522)	7,978	7,742	236
	<u>888,856</u>	<u>194,836</u>	<u>1,083,692</u>	<u>988,257</u>	<u>95,435</u>
Total Support Services School Administration					

**MIDLAND PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	\$ 362,245	\$ 20,752	\$ 382,997	\$ 382,997	
Purchased Professional Services	600	1,009	1,609	1,609	
Purchased Technical Services	3,470	1,980	5,450	5,450	
Miscellaneous Purchased Services	1,500	(274)	1,226	1,226	
Supplies and Materials	2,500	201	2,701	2,695	\$ 6
Interest on Current Loans	1,576	(961)	615	615	-
Miscellaneous Expenditures	1,340	-	1,340	1,250	90
<b>Total Central Services</b>	<u>373,231</u>	<u>22,707</u>	<u>395,938</u>	<u>395,842</u>	<u>96</u>
Admin. Information Technology					
Salaries	28,535	85	28,620	28,619	1
Purchased Professional Services	3,100	3,953	7,053	865	6,188
Purchased Technical Services	25,315	44,217	69,532	46,275	23,257
Other Purchased Services	60,853	(7,780)	53,073	37,148	15,925
Supplies and Materials	500	1,280	1,780	1,780	-
Other Objects	250	539	789	694	95
<b>Total Admin. Information Technology</b>	<u>118,553</u>	<u>42,294</u>	<u>160,847</u>	<u>115,381</u>	<u>45,466</u>
Required Maintenance for School Facilities					
Salaries	223,085	(24,163)	198,922	189,005	9,917
Cleaning, Repair and Maintenance Services	115,000	367,701	482,701	289,616	193,085
General Supplies	30,000	6,271	36,271	36,232	39
<b>Total Required Maintenance for School Facilities</b>	<u>368,085</u>	<u>349,809</u>	<u>717,894</u>	<u>514,853</u>	<u>203,041</u>
Custodial Services					
Salaries	455,096	(3,393)	451,703	448,087	3,616
Salaries of Non-Instructional Aides	127,000	2,468	129,468	124,546	4,922
Unused Vacation Payment to Terminated/Retired Staff	-	-	-	-	-
Purchased Professional and Technical Services	38,700	17,009	55,709	55,505	204
Cleaning, Repair and Maintenance Services	97,510	(45,607)	51,903	51,903	-
Other Purchased Property Services	18,000	3,536	21,536	21,536	-
Insurance	103,000	(3,871)	99,129	99,129	-
General Supplies	37,000	5,324	42,324	42,011	313
Energy (Natural Gas)	120,000	(34,497)	85,503	71,692	13,811
Energy (Electricity)	190,000	5,136	195,136	187,286	7,850
Other Objects	350	(250)	100	100	-
<b>Total Custodial Services</b>	<u>1,186,656</u>	<u>(54,145)</u>	<u>1,132,511</u>	<u>1,101,795</u>	<u>30,716</u>
Security					
Purchased Professional and Technical Services	16,150	227,575	243,725	232,246	11,479
General Supplies	-	19,357	19,357	19,357	-
<b>Total Security</b>	<u>16,150</u>	<u>246,932</u>	<u>263,082</u>	<u>251,603</u>	<u>11,479</u>

**MIDLAND PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
Student Transportation Services					
Salaries of Non-Instructional Aides	\$ 65,000	\$ 9,976	\$ 74,976	\$ 69,046	\$ 5,930
Salaries for Pupil Transportation (Between Home and School)-Special Education	148,600	4,024	152,624	134,486	18,138
Cleaning, Repair and Maintenance Services	8,000	12,960	20,960	20,960	-
Lease Purchase Payments - School Buses	35,000	362	35,362	35,362	-
Contracted Services (Other than Between Home and School) - Vendors	20,650	1,341	21,991	19,112	2,879
Contracted Services (Between Home and School) - Joint Agreements	40,000	3,692	43,692	43,554	138
Contracted Services (Special Education Students) - Joint Agreements	155,221	(52,604)	102,617	85,219	17,398
Transportation Supplies	5,000	(2,955)	2,045	2,045	-
Other Objects	28,500	(12,451)	16,049	13,399	2,650
Total Student Transportation Services	<u>505,971</u>	<u>(35,655)</u>	<u>470,316</u>	<u>423,183</u>	<u>47,133</u>
Unallocated Benefits					
Group Insurance	5,650	-	5,650	5,631	19
Social Security Contributions	255,000	-	255,000	242,584	12,416
Other Retirement Contributions - PERS	277,000	(7,631)	269,369	264,655	4,714
Other Retirement Contributions - Regular	2,000	698	2,698	2,698	-
Unemployment Compensation	30,000	(30,000)	-	-	-
Workmen's Compensation	140,000	(28,634)	111,366	111,366	-
Health Benefits	3,117,762	(162,542)	2,955,220	2,872,175	83,045
Tuition Reimbursement	33,000	108	33,108	18,366	14,742
Other Employee Benefits	29,000	(15,000)	14,000	3,615	10,385
Unused Sick Payment to Terminated/Retired Staff	-	15,000	15,000	10,488	4,512
Total Unallocated Benefits	<u>3,889,412</u>	<u>(228,001)</u>	<u>3,661,411</u>	<u>3,531,578</u>	<u>129,833</u>
On-Behalf TPAF Normal & Accrued Liab. Contribution (Non-Budgeted)				870,098	(870,098)
On-behalf TPAF NCGI Premium Contribution				31,526	(31,526)
On-behalf TPAF Long Term Disability Insurance (Non-budgeted)				2,017	(2,017)
On-behalf TPAF Post-Retirement Medical Contributions (Non-budgeted)				751,258	(751,258)
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	657,979	(657,979)
Total On-Behalf Payments	-	-	-	<u>2,312,878</u>	<u>(2,312,878)</u>
Total Undistributed Expenditures	<u>12,055,339</u>	<u>500,867</u>	<u>12,556,206</u>	<u>13,990,309</u>	<u>(1,434,103)</u>
Total Expenditures-Current Expense	<u>20,739,598</u>	<u>781,773</u>	<u>21,521,371</u>	<u>22,869,525</u>	<u>(1,348,154)</u>

(Continued)

**MIDLAND PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
<b>CAPITAL OUTLAY</b>					
Interest Deposit to Capital Reserve	\$ 500	-	\$ 500	-	\$ 500
Equipment					
Grades 1-5	-	\$ 19,060	19,060	\$ 19,060	-
Grades 9-12	15,000	(15,000)			-
School Sponsored and Other Instructional Programs		59,783	59,783	50,829	8,954
Undistributed Expend. Support Services- Instruction		16,428	16,428	16,428	-
Undistributed Expenditures-School Admin		8,155	8,155	-	8,155
Undistributed Expenditures- Required Maintenance	-	117,668	117,668	117,668	-
<b>Total Equipment</b>	<u>15,000</u>	<u>206,094</u>	<u>221,094</u>	<u>203,985</u>	<u>17,109</u>
Facilities Acq. And Construction Services					
Architectural/Engineering Services	20,000	27,453	47,453	39,300	8,153
Construction Services	70,000	592,501	662,501	429,863	232,638
Other Objects-Debt Service Assessment	22,775	-	22,775	22,775	-
<b>Total Facilities Acq. And Contr. Services</b>	<u>112,775</u>	<u>619,954</u>	<u>732,729</u>	<u>491,938</u>	<u>240,791</u>
<b>Total Capital Outlay</b>	<u>128,275</u>	<u>826,048</u>	<u>954,323</u>	<u>695,923</u>	<u>258,400</u>
<b>SPECIAL SCHOOLS</b>					
Adult Education - Local - Instruction					
Salaries of Teachers	112,000	-	112,000	90,290	21,710
Purchased Professional and Technical Services	153,700	-	153,700	124,074	29,626
Other Purchased Services	251,500	(704)	250,796	170,575	80,221
General Supplies	6,000	-	6,000	2,782	3,218
Textbooks	3,000	-	3,000	1,422	1,578
Other Objects	100	-	100	54	46
<b>Total Adult Education - Local - Instruction</b>	<u>526,300</u>	<u>(704)</u>	<u>525,596</u>	<u>389,197</u>	<u>136,399</u>
Adult Education - Local - Support Services					
Salaries	127,160	(6,745)	120,415	118,253	2,162
Personal Services-Employee Benefits	65,000	7,450	72,450	72,450	-
<b>Total Adult Education - Local - Support Services</b>	<u>192,160</u>	<u>705</u>	<u>192,865</u>	<u>190,703</u>	<u>2,162</u>
<b>Total Special Schools</b>	<u>718,460</u>	<u>1</u>	<u>718,461</u>	<u>579,900</u>	<u>138,561</u>
<b>Total Expenditures</b>	<u>21,586,333</u>	<u>1,607,822</u>	<u>23,194,155</u>	<u>24,145,348</u>	<u>(951,193)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(393,476)</u>	<u>(1,607,822)</u>	<u>(2,001,298)</u>	<u>(363,421)</u>	<u>1,637,877</u>
Other Financing Sources (Uses)					
Transfers In				2,000	2,000
Transfers Out	-	-	-	(222,660)	(222,660)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(220,660)</u>	<u>(220,660)</u>

**MIDLAND PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditure and Other Financing Uses	\$ (393,476)	\$ (1,607,822)	\$ (2,001,298)	\$ (584,081)	\$ 1,417,217
Fund Balances, Beginning of Year	<u>3,581,504</u>	<u>-</u>	<u>3,581,504</u>	<u>3,581,504</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 3,188,028</u>	<u>\$ (1,607,822)</u>	<u>\$ 1,580,206</u>	<u>\$ 2,997,423</u>	<u>\$ 1,417,217</u>
<b><u>Recapitulation of Fund Balance</u></b>					
Restricted Fund Balance					
Capital Reserve				\$ 507,861	
Capital Reserve - Designated for Subsequent Year's Budget (2017/18 Budget)				185,000	
Adult Education Programs				110,946	
Excess Surplus - Designated for Subsequent Year's Budget (2017/18 Budget)				400,000	
Excess Surplus				375,000	
Committed Fund Balance					
Year-End Encumbrances				424,924	
Assigned Fund Balance					
Year-End Encumbrances				143,643	
Unassigned Fund Balance				<u>850,049</u>	
				2,997,423	
Reconciliation to Governmental Fund Statement (GAAP)					
State Aid Payments Not Recognized on GAAP Basis				(38,679)	
Extraordinary Aid Payment Not Recognized on GAAP Basis				<u>(408,946)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 2,549,798</u>	

**MIDLAND PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
Local		\$ 125	\$ 125	\$ 125	-
State	\$ 142,438	69,018	211,456	200,084	\$ (11,372)
Federal	332,700	96,674	429,374	403,819	(25,555)
<b>Total Revenues</b>	<u>475,138</u>	<u>165,817</u>	<u>640,955</u>	<u>604,028</u>	<u>(36,927)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	37,687	(37,687)			-
Purchased Prof. and Technical Services		114,641	114,641	99,277	15,364
Other Purchased Services	233,144	(2,336)	230,808	230,378	430
General Supplies	68,997	(16,043)	52,954	49,756	3,198
Textbooks	7,863	2,454	10,317	10,098	219
<b>Total Instruction</b>	<u>347,691</u>	<u>61,029</u>	<u>408,720</u>	<u>389,509</u>	<u>19,211</u>
Support Services					
Purchased Professional/Technical Svcs.		45,250	45,250	38,548	6,702
Purchased Professional/Educational Svcs.	127,447	59,538	186,985	175,971	11,014
<b>Total Support Services</b>	<u>127,447</u>	<u>104,788</u>	<u>232,235</u>	<u>214,519</u>	<u>17,716</u>
<b>Total Expenditures</b>	<u>475,138</u>	<u>165,817</u>	<u>640,955</u>	<u>604,028</u>	<u>36,927</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**



**MIDLAND PARK BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of 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.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 23,781,927	\$ 604,028
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2016		1,676
Extraordinary aid payments recognized for GAAP purpose not recognized for budgetary statements (2015/2016 State aid)	298,917	
State aid and Extraordinary aid payments recognized for budgetary purpose not recognized for GAAP statements (2016/2017 State aid)	<u>(447,625)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 23,633,219</u>	<u>\$ 605,704</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 24,145,348	\$ 604,028
Differences-Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the orders is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2016	<u>-</u>	<u>1,676</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 24,145,348</u>	<u>\$ 605,704</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**MIDLAND PARK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Public Employees Retirement System**

**Last Four Fiscal Years\***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.02777%	0.02722%	0.02596%	0.02324%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$8,223,354</u>	<u>\$ 6,109,692</u>	<u>\$ 4,861,274</u>	<u>\$ 4,442,294</u>
District's Covered-Employee Payroll	<u>\$2,021,935</u>	<u>\$ 1,860,340</u>	<u>\$ 1,791,926</u>	<u>\$ 1,695,648</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	407%	328%	271%	262%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

MIDLAND PARK BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Four Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 246,665	\$ 233,994	\$ 214,048	\$ 175,135
Contributions in Relation to the Contractually Required Contribution	<u>246,665</u>	<u>233,994</u>	<u>214,048</u>	<u>175,135</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	<u>\$ 2,021,935</u>	<u>\$ 1,860,340</u>	<u>\$ 1,791,926</u>	<u>\$ 1,695,648</u>
Contributions as a Percentage of Covered-Employee Payroll	12.20%	12.58%	11.95%	10.33%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**MIDLAND PARK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Teachers Pension and Annuity Fund**

**Last Four Fiscal Years\***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)		-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	\$ <u>62,258,043</u>	\$ <u>52,884,457</u>	\$ <u>43,394,304</u>	\$ <u>41,140,249</u>
Total	\$ <u>62,258,043</u>	\$ <u>52,884,457</u>	\$ <u>43,394,304</u>	\$ <u>41,140,249</u>
District's Covered-Employee Payroll	\$ <u>8,402,337</u>	\$ <u>8,106,217</u>	\$ <u>8,146,793</u>	\$ <u>8,201,607</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**MIDLAND PARK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Change of Benefit Terms:** None.

**Change of Assumptions:** Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

**SCHOOL LEVEL SCHEDULES**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**



**MIDLAND PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Nonpublic Textbooks</u>	<u>Nonpublic Nursing</u>	<u>I.D.E.A. Part B Preschool</u>	<u>I.D.E.A. Part B Basic</u>	<u>Total Exhibit E-1A</u>	<u>Total Exhibit E-1B</u>	<u>Total 2016/17</u>
<b>REVENUES</b>							
Intergovernmental							
Local						\$ 125	\$ 125
State	\$ 10,098	\$ 17,100			\$ 163,525	9,361	200,084
Federal	-	-	\$ 30,631	\$ 248,379	99,545	25,264	403,819
	<u>10,098</u>	<u>17,100</u>	<u>30,631</u>	<u>248,379</u>	<u>263,070</u>	<u>34,750</u>	<u>604,028</u>
Total Revenues	<u>\$ 10,098</u>	<u>\$ 17,100</u>	<u>\$ 30,631</u>	<u>\$ 248,379</u>	<u>\$ 263,070</u>	<u>\$ 34,750</u>	<u>\$ 604,028</u>
<b>EXPENDITURES</b>							
Instruction							
Purchased Prof. and Technical Services					\$ 78,400	\$ 20,877	99,277
Other Purchased Services			\$ 20,547	\$ 209,831		-	230,378
General Supplies			10,084	-	25,799	13,873	49,756
Textbooks	\$ 10,098	-	-	-	-	-	10,098
	<u>10,098</u>	<u>-</u>	<u>30,631</u>	<u>209,831</u>	<u>104,199</u>	<u>34,750</u>	<u>389,509</u>
Total Instruction	<u>10,098</u>	<u>-</u>	<u>30,631</u>	<u>209,831</u>	<u>104,199</u>	<u>34,750</u>	<u>389,509</u>
Support Services							
Purchased Prof. And Technical Svcs.				38,548	-	\$ -	38,548
Purchased Prof. - Educational Svc	-	\$ 17,100	-	-	158,871	-	175,971
	<u>-</u>	<u>17,100</u>	<u>-</u>	<u>38,548</u>	<u>158,871</u>	<u>-</u>	<u>214,519</u>
Total Support Services	<u>-</u>	<u>17,100</u>	<u>-</u>	<u>38,548</u>	<u>158,871</u>	<u>-</u>	<u>214,519</u>
Total Expenditures	<u>\$ 10,098</u>	<u>\$ 17,100</u>	<u>\$ 30,631</u>	<u>\$ 248,379</u>	<u>\$ 263,070</u>	<u>\$ 34,750</u>	<u>\$ 604,028</u>

MIDLAND PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Chapter 192 Auxiliary Services</u>			<u>Chapter 193 Handicapped Services</u>			<u>Nonpublic Technology</u>	<u>Title I</u>	<u>Total</u>
	<u>Nonpublic Comp. Ed.</u>	<u>Nonpublic E.S.L.</u>	<u>Nonpublic Transportation</u>	<u>Nonpublic Suppl. Inst.</u>	<u>Nonpublic Exam. and Class</u>	<u>Nonpublic Speech Corr.</u>			
<b>REVENUES</b>									
Intergovernmental									
State	\$ 61,631	\$ 3,380	\$ 15,300	\$ 18,519	\$ 21,609	\$ 38,432	\$ 4,654		\$ 163,525
Federal	-	-	-	-	-	-	-	\$ 99,545	99,545
Total Revenues	<u>\$ 61,631</u>	<u>\$ 3,380</u>	<u>\$ 15,300</u>	<u>\$ 18,519</u>	<u>\$ 21,609</u>	<u>\$ 38,432</u>	<u>\$ 4,654</u>	<u>\$ 99,545</u>	<u>\$ 263,070</u>
<b>EXPENDITURES</b>									
Instruction									
Salaries of Teachers									\$ -
Salaries of Other Professional Staff									
Other Salaries for Instruction									
Purchased Prof. & Tech. Svcs.								\$ 78,400	78,400
Other Purchased Services								-	-
General Supplies	-	-	-	-	-	-	\$ 4,654	21,145	25,799
Total Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,654</u>	<u>99,545</u>	<u>104,199</u>
Support Services									
Purchased Prof. - Educational Svc	\$ 61,631	\$ 3,380	\$ 15,300	\$ 18,519	\$ 21,609	\$ 38,432			158,871
Purchased Prof. and Technical Svcs.	-	-	-	-	-	-	-	-	-
Total Support Services	<u>61,631</u>	<u>3,380</u>	<u>15,300</u>	<u>18,519</u>	<u>21,609</u>	<u>38,432</u>	<u>-</u>	<u>-</u>	<u>158,871</u>
Total Expenditures	<u>\$ 61,631</u>	<u>\$ 3,380</u>	<u>\$ 15,300</u>	<u>\$ 18,519</u>	<u>\$ 21,609</u>	<u>\$ 38,432</u>	<u>\$ 4,654</u>	<u>\$ 99,545</u>	<u>\$ 263,070</u>

**MIDLAND PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Title IIA</u>	<u>Nonpublic Security Aid</u>	<u>Local Grant</u>	<u>Total</u>
<b>REVENUES</b>				
Intergovernmental				
Local			\$ 125	\$ 125
State		\$ 9,361		9,361
Federal	\$ 25,264	-	-	25,264
Total Revenues	<u>\$ 25,264</u>	<u>\$ 9,361</u>	<u>\$ 125</u>	<u>\$ 34,750</u>
<b>EXPENDITURES</b>				
Instruction				
Purchased Prof. and Technical Services	\$ 20,877			\$ 20,877
Other Purchased Services				-
General Supplies	4,387	\$ 9,361	\$ 125	13,873
Other Objects	-	-	-	-
Total Instruction	<u>25,264</u>	<u>9,361</u>	<u>125</u>	<u>34,750</u>
Support Services				
Purchased Prof. and Technical Svcs.				-
Purchased Prof. - Educational Svc				-
Other Purchased Services				-
General Supplies	-	-	-	-
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 25,264</u>	<u>\$ 9,361</u>	<u>\$ 125</u>	<u>\$ 34,750</u>

**MIDLAND PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

**CAPITAL PROJECTS FUND**

**MIDLAND PARK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Federal Reimbursement Grant</u>	<u>Expenditures to Date Prior Years</u>	<u>Expenditures</u>	<u>Balance June 30, 2017</u>
Various Improvements and Renovations to Midland Park High School and Highland/Godwin School	\$ 11,596,307	\$ 60,000	\$ 4,910,686	\$ 4,669,452	\$ 2,076,169
Godwin School Entrance Modification	<u>134,160</u>	<u>-</u>	<u>-</u>	<u>3,553</u>	<u>130,607</u>
	<u>\$ 11,596,307</u>	<u>\$ 60,000</u>	<u>\$ 4,910,686</u>	<u>\$ 4,673,005</u>	<u>\$ 2,206,776</u>

Project Balance	\$ 2,206,776
Less:	
Unrealized SDA Grant Revenue	<u>(57,481)</u>
Fund Balance - June 30, 2017 (GAAP)	<u>\$ 2,149,295</u>

**Reconciliation of Fund Balance**

Restricted	
Year-End Encumbrances	\$ 156,535
Available for Capital Projects	<u>1,992,760</u>
Total Fund Balance- Restricted for Capital Projects	<u>\$ 2,149,295</u>

**MIDLAND PARK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Revenues and Other Financing Sources**

Transfer from Capital Reserve	\$ 222,660
Interest Earnings on Deposits	<u>14,287</u>

Total Revenues and Other Financing Sources	<u>236,947</u>
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**Expenditures and Other Financing Uses**

Purchased Professional Services	333,029
Construction Services	4,339,976
Transfers Out- General Fund- Return of Unexpended Capital Reserve Funds	2,000
Transfers Out - Debt Service Fund	<u>14,287</u>

Total Expenditures and Other Financing Uses	<u>4,689,292</u>
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Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(4,452,345)
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Fund Balance- Beginning of Year	<u>6,659,121</u>
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Fund Balance - End of Year	<u>\$ 2,206,776</u>
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Fund Balance (Budgetary Basis)	\$ 2,206,776
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Reconciliation to Governmental Fund Statements (GAAP):

Less: Unrealized SDA Grant Revenue Not Recognized on GAAP Basis	<u>(57,481)</u>
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Fund Balance - Per Governmental Funds (GAAP)	<u>\$ 2,149,295</u>
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**MIDLAND PARK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS BUDGETARY BASIS  
VARIOUS IMPROVEMENTS AND RENOVATIONS TO THE MIDLAND PARK  
HIGH SCHOOL AND THE HIGHLAND AVENUE, GODWIN ELEMENTARY SCHOOLS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Period</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 8,500,000	-	\$ 8,500,000	\$ 8,500,000
State Sources- SDA Grant	2,859,807	-	2,859,807	2,859,807
Federal Sources	60,000		60,000	60,000
Transfers from Capital Reserve	150,000	\$ 86,500	236,500	236,500
	<u>11,569,807</u>	<u>86,500</u>	<u>11,656,307</u>	<u>11,656,307</u>
<b>Total Revenues and Other Financing Sources</b>				
<b>Expenditures and Other Financing Uses</b>				
Expenditures				
Purchased Professional and Technical Services	974,355	329,476	1,303,831	1,303,831
Construction Services	3,936,331	4,339,976	8,276,307	10,352,476
	<u>4,910,686</u>	<u>4,669,452</u>	<u>9,580,138</u>	<u>11,656,307</u>
<b>Total Expenditures and Other Financing Uses</b>				
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 6,659,121	\$ (4,582,952)	\$ 2,076,169	\$ -
<b>Additional Project Information:</b>				
Project Numbers	3170-050-14-1001-G04		<u>State Share</u> \$ 1,421,765	
	3170-050-14-1002-G04		179,541	
	3170-070-14-1003-G04		<u>1,258,501</u>	
Grant Date	2/24/2014			
Bond Authorization Date	1/15/2015		\$ 2,859,807	
Proceeds Issued	\$ 8,500,000			
Original Authorized Cost	\$ 11,509,807			
Revised Authorized Cost	\$ 11,656,307			
Percentage Increase Over Original Authorized Cost	1.2%			
Percentage Completion	82%			
Original Target Completion Date	2015/2016			
Revised Target Completion Date	2017/2018			



**MIDLAND PARK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS BUDGETARY BASIS  
GODWIN SCHOOL ENTRANCE MODIFICATION  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Period</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfers from Capital Reserve	-	\$ 134,160	\$ 134,160	134,160
Total Revenues and Other Financing Sources	-	134,160	134,160	134,160
<b>Expenditures and Other Financing Uses</b>				
Expenditures				
Purchased Professional and Technical Services	-	3,553	3,553	6,300
Construction Services	-	-	-	127,860
Total Expenditures and Other Financing Uses	-	3,553	3,553	134,160
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ 130,607	\$ 130,607	\$ -
<b>Additional Project Information:</b>				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Proceeds Issued	N/A			
Original Authorized Cost	\$	134,160		
Percentage Increase Over Original				
Authorized Cost	0%			
Percentage Completion	3%			
Original Target Completion Date	2017/2018			
Revised Target Completion Date				

**PROPRIETARY FUNDS**

**NOT APPLICABLE**

**FIDUCIARY FUNDS**

**MIDLAND PARK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2017**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Fund</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 191,649	\$ 22,454	\$ 214,103
Total Assets	<u>\$ 191,649</u>	<u>\$ 22,454</u>	<u>\$ 214,103</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 8,072	\$ 8,072
Accrued Salaries and Wages		407	407
Reserve for Flexible Spending (Sect. 125) Plan		13,975	13,975
Due to Student Groups	<u>\$ 191,649</u>	<u>-</u>	<u>191,649</u>
Total Liabilities	<u>\$ 191,649</u>	<u>\$ 22,454</u>	<u>\$ 214,103</u>

**MIDLAND PARK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
AS OF JUNE 30, 2017**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**MIDLAND PARK BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Balance</u> <u>July 1, 2016</u>		<u>Cash</u> <u>Receipts</u>		<u>Cash</u> <u>Disbursements</u>		<u>Balance,</u> <u>June 30, 2017</u>
<b>ELEMENTARY SCHOOLS</b>							
Student activity	\$ 8,974	\$	14,901	\$	10,444	\$	13,431
<b>HIGH SCHOOL</b>							
Student activity	<u>139,074</u>		<u>302,835</u>		<u>263,691</u>		<u>178,218</u>
	<u>\$ 148,048</u>	\$	<u>317,736</u>	\$	<u>274,135</u>	\$	<u>191,649</u>

**MIDLAND PARK BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>June 30, 2017</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 92,260	\$ 13,930,345	\$ 14,000,151	\$ 22,454
Total Assets	<u>\$ 92,260</u>	<u>\$ 13,930,345</u>	<u>\$ 14,000,151</u>	<u>\$ 22,454</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 73,825	\$ 6,082,862	\$ 6,148,615	\$ 8,072
Accrued Salaries and Wages	498	7,815,550	7,815,641	407
Reserve for Flexible Spending (Sect. 125) Plan	<u>17,937</u>	<u>31,933</u>	<u>35,895</u>	<u>13,975</u>
Total Liabilities	<u>\$ 92,260</u>	<u>\$ 13,930,345</u>	<u>\$ 14,000,151</u>	<u>\$ 22,454</u>

**LONG-TERM DEBT**



**MIDLAND PARK BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Issue</u>	<u>Date of Bonds</u>	<u>Amount of Bonds</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2016</u>	<u>Retired</u>	<u>Balance, June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>				
2012 Refunding Bonds	3/28/2012	\$ 3,695,000	8/15/2017	\$ 350,000	3.000			
			8/15/2018	360,000	3.000			
			8/15/2019	370,000	3.000			
			8/15/2020	380,000	3.000			
			8/15/2021	390,000	3.000			
			8/15/2022	395,000	3.000			
			8/15/2023	395,000	3.000	\$ 2,980,000	\$ 340,000	\$ 2,640,000
2015 School Bonds	2/5/2015	8,500,000	8/15/2017	300,000	2.000			
			8/15/2018	315,000	2.000			
			8/15/2019	325,000	2.000			
			8/15/2020	335,000	2.000			
			8/15/2021	345,000	2.000			
			8/15/2022	360,000	2.000			
			8/15/2023	370,000	2.000			
			8/15/2024	385,000	2.000			
			8/15/2025	400,000	2.000			
			8/15/2026	415,000	2.000			
			8/15/2027	425,000	3.000			
			8/15/2028	440,000	3.000			
			8/15/2029	460,000	3.000			
			8/15/2030	475,000	3.000			
			8/15/2031	490,000	3.000			
			8/15/2032	505,000	3.000			
			8/15/2033	525,000	3.000			
			8/15/2034	535,000	3.000			
			8/15/2035	540,000	3.125			
						<u>8,230,000</u>	<u>285,000</u>	<u>7,945,000</u>
						<u>\$ 11,210,000</u>	<u>\$ 625,000</u>	<u>\$ 10,585,000</u>
							<u>\$ 625,000</u>	
						Paid by Budget Appropriation	<u>\$ 625,000</u>	

85

**MIDLAND PARK BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES/LEASE PURCHASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2016</u>	<u>Retired</u>	<u>Balance, June 30, 2017</u>
Copiers	5.40%	\$ 25,500	\$ 4,108	\$ 4,108	\$ -
Lease Purchase-Buses and Vehicles	1.74%	176,145	35,363	35,363	-
Technology Equipment	0.00%	114,759	<u>38,253</u>	<u>38,253</u>	<u>-</u>
			<u>\$ 77,724</u>	<u>\$ 77,724</u>	<u>\$ -</u>
				<u>\$ 77,724</u>	
				<u>\$ 77,724</u>	

**MIDLAND PARK BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 911,236	-	\$ 911,236	\$ 911,236	-
Total Revenues	911,236	-	911,236	911,236	-
<b>EXPENDITURES</b>					
Debt Service					
Principal on Bonds	625,000		625,000	625,000	
Interest on Bonds	290,675	-	290,675	290,675	-
Total Expenditures	915,675	-	915,675	915,675	-
Excess (Deficiency) of Revenues Over Expenditures	(4,439)	-	(4,439)	(4,439)	-
<b>OTHER FINANCING SOURCES</b>					
Transfer In	-	-	-	14,287	\$ 14,287
Total Other Financing Sources	-	-	-	14,287	14,287
Net Change in Fund Balance	(4,439)	-	(4,439)	9,848	14,287
Fund Balances, Beginning of Year	6,544	-	6,544	6,544	-
Fund Balances, End of Year	\$ 2,105	\$ -	\$ 2,105	\$ 16,392	\$ 14,287

**Recapitulation of fund Balance:**

Designated for Subsequent Year's Expenditures (2017/18 Budget)	\$ 2,105
Restricted for Debt Service - Available for Future Use	14,287
	<u>\$ 16,392</u>

## STATISTICAL SECTION

This part of the Midland Park Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government'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 government's financial activities take place.

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**MIDLAND PARK BOARD OF EDUCATION**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	2008	2009	2010	2011	Fiscal Year Ended June 30,		2014	2015	2016	2017
					2012	2013	(Restated)			
					(Restated)					
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 2,922,055	\$ 2,871,852	\$ 2,958,287	\$ 2,890,629	\$ 3,734,127	\$ 3,978,371	\$ 5,850,681	\$ 5,436,490	\$ 6,957,794	\$ 9,034,572
Restricted	174,145	241,001	203,147	351,875	966,860	1,030,055	1,125,760	1,518,161	943,530	950,806
Unrestricted	213,499	276,821	580,254	1,284,612	1,276,874	1,594,958	(2,983,237)	(2,925,558)	(2,736,476)	(4,098,675)
Total governmental activities net position	<u>\$ 3,309,699</u>	<u>\$ 3,389,674</u>	<u>\$ 3,741,688</u>	<u>\$ 4,527,116</u>	<u>\$ 5,977,861</u>	<u>\$ 6,603,384</u>	<u>\$ 3,993,204</u>	<u>\$ 4,029,093</u>	<u>\$ 5,164,848</u>	<u>\$ 5,886,703</u>
<b>Business-Type Activities</b>										
Investment in Capital Assets	\$ 15,777	\$ 13,782	\$ 11,787	\$ 9,793	\$ 61,733	\$ 53,102	\$ 50,501	\$ 39,561	\$ 42,166	\$ 25,625
Restricted										
Unrestricted	36,780	37,914	51,303	66,196	78,731	79,357	75,320	74,201	69,014	91,244
Total Business-Type Activities Net Position	<u>\$ 52,557</u>	<u>\$ 51,696</u>	<u>\$ 63,090</u>	<u>\$ 75,989</u>	<u>\$ 140,464</u>	<u>\$ 132,459</u>	<u>\$ 125,821</u>	<u>\$ 113,762</u>	<u>\$ 111,180</u>	<u>\$ 116,869</u>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 2,937,832	\$ 2,885,634	\$ 2,970,074	\$ 2,900,422	\$ 3,795,860	\$ 4,031,473	\$ 5,901,182	\$ 5,476,051	\$ 6,999,960	\$ 9,060,197
Restricted	174,145	241,001	203,147	351,875	966,860	1,030,055	1,125,760	1,518,161	943,530	950,806
Unrestricted	250,279	314,735	631,557	1,350,808	1,355,605	1,674,315	(2,907,917)	(2,851,357)	(2,667,462)	(4,007,431)
Total District Net Position	<u>\$ 3,362,256</u>	<u>\$ 3,441,370</u>	<u>\$ 3,804,778</u>	<u>\$ 4,603,105</u>	<u>\$ 6,118,325</u>	<u>\$ 6,735,843</u>	<u>\$ 4,119,025</u>	<u>\$ 4,142,855</u>	<u>\$ 5,276,028</u>	<u>\$ 6,003,572</u>

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

**MIDLAND PARK BOARD OF EDUCATION**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
 (Unaudited)  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$ 7,941,650	\$ 7,735,674	\$ 7,464,207	\$ 6,901,491	\$ 7,688,003	\$ 8,084,461	\$ 7,938,421	\$ 9,804,531	\$ 10,844,538	\$ 12,073,475
Special education	3,709,021	3,920,717	4,393,254	4,774,144	4,419,116	4,587,358	4,501,769	5,193,170	5,290,136	5,921,928
Other instruction		621								
School Sponsored Activities and Athletics	702,554	688,805	646,706	538,492	584,681	670,894	669,528	759,684	839,587	968,669
Other	459,542	420,414	433,849	337,381	726,031	633,752	671,286	886,952	858,751	802,493
Support Services:										
Student & instruction related services	3,160,077	3,005,599	3,270,124	2,838,277	2,894,049	2,823,942	2,887,818	3,310,290	3,554,681	3,767,826
General and Business Admin/Central Svcs.	1,048,697	1,024,063	1,061,754	1,162,374	1,230,311	1,209,666	1,194,263	1,323,919	1,178,620	1,338,159
School Administration services	924,819	1,058,664	1,062,906	1,000,521	1,074,035	1,195,229	1,167,881	1,386,281	1,535,558	1,762,734
Plant operations and maintenance	1,515,169	1,529,510	1,649,030	1,521,540	1,672,952	1,724,253	1,895,075	1,834,810	1,901,845	2,347,506
Pupil transportation	558,479	517,610	601,594	565,859	545,018	560,515	545,022	539,909	589,466	509,474
Interest on long-term debt	224,672	211,268	201,294	198,631	154,502	122,852	107,932	194,909	388,045	197,330
Total governmental activities expenses	<u>20,244,680</u>	<u>20,112,945</u>	<u>20,784,718</u>	<u>19,838,710</u>	<u>20,988,698</u>	<u>21,612,922</u>	<u>21,578,995</u>	<u>25,234,455</u>	<u>26,981,227</u>	<u>29,689,594</u>
<b>Business-type activities:</b>										
Food service	338,634	333,321	322,503	305,068	340,708	339,638	332,467	326,525	372,129	390,965
Total business-type activities expense	<u>338,634</u>	<u>333,321</u>	<u>322,503</u>	<u>305,068</u>	<u>340,708</u>	<u>339,638</u>	<u>332,467</u>	<u>326,525</u>	<u>372,129</u>	<u>390,965</u>
Total district expenses	<u>\$ 20,583,314</u>	<u>\$ 20,446,266</u>	<u>\$ 21,107,221</u>	<u>\$ 20,143,778</u>	<u>\$ 21,329,406</u>	<u>\$ 21,952,560</u>	<u>\$ 21,911,462</u>	<u>\$ 25,560,980</u>	<u>\$ 27,353,356</u>	<u>\$ 30,080,559</u>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
Instruction (tuition)	\$ 49,798	\$ 42,241	\$ 2,624		\$ 27,700	\$ 26,482	\$ 25,644	\$ 31,195	\$ 29,875	\$ 46,397
Adult education	589,875	645,601	626,761	\$ 561,131	631,163	553,341	529,773	708,635	672,598	637,458
Operating grants and contributions	3,180,401	2,532,761	2,974,870	1,891,083	2,554,206	2,889,511	2,654,539	4,834,961	5,875,726	7,346,882
Capital grants and contributions								278,254	1,160,454	1,480,801
Total governmental activities program revenues	<u>3,820,074</u>	<u>3,220,603</u>	<u>3,604,255</u>	<u>2,452,214</u>	<u>3,213,069</u>	<u>3,469,334</u>	<u>3,209,956</u>	<u>5,853,045</u>	<u>7,738,653</u>	<u>9,711,538</u>
<b>Business-type activities:</b>										
Charges for services										
Food service	296,015	284,316	280,468	259,182	277,845	255,620	247,855	239,912	283,963	301,684
Operating grants and contributions	39,536	46,666	52,809	58,513	70,470	75,845	77,687	74,471	85,579	94,894
Total business type activities program revenues	<u>335,551</u>	<u>330,982</u>	<u>333,277</u>	<u>317,695</u>	<u>348,315</u>	<u>331,465</u>	<u>325,542</u>	<u>314,383</u>	<u>369,542</u>	<u>396,578</u>
Total district program revenues	<u>\$ 4,155,625</u>	<u>\$ 3,551,585</u>	<u>\$ 3,937,532</u>	<u>\$ 2,769,909</u>	<u>\$ 3,561,384</u>	<u>\$ 3,800,799</u>	<u>\$ 3,535,498</u>	<u>\$ 6,167,428</u>	<u>\$ 8,108,195</u>	<u>\$ 10,108,116</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (16,424,606)	\$ (16,892,342)	\$ (17,180,463)	\$ (17,386,496)	\$ (17,775,629)	\$ (18,143,588)	\$ (18,369,039)	\$ (19,381,410)	\$ (19,242,574)	\$ (19,978,056)
Business-type activities	(3,083)	(2,339)	10,774	12,627	7,607	(8,173)	(6,925)	(12,142)	(2,657)	5,613
Total district-wide net expense	<u>\$ (16,427,689)</u>	<u>\$ (16,894,681)</u>	<u>\$ (17,169,689)</u>	<u>\$ (17,373,869)</u>	<u>\$ (17,768,022)</u>	<u>\$ (18,151,761)</u>	<u>\$ (18,375,964)</u>	<u>\$ (19,393,552)</u>	<u>\$ (19,245,231)</u>	<u>\$ (19,972,443)</u>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Property taxes levied for general purposes	\$ 15,017,682	\$ 15,538,133	\$ 16,171,595	\$ 16,818,459	\$ 17,154,828	\$ 17,497,925	\$ 18,802,959	\$ 18,204,842	\$ 18,705,258	\$ 19,079,363
Property Taxes levied for debt service	451,309	451,615	451,509	450,990	450,059	423,524	423,472	415,162	910,587	911,236
Unrestricted grants and contributions	190,076	169,274	136,320	77,936		30,576	34,660	34,980	35,320	33,651
Investment earnings	81,826	26,001	40,282	14,723	8,397	8,256	3,511	7,234	4,712	20,329
Miscellaneous income	727,595	787,294	732,671	809,816	799,462	808,830	936,551	755,081	722,452	655,332
Loss on Disposal of Capital Assets	(30,481)									
Transfers	(16,868)									
Total governmental activities	<u>16,421,139</u>	<u>16,972,317</u>	<u>17,532,377</u>	<u>18,171,924</u>	<u>18,412,746</u>	<u>18,769,111</u>	<u>20,201,153</u>	<u>19,417,299</u>	<u>20,378,329</u>	<u>20,699,911</u>
<b>Business-type activities:</b>										
Investment Earnings	2,880	1,478	620	272	179	168	287	83	75	76
Transfers	16,868									
Total business-type activities	<u>19,748</u>	<u>1,478</u>	<u>620</u>	<u>272</u>	<u>179</u>	<u>168</u>	<u>287</u>	<u>83</u>	<u>75</u>	<u>76</u>
Total district-wide	<u>\$ 16,440,887</u>	<u>\$ 16,973,795</u>	<u>\$ 17,532,997</u>	<u>\$ 18,172,196</u>	<u>\$ 18,412,925</u>	<u>\$ 18,769,279</u>	<u>\$ 20,201,440</u>	<u>\$ 19,417,382</u>	<u>\$ 20,378,404</u>	<u>\$ 20,699,987</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (3,467)	\$ 79,975	\$ 351,914	\$ 785,428	\$ 637,117	\$ 625,523	\$ 1,832,114	\$ 35,889	\$ 1,135,755	\$ 721,855
Business-type activities	16,665	(861)	11,394	12,899	7,786	(8,005)	(6,638)	(12,059)	(2,582)	5,689
Total district	<u>\$ 13,198</u>	<u>\$ 79,114</u>	<u>\$ 363,308</u>	<u>\$ 798,327</u>	<u>\$ 644,903</u>	<u>\$ 617,518</u>	<u>\$ 1,825,476</u>	<u>\$ 23,830</u>	<u>\$ 1,133,173</u>	<u>\$ 727,544</u>

Source: District financial statements

**MIDLAND PARK BOARD OF EDUCATION**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	2008	2009	2010	2011	Fiscal Year Ended June 30,		2014	2015	2016	2017
					2012	2013				
<b>General Fund</b>										
Reserved	\$ 431,873	\$ 755,309	\$ 889,847							
Unreserved	463,249	203,045	364,406							
Nonspendable				\$ 39,783	\$ 36,057	\$ 40,349				
Restricted				1,051,968	1,560,054	1,518,044	\$ 1,797,257	\$ 1,860,868	\$ 1,561,986	\$ 1,578,807
Committed				214,375	267,345	493,776	267,213	-	1,099,894	424,924
Assigned				278,788	332,789	138,120	255,094	750,726	239,122	143,643
Unassigned				376,893	357,065	371,248	390,357	371,735	381,585	402,424
<b>Total general fund</b>	<u>\$ 895,122</u>	<u>\$ 958,354</u>	<u>\$ 1,254,253</u>	<u>\$ 1,961,807</u>	<u>\$ 2,553,310</u>	<u>\$ 2,561,537</u>	<u>\$ 2,709,921</u>	<u>\$ 2,983,329</u>	<u>\$ 3,282,587</u>	<u>\$ 2,549,798</u>
<b>All Other Governmental Funds</b>										
Reserved										
Unreserved	\$ 5,017	\$ 197	\$ 197							
Nonspendable										
Restricted				\$ 197	\$ 197	\$ 185,233	\$ 9,088	\$ 7,824,556	\$ 5,184,166	\$ 2,165,687
Committed										
Assigned										
Unassigned										
<b>Total all other governmental funds</b>	<u>\$ 5,017</u>	<u>\$ 197</u>	<u>\$ 197</u>	<u>\$ 197</u>	<u>\$ 197</u>	<u>\$ 185,233</u>	<u>\$ 9,088</u>	<u>\$ 7,824,556</u>	<u>\$ 5,184,166</u>	<u>\$ 2,165,687</u>

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

Source: District financial statements

**MIDLAND PARK BOARD OF EDUCATION**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Property Tax levy	\$ 15,468,991	\$ 15,989,748	\$ 16,623,104	\$ 17,269,449	\$ 17,604,887	\$ 17,921,449	\$ 19,226,431	\$ 18,620,004	\$ 19,615,845	\$ 19,990,599
Tuition charges	49,798	42,241	2,624					31,195	29,875	46,397
Miscellaneous	1,399,296	1,458,896	1,452,435	1,402,226	1,509,910	1,404,173	1,496,862	1,470,950	1,401,021	1,313,245
State sources	3,035,078	2,386,727	2,487,932	1,540,475	2,142,303	2,574,234	2,375,839	2,975,866	4,055,059	4,832,728
Federal sources	335,399	315,308	570,537	411,988	368,715	338,589	311,977	289,671	419,750	405,495
<b>Total revenue</b>	<b>20,288,562</b>	<b>20,192,920</b>	<b>21,136,632</b>	<b>20,624,138</b>	<b>21,625,815</b>	<b>22,238,445</b>	<b>23,411,109</b>	<b>23,387,686</b>	<b>25,521,550</b>	<b>26,588,464</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	8,151,264	7,983,918	7,680,945	7,153,897	7,479,148	7,884,907	7,742,389	8,086,962	8,694,063	9,209,223
Special education instruction	3,668,062	3,881,499	4,351,749	4,730,555	4,373,319	4,526,493	4,464,400	4,644,281	4,596,055	4,911,320
Other instruction		621			708,818	658,391	658,817	831,109	758,385	683,099
School sponsored activities and athletics	689,849	675,498	634,001	524,949	572,551	777,943	657,398	643,844	695,288	765,323
<b>Support Services:</b>										
Student & inst. related services	3,131,462	2,949,599	3,206,329	2,798,410	2,824,804	2,629,669	2,818,165	3,051,762	3,207,911	3,252,306
General Administration Services	572,323	491,657	470,720	518,720	497,309	509,185	536,758	501,429	510,788	504,226
School Administrative services	904,127	1,052,965	1,042,408	979,136	1,046,950	1,165,179	1,143,805	1,192,378	1,283,252	1,401,483
Business / Central Services	474,062	524,244	574,047	624,925	614,018	676,271	635,392	616,081	692,515	661,858
Plant operations and maintenance	1,495,091	1,532,899	1,628,801	1,500,746	1,654,691	1,699,994	1,870,816	1,757,337	1,782,408	2,148,118
Pupil transportation	555,732	515,441	598,848	562,851	540,975	556,472	540,979	522,680	558,202	462,610
Unallocated Employee benefits										
Capital outlay	129,444	156,042	183,282	213,455	234,690	614,394	1,923,905	1,446,206	4,074,043	5,346,153
<b>Debt service:</b>										
Principal	250,509	240,000	267,741	291,301	323,066	406,690	447,234	401,725	697,413	702,724
Interest and other charges	224,703	211,615	201,862	197,639	189,473	115,739	113,571	103,994	312,359	291,289
Cost of Issuance on Refunding Bonds						78,110				
Cost of Issuance Bonds								133,459	-	
Payment to Refunding Escrow Agent					216,625					
<b>Total expenditures</b>	<b>20,246,628</b>	<b>20,215,998</b>	<b>20,840,733</b>	<b>20,096,584</b>	<b>21,354,547</b>	<b>22,221,327</b>	<b>23,553,629</b>	<b>23,933,247</b>	<b>27,862,682</b>	<b>30,339,732</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>41,934</b>	<b>(23,078)</b>	<b>295,899</b>	<b>527,554</b>	<b>271,268</b>	<b>17,118</b>	<b>(142,520)</b>	<b>(545,561)</b>	<b>(2,341,132)</b>	<b>(3,751,268)</b>
<b>Other Financing sources (uses)</b>										
Serial bonds issued					3,695,000			8,500,000	-	
Payments to Refunding Escrow Agent					(3,623,000)					
Premium on Issuance of Bonds		81,490			222,735			134,437	-	
Capital Lease issued				180,000	25,500		114,759	-	-	
Lease Purchase Proceeds						176,145	-	-	-	
Donated Assets			21,440	3,150		197	211	154,439	2,105	238,947
Transfers in			(21,440)	(3,150)		(197)	(211)	(154,439)	(2,105)	(238,947)
Transfers out	(16,868)									
<b>Total other financing sources (uses)</b>	<b>(16,868)</b>	<b>81,490</b>	<b>-</b>	<b>180,000</b>	<b>320,235</b>	<b>176,145</b>	<b>114,759</b>	<b>8,634,437</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 25,066</b>	<b>\$ 58,412</b>	<b>\$ 295,899</b>	<b>\$ 707,554</b>	<b>\$ 591,503</b>	<b>\$ 193,263</b>	<b>\$ (27,761)</b>	<b>\$ 8,088,876</b>	<b>\$ (2,341,132)</b>	<b>\$ (3,751,268)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>2.36%</b>	<b>2.25%</b>	<b>2.27%</b>	<b>2.46%</b>	<b>2.43%</b>	<b>2.42%</b>	<b>2.59%</b>	<b>2.84%</b>	<b>4.24%</b>	<b>3.98%</b>
<b>Source: District financial statements</b>										

Note: Noncapital expenditures are total expenditures less capital outlay.



**MIDLAND PARK BOARD OF EDUCATION  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Facility Charge	Tuition	Interest on Investments	Continuing Education Program Fees	Refunds	Rentals	Miscellaneous	Total
2008	\$ 674,262	\$ 49,798	\$ 81,826	\$ 589,875	\$ 30,884	\$ 21,505	\$ 944	\$ 1,449,094
2009	709,361	42,241	26,001	645,601	41,317	23,440	13,176	1,501,137
2010	688,772	2,624	18,842	626,761	142	26,330	17,427	1,380,898
2011	794,654		11,574	534,074	2,289	26,485	13,443	1,382,519
2012	774,605	27,700	8,397	596,165	1,220	34,998	23,637	1,466,722
2013	775,000	26,482	8,256	553,341	1,511	20,917	2,511	1,388,018
2014	889,192	25,644	3,497	529,773	2,953	6,750	37,656	1,495,465
2015	675,229	31,195	4,173	696,975	4,000	-	87,512	1,499,084
2016	690,619	29,875	4,712	672,598	8,111	700	20,917	1,427,532
2017	637,123	46,397	6,042	637,458	438	700	17,072	1,345,230

Source: District financial statements

**MIDLAND PARK BOARD OF EDUCATION  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS  
 (Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2008	\$ 5,958,000	\$ 690,356,700	\$ 114,694,800	\$ 42,287,800	\$ 11,675,000	\$ 864,972,300	\$ 1,020,958	\$ 865,993,258	\$ 1,335,865,146	\$ 1.85
2009	6,401,700	692,690,200	111,611,600	41,638,900	11,974,800	864,317,200	1,140,767	865,457,967	1,331,434,940	1.92
2010	6,401,700	694,016,400	112,029,300	40,861,500	9,474,800	862,783,700	1,143,758	863,927,458	1,312,973,700	2.00
2011	6,401,700	695,491,500	110,107,300	40,861,500	9,474,800	862,336,800	1,342,664	863,679,464	1,322,372,357	2.04
* 2012	8,447,400	860,521,700	130,551,300	47,833,500	14,160,100	1,061,514,000	1,298,959	1,062,812,959	1,172,997,775	1.69
2013	7,242,400	860,794,000	129,396,241	47,833,500	14,160,100	1,059,426,241	1,298,959	1,060,725,200	1,195,418,944	1.81
2014	7,538,700	862,904,800	138,901,400	37,931,400	14,160,100	1,061,436,400	-	1,061,436,400	1,130,631,018	1.76
2015	6,663,100	863,292,200	140,382,600	37,931,400	14,160,100	1,062,429,400	-	1,062,429,400	1,152,684,604	1.85
2016	6,594,300	865,538,000	141,082,300	37,931,400	14,160,100	1,065,306,100	-	1,065,306,100	1,199,693,915	1.88
2017	6,317,300	868,299,100	141,838,200	37,931,400	14,160,100	1,068,546,100	-	1,068,546,100	1,244,623,991	1.91

Source: County Abstract of Ratables

N/A - Not Available

<sup>a</sup> Tax rates are per \$100

\* The Borough underwent a revaluation of real property which became effective in 2012

**MIDLAND PARK BOARD OF EDUCATION**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN YEARS**  
**(Unaudited)**  
*(rate per \$100 of assessed value)*

Calendar Year	<u>Overlapping Rates</u>			Total Direct and Overlapping Tax Rate
	Total Direct School Tax Rate	Municipality	County	
2008	\$ 1.85	\$ 0.72	\$ 0.29	\$ 2.86
2009	1.92	0.74	0.30	2.96
2010	2.00	0.75	0.30	3.05
2011	2.04	0.78	0.32	3.14
2012 *	1.69	0.63	0.25	2.57
2013	1.81	0.65	0.26	2.72
2014	1.76	0.69	0.25	2.69
2015	1.85	0.70	0.26	2.81
2016	1.88	0.70	0.28	2.86
2017	1.91	0.72	0.29	2.93

Source: County Abstract of Ratables

\* The Borough underwent a revaluation of real property which was effective in 2012

**MIDLAND PARK BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
UB Midland Park LLC	\$ 20,372,400	1.91%		
Marlow Park LLC	11,031,600	1.03%		
MW Midpark Grocery, LLC	9,849,500	0.92%		
Mature Environment	7,169,800	0.67%		
Henpal Realty Co	4,780,000	0.45%		
Vander Sterre Bros.	4,672,700	0.44%		
Oak Trail LLC	4,296,000	0.40%		
The Kentshire	3,381,900	0.32%		
Texel Apartments, L.P.	3,306,900	0.31%		
Tenastic, Inc.,	3,090,600	0.29%		
Mid Park, Hyde Partners			\$ 16,178,400	1.87%
Marlow Park LLC			10,313,800	1.19%
MW Midpark Grocery, LLC			9,500,000	1.10%
Mature Environment			7,177,400	0.83%
Henpal Realty Co			4,921,900	0.57%
Individual Taxpayer			4,038,100	0.47%
Vander Sterre Bros.			3,750,000	0.43%
44 Godwin Associates			3,380,200	0.39%
Vander Sterre Bros.			3,300,000	0.38%
Texel Apartments, L.P.			3,075,000	0.36%
	<u>\$ 71,951,400</u>	<u>6.73%</u>	<u>\$ 65,634,800</u>	<u>7.59%</u>

Source: Municipal Tax Assessor

**MIDLAND PARK BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 15,468,991	\$ 15,468,991	100.00%	
2009	15,989,748	15,989,748	100.00%	
2010	16,623,104	16,623,104	100.00%	
2011	17,269,449	17,269,449	100.00%	
2012	17,604,887	17,604,887	100.00%	
2013	17,921,449	17,921,449	100.00%	
2014	19,226,431	19,226,431	100.00%	
2015	18,620,004	18,620,004	100.00%	
2016	19,615,845	19,615,845	100.00%	
2017	19,990,599	19,990,599	100.00%	

**MIDLAND PARK BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases/Lease Purchase	Grant Anticipation Notes (GANs)			
2008	\$ 5,213,000	-	\$ 499,345	\$ 5,712,345	6,755	\$ 846
2009	4,973,000	\$ 81,490	499,345	5,553,835	6,743	824
2010	3,950,000	269,337	499,345	4,718,682	6,759	698
2011	4,463,000	212,448	315,055	4,990,503	7,141	699
2012	4,265,000	184,882		4,449,882	7,194	619
2013	3,950,000	269,337		4,219,337	7,228	584
2014	3,635,000	251,862		3,886,862	7,286	533
2015	11,810,000	175,137		11,985,137	7,292	1,644
2016	11,210,000	77,724		11,287,724	7,329	1,540
2017	10,585,000			10,585,000	7,319	1,446

Source: District records

**MIDLAND PARK BOARD OF EDUCATION**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Debt	Deductions			
2008	\$ 5,213,000		\$ 5,213,000	0.60%	\$ 772
2009	4,973,000		4,973,000	0.57%	738
2010	3,950,000		3,950,000	0.46%	584
2011	4,463,000		4,463,000	0.52%	625
2012	4,265,000		4,265,000	0.40%	593
2013	3,950,000		3,950,000	0.37%	546
2014	3,635,000		3,635,000	0.34%	499
2015	11,810,000	\$ 4,439	11,805,561	1.11%	1,619
2016	11,210,000	6,544	11,203,456	1.05%	1,529
2017	10,585,000	16,392	10,568,608	0.99%	1,444

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**MIDLAND PARK BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2016  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Midland Park Board of Education	\$ 10,585,000	\$ 10,585,000	
Borough of Midland Park	<u>337,331</u>	<u>-</u>	<u>\$ 337,331</u>
	<u>\$ 10,922,331</u>	<u>\$ 10,585,000</u>	<u>337,331</u>
Overlapping Debt Apportioned to the Municipality:			
Bergen County:			
County of Bergen (A)			\$ 8,599,845
Northwest Bergen County Utilities Authority (B)			<u>1,793,953</u>
			<u>10,393,798</u>
Total Direct and Overlapping Debt			<u>\$ 10,731,129</u>

## Source:

(1) Borough's 2016 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough of Midland Park by dividing the municipality's 2016 equalized value by the total 2016 equalized value for Bergen County.

(B) Overlapping debt was computed based upon municipal flow to the Authority.



**MIDLAND PARK BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

**Legal Debt Margin Calculation for Fiscal Year 2017**

Equalized valuation basis	
2016	\$ 1,228,726,759
2015	1,183,369,793
2014	<u>1,151,607,247</u>
	<u>\$ 3,563,703,799</u>
Average equalized valuation of taxable property	\$ 1,187,901,266
Debt limit (4% of average equalization value)	47,516,051
Total Net Debt Applicable to Limit	<u>10,585,000</u>
Legal debt margin	<u>\$ 36,931,051</u>

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 50,748,562	\$ 52,998,876	\$ 52,483,634	\$ 52,395,585	\$ 51,536,771	\$ 49,965,865	\$ 47,566,471	\$ 46,201,991	\$ 46,198,007	\$ 47,516,051
Total net debt applicable to limit	<u>5,712,345</u>	<u>5,472,345</u>	<u>5,222,345</u>	<u>4,778,055</u>	<u>4,265,000</u>	<u>3,950,000</u>	<u>3,635,000</u>	<u>11,810,000</u>	<u>11,210,000</u>	<u>10,585,000</u>
Legal debt margin	<u>\$ 45,036,217</u>	<u>\$ 47,526,531</u>	<u>\$ 47,261,289</u>	<u>\$ 47,617,530</u>	<u>\$ 47,271,771</u>	<u>\$ 46,015,865</u>	<u>\$ 43,931,471</u>	<u>\$ 34,391,991</u>	<u>\$ 34,988,007</u>	<u>\$ 36,931,051</u>
Total net debt applicable to the limit as a percentage of debt limit	11.26%	10.33%	9.95%	9.12%	8.28%	7.91%	7.64%	25.56%	24.27%	22.28%

Source: Annual Debt Statements

**MIDLAND PARK BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2008	6,755	\$ 63,814	1.90%
2009	6,743	68,147	3.40%
2010	6,759	68,548	3.50%
2011	7,141	64,571	3.50%
2012	7,194	65,275	3.50%
2013	7,228	68,244	4.50%
2014	7,268	71,380	4.90%
2015	7,292	70,498	4.60%
2016	7,329	73,536	3.90%
2017	7,319	75,849	N/A

(1) - Estimated

N/A - Not Available

Source: New Jersey State Department of Education

MIDLAND PARK BOARD OF EDUCATION  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO  
 (Unaudited)

	2017		2008	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

NOT AVAILABLE

**MIDLAND PARK BOARD OF EDUCATION**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

<u>Function/Program</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Instruction										
Regular	81.5	79.1	73.2	74.6	75.4	71.4	73.0	78.0	98.0	96.0
Special education	44.3	41.9	38.3	35.9	34.5	33.0	34.5	40.6	35.5	20.0
Adult/Continuing Education Programs	2.4	2.5	2.5	2.5	2.5	2.5	2.5	3.7	4.0	4.0
Support Services:										
Student and instruction related services	24.8	25.3	25.2	24.8	26.4	25.1	25.3	11.0	11.0	10.0
General administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	10.0	9.5	9.5	9.5	9.5	9.5	8.5	9.8	9.0	4.0
Other Administrative Services		-				0.5	0.5	2.0	2.0	2.0
Central services	4.5	4.5	4.5	4.5	4.5	4.0	4.0	4.0	4.0	4.0
Plant operations and maintenance	17.0	18.0	17.1	16.5	18.5	18.5	18.0	24.5	17.5	10.0
Pupil transportation	4.5	5.5	6.5	5.0	2.5	2.0	2.5	2.0	2.0	3.0
Food Service	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<u>191.0</u>	<u>188.3</u>	<u>178.8</u>	<u>175.3</u>	<u>175.8</u>	<u>168.5</u>	<u>170.8</u>	<u>177.6</u>	<u>185.0</u>	<u>155.0</u>

Source: District Personnel Records

MIDLAND PARK BOARD OF EDUCATION  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
2008	1,164	\$ 19,641,945	\$ 16,875	2.06%	115	11.8:1	24:1	8.3:1	1,129	1,078	0.00%	95.48%
2009	1,126	19,608,341	17,414	3.20%	113	11.8:1	24:1	8.3:1	1,124	1,071	-0.43%	95.23%
2010	1,132	20,187,848	16,433	-5.63%	113	11.9:1	24:1	11.0:1	1,128	1,072	0.35%	95.04%
2011	1,111	19,394,189	15,993	-2.68%	116	11.9:1	24:1	11.0:1	1,083	1,029	-3.99%	95.01%
2012	1,102	20,312,583	16,679	4.29%	117	11.9:1	24:1	11.0:1	1,088	1,039	0.46%	95.50%
2013	1,055	21,084,504	17,931	7.51%	118	11.9:1	24:1	11.0:1	1,045	1,006	-3.95%	96.27%
2014	1,001	21,068,919	21,048	17.38%	119	11.8:1	24:1	11.0:1	996	956	-4.69%	95.98%
2015	1,076	21,847,863	20,305	-3.53%	121	11.8:1	24:1	11.0:1	987	948	-0.90%	96.07%
2016	1,069	22,778,867	21,309	4.94%	114	11.8:1	24:1	11.0:1	964	926	-2.37%	96.12%
2017	942	23,999,566	25,477	19.56%	122	11.8:1	24:1	11.0:1	952	911	-1.23%	95.70%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
  - b Operating expenditures equal total expenditures less debt service and capital outlay.
  - c Cost per pupil represents operating expenditures divided by enrollment.

MIDLAND PARK BOARD OF EDUCATION BOARD OF EDUCATION  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
 (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b><u>District Building</u></b>										
<u>Godwin/Highland Elementary School</u>										
Square Feet	50,420	50,420	50,420	50,420	50,420	50,420	50,420	50,420	50,420	50,420
Capacity (students)	518	518	518	518	518	518	518	518	518	518
Enrollment	619	620	637	595	582	548	511	593	577	494
<u>Jr./Sr. High School</u>										
Square Feet	105,776	105,776	105,776	105,776	105,776	105,776	105,776	105,776	105,776	105,776
Capacity (students)	586	586	586	586	586	586	586	586	586	586
Enrollment	514	506	491	507	508	528	490	518	492	448
Number of Schools at June 30, 2017										
Elementary = 1										
Junior / Senior High School = 1										

Source: District Records

MIDLAND PARK BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
(Unaudited)

		<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
SCHOOL FACILITIES	PROJECT #										
Elementary- Godwin/Highland	N/A	\$ 149,424	\$ 134,398	\$ 140,281	\$ 107,779	\$ 188,358	\$ 138,858	\$ 182,258	\$ 165,580	\$ 109,525	\$ 117,952
Midland Park Jr/Sr High School	N/A	<u>203,741</u>	<u>201,598</u>	<u>210,422</u>	<u>135,372</u>	<u>252,158</u>	<u>160,343</u>	<u>255,873</u>	<u>276,925</u>	<u>368,795</u>	<u>396,901</u>
GRAND TOTAL		<u>\$ 353,165</u>	<u>\$ 335,996</u>	<u>\$ 350,703</u>	<u>\$ 243,151</u>	<u>\$ 440,516</u>	<u>\$ 299,201</u>	<u>\$ 438,131</u>	<u>\$ 442,505</u>	<u>\$ 478,320</u>	<u>\$ 514,853</u>

Source: District Records

**MIDLAND PARK BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2017  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Selective Insurance Property - Blanket Building & Contents	\$ 41,232,163	\$ 5,000
General Liability-NESBIG	2,000,000	1,000
Automobile - NESBIG Liability	1,000,000	1,000
Excess Liability - NESBIG Umbrella Policy	9,000,000	
Workers Compensation - Star Insurance Company Workers Compensation Policy Bodily Injury	1,000,000	
School Board Legal Liability - Darwin Insurance Company Directors and Officers Policy	1,000,000	5,000
Blanket Employee Dishonesty - Hartford Insurance Company	400,000 100,000	1,000 Per Loss/Per Employee

Source: District's records



**SINGLE AUDIT SECTION**



DIETER P. LERCH, CPA, RMA, PSA  
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GARY W. HIGGINS, CPA, RMA, PSA  
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MARK SACO, CPA  
SHERYL M. NICOLosi, CPA, PSA

**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**

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Trustees  
Midland Park Board of Education  
Midland Park, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements 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, each major fund, and the aggregate remaining fund information of the Midland Park Board of Education as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Midland Park Board of Education's basic financial statements and have issued our report thereon dated November 16, 2017.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Midland Park Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

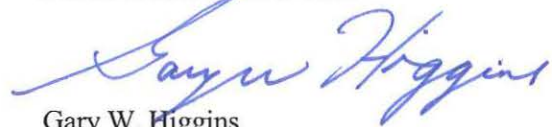
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Midland Park Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 16, 2017.

### **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 Midland Park Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Midland Park Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
November 16, 2017



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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Trustees  
Midland Park Board of Education  
Midland Park, New Jersey

**Report on Compliance for Each Major State Program**

We have audited the Midland Park Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Midland Park Board of Education's major state programs for the fiscal year ended June 30, 2017. The Midland Park Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of state statutes, regulations, and the terms and conditions of its state financial assistance applicable to its state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Midland Park Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Midland Park Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Midland Park Board of Education's compliance.

### ***Opinion on Each Major State Program***

In our opinion, the Midland Park Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2017.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the New Jersey OMB Circular 15-08 which is described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major state program is not modified with respect to this matter.

The Midland Park Board of Education's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Midland Park Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the Midland Park Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Midland Park Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Midland Park Board of Education's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

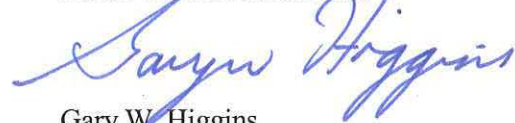
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Midland Park Board of Education, as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 16, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
November 16, 2017

MIDLAND PARK BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2016		Carryover Amount	Adjust Receivable	Cash Received	Budgetary Expenditures	Adjustments	(Accounts Receivable) June 30, 2017	Unearned Revenue	Due to Grantor at June 30, 2017	MEMO GAAP Receivable
						(Account Receivable) Unearned Revenue/	Due to Grantor									
<b>U.S. Department of Agriculture</b>																
<b>Passed-through State Department of Education</b>																
Enterprise Fund:																
National School Lunch Program																
National School Lunch Program-Non-Cash	10.555			7/1/16-6/30/17	\$ 24,743					\$ 24,743	\$ 22,870			\$ 1,873		
National School Lunch Program-Non-Cash						\$ 1,968					1,968					
National School Lunch Program-Cash	10.555	171NJ304N1099	N/A	7/1/16-6/30/17	65,898					61,382	65,898		\$ (4,516)			\$ (4,516)
National School Lunch Program-Cash	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	83,337	(3,162)				3,162						
School Breakfast Program	10.555	171NJ304N1099	N/A	7/1/16-6/30/17	845					773	845		(72)			(72)
School Breakfast Program	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	457	(19)				19						
Total National School Lunch Program Cluster						(1,213)				90,079	91,581		(4,588)	1,873		(4,588)
Total Enterprise Fund																
						(1,213)				90,079	91,581		(4,588)	1,873		(4,588)
<b>U.S. Department of Education</b>																
<b>Passed-through State Department of Education</b>																
Special Revenue Fund:																
I.D.E.A. Part B, Basic Regular																
I.D.E.A. Part B, Basic Regular	84.027	H027A160100	IDEA-3170-17	7/1/16-6/30/17	250,012		5,069	(5,069)	239,048	248,379		(16,033)	6,702			(9,331)
I.D.E.A. Part B, Basic Regular	84.027	H027A150100	IDEA-3170-16	7/1/15-6/30/16	253,491	(40,876)	(5,069)	5,069	40,876							
I.D.E.A. Part B, Preschool	84.173		IDEA-3170-1	7/1/16-6/30/17	20,977		10,799	(10,799)	15,882	30,631		(15,894)	1,145			(14,749)
I.D.E.A. Part B, Preschool	84.173	H173A150114	IDEA-3170-16	7/1/15-6/30/16	20,796	(20,794)	(10,799)	10,799	20,794							
Total Special Education (IDEA) - Cluster						(61,670)			316,600	279,010		(31,927)	7,847			(24,080)
Title I																
Title I	84.010A	H173A160114	NCLB-3170-17	7/1/16-6/30/17	100,973		8	(8)	99,545	99,545		(1,436)	1,436			
Title I	84.010A	S010A150030	NCLB-3170-16	7/1/15-6/30/16	34,559	(676)	(8)	8	676							
Total Title I Cluster						(676)			100,221	99,545		(1,436)	1,436			
Title II Part A																
Title II Part A	84.367A	S367A160029	NCLB-3170-1	7/1/16-6/30/17	31,799		9,736	(9,736)	22,605	25,264		(18,930)	16,271			(2,659)
Title II Part A	84.367A	S367A150029	NCLB-3170-16	7/1/15-6/30/16	32,911	(13,391)	(9,736)	9,736	13,391							
Total Title II Cluster						(13,391)			35,996	25,264		(18,930)	16,271			(2,659)
Total Special Revenue Fund																
						(75,737)			452,817	403,819		(52,293)	25,554			(26,739)
Total Federal Awards																
						\$ (76,950)	\$ -	\$ -	\$ -	\$ 542,896	\$ 495,400	\$ -	\$ (56,881)	\$ 27,427	\$ -	\$ (31,327)

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Note: The District is not subject to a Federal Single Audit.

MIDLAND PARK BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2016		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	June 30, 2017		Duc to Grantor June 30, 2017	MEMO		
				Unearned Revenue/ (Accts Rec.)	Due to Grantor				(Accounts Receivable)	Uncearned Revenue		GAAP Receivable	Combined Total Expenditures	
State Department of Education														
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	\$ 33,981			\$ 31,913	\$ 33,981			\$ (2,068)			\$ 33,981	
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	35,213	(1,738)		1,738				-				
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	18,299			17,185	18,299			(1,114)			18,299	
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	16,031	(791)		791				-				
Special Education Categorical Aid	17-495-034-5120-089	7/1/16-6/30/17	531,756			499,392	531,756			(32,364)			531,756	
Special Education Categorical Aid	16-495-034-5120-089	7/1/15-6/30/16	519,994	(25,660)		25,660				-				
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	9,520			8,941	9,520			(579)			9,520	
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	9,520	(470)		470				-				
PARCC Readiness	17-495-034-5120-098	7/1/16-6/30/17	9,520			8,941	9,520			(579)			9,520	
PARCC Readiness	16-495-034-5120-098	7/1/15-6/30/16	9,520	(470)		470				-				
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	10,080			9,467	10,080			(613)			10,080	
Total State Aid Public Cluster				(29,129)		604,968	613,156			(37,317)			613,156	
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	22,354			20,992	22,354			(1,362)			22,354	
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	19,908	(982)		982				-				
Extraordinary Aid	17-100-034-5120-044	7/1/16-6/30/17	408,946				408,946			(408,946)			408,946	
Extraordinary Aid	16-100-034-5120-044	7/1/15-6/30/16	268,806	(268,806)		268,806				-				
On-Behalf TPAF Pension System Contributions (NCGI)	17-495-034-5094-004	7/1/16-6/30/17	31,526			31,526	31,526						31,526	
On-Behalf TPAF Pension System Contributions (Normal and Accrued Liability)	17-495-034-5094-002	7/1/15-6/30/16	870,098			870,098	870,098						870,098	
On-Behalf TPAF Pension System Contributions (Long Term Disability Insurance)	17-495-034-5094-004	7/1/16-6/30/17	2,017			2,017	2,017						2,017	
On-Behalf TPAF Post Retirement Medical Contr.	17-495-034-5094-001	7/1/15-6/30/16	751,258			751,258	751,258						751,258	
Total On-Behalf TPAF Contributions Cluster						1,654,899	1,654,899						1,654,899	
Reimbursed TPAF Social Security Contribution	17-495-034-5094-003	7/1/16-6/30/17	-			625,692	657,979			(32,287)			657,979	
Total General Fund				(298,917)		3,176,339	3,357,334			(479,912)			3,357,334	
New Jersey Nonpublic Aid														
Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	\$ 10,317			\$ 10,317	\$ 10,098				\$ 219		10,098	
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	9,250		\$ 323			\$ 323						
Nursing Services	17-100-034-5120-070	7/1/16-6/30/17	17,100			17,100	17,100						17,100	
Technology Aid	17-100-034-5120-373	7/1/16-6/30/17	4,654			4,654	4,654						4,654	
Security Aid	17-100-034-5120-509	7/1/16-6/30/17	9,500			9,500	9,361				139		9,361	
Auxiliary Services														
Transportation	17-100-034-5120-067	7/1/16-6/30/17	15,300			15,300	15,300						15,300	
Transportation	16-100-034-5120-067	7/1/15-6/30/16	15,470		2,295			2,295						
Compensatory Education	17-100-034-5120-067	7/1/16-6/30/17	63,602			63,602	61,631				1,971		61,631	
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	55,669		5,161			5,161						
English as a Second Language	17-100-034-5120-067	7/1/16-6/30/17	8,222			8,222	3,380				4,842		3,380	
English as a Second Language	16-100-034-5120-067	7/1/15-6/30/16	6,902		2,588			2,588						
Total Nonpublic Auxiliary Services (Chap. 192) Cluster					10,044	87,124	80,311	10,044			6,813		80,311	
Handicapped Services														
Supplementary Instruction	17-100-034-5120-066	7/1/16-6/30/17	20,245			20,245	18,519				1,726		18,519	
Supplementary Instruction	16-100-034-5120-066	7/1/15-6/30/16	12,772		1,856			1,856						
Examination and Classification	17-100-034-5120-066	7/1/16-6/30/17	21,610			21,610	21,609				1		21,609	
Examination and Classification	16-100-034-5120-066	7/1/15-6/30/16	23,859		1,877			1,877						
Corrective Speech	17-100-034-5120-066	7/1/16-6/30/17	40,906			40,906	38,432				2,474		38,432	
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	38,376		753			753						
Total Nonpublic Handicapped Services (Chap. 193) Cluster					4,486	82,761	78,560	4,486			4,201		78,560	
Bullying Prevention	N/A	7/1/13-6/30/14	955											
Total Special Revenue Fund					14,853	211,456	200,084	14,853			11,372		200,084	



MIDLAND PARK BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2016		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	June 30, 2017		Due to Grantor June 30, 2017	MEMO	
				Unearned Revenue/ (Accts Rec.)	Due to Grantor				(Accounts Receivable)	Unearned Revenue		GAAP Receivable	Combined Total Expenditures
State of New Jersey Schools Development Authority													
High School Improvements	3170-050-14-1001		\$ 1,421,765	\$ (583,812)		\$ 142,177	\$ 780,472		\$ (1,279,588)	\$ 57,481		\$ (1,279,588)	\$ 780,472
Elementary School Improvements	3170-050-14-1003		1,258,501	(609,312)		377,550	523,339		(755,101)			(755,101)	523,339
High School Auditorium	3170-050-14-1002		179,541	(41,380)	-	-	120,207	-	(161,587)	-	-	(161,587)	120,207
Total SDA Cluster				(1,234,504)	-	519,727	1,424,018	-	(2,196,276)	57,481	-	(2,196,276)	1,424,018
Total Capital Projects Fund				(1,234,504)	-	519,727	1,424,018	-	(2,196,276)	57,481	-	(2,196,276)	1,424,018
State School Lunch Program	17-100-010-3350-023	7/1/16-6/30/17	3,313	-	-	3,083	3,313	-	(230)	-	-	(230)	3,313
State School Lunch Program	16-100-010-3350-023	7/1/15/6/30/16	3,166	(165)	-	165	-	-	-	-	-	-	-
Total Food Service Fund				(165)	-	3,248	3,313	-	(230)	-	-	(230)	3,313
Total State Financial Assistance Subject to Single Audit Determination				(1,533,586)	\$ 14,853	3,910,770	4,984,749	\$ 14,853	(2,676,418)	57,481	\$ 11,372	(2,228,793)	4,984,749
State Financial Assistance Not Subject to Major Program Determination													
General Fund													
Less: On-Behalf TPAF NCGI Premium	17-495-034-5095-004	7/1/16-6/30/17	31,526	-	-	31,526	31,526	-	-	-	-	-	31,526
On-Behalf TPAF Pension	17-495-034-5095-006	7/1/16-6/30/17	870,098	-	-	870,098	870,098	-	-	-	-	-	870,098
On-Behalf TPAF Pension- Long Term Disability	17-495-034-5095-004	7/1/16-6/30/17	2,017	-	-	2,017	2,017	-	-	-	-	-	2,017
On-Behalf TPAF Post-Retirement Medical	17-495-034-5095-001	7/1/16-6/30/17	751,258	-	-	751,258	751,258	-	-	-	-	-	751,258
Total State Financial Assistance Subject to Major Program Determination				(1,533,586)	\$ 14,853	2,255,871	3,329,850	\$ 14,853	(2,676,418)	57,481	\$ 11,372	(2,228,793)	3,329,850

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) 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 a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$148,708 for the general fund and an increase of \$1,676 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,208,626	\$ 3,208,626
Special Revenue Fund	\$ 405,495	200,084	605,579
Capital Projects Fund		1,424,018	1,424,018
Food Service Fund	<u>91,581</u>	<u>3,313</u>	<u>94,894</u>
Total Financial Assistance	<u>\$ 497,076</u>	<u>\$ 4,836,041</u>	<u>\$ 5,333,117</u>

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$657,979 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, 2017. The amount reported as TPAF Pension System Contributions in the amount of \$901,624, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$751,258 and TPAF Long-Term Disability Insurance in the amount of \$2,017 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

**NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

**MIDLAND PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*Part I – Summary of Auditor’s Results*

**Financial Statements**

Type of auditor's report issued on financial statements	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ yes <u>  X  </u> no
2) Significant deficiencies identified that are not considered to be material weakness(es)?	_____ yes <u>  X  </u> none reported
Noncompliance material to the basic financial statements noted?	_____ yes <u>  X  </u> no

**Federal Awards Section**

Not Applicable

MIDLAND PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over compliance:

(1) Material weaknesses identified?        yes   X   no

2) Significant deficiencies identified that are not considered to be material weakness(es)?        yes   X   no

Type of auditor’s report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular Letter 15-08?   X   yes        no

Identification of major state programs:

<u>GMIS Number</u>	<u>Name of State Program or Cluster</u>
<u>17-100-034-5120-044</u>	<u>Extraordinary Aid</u>
<u>17-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>17-495-034-5120-084</u>	<u>Security Aid</u>
<u>17-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>17-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>17-495-034-5120-098</u>	<u>PARCC Readiness</u>
<u>17-495-034-5120-101</u>	<u>Professional Learning Community Aid</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?   X   yes        no

**MIDLAND PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

MIDLAND PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable.

**MIDLAND PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR STATE AWARDS**

**Finding 2017-001**

Our audit of the District's Extraordinary Aid Application noted that detailed workpapers to support each student's costs reported on the application are not being maintained.

**State Program Information**

Extraordinary Aid

**Criteria or Specific Requirement**

NJ Department of Education – Grant Compliance Supplement

**Condition**

Services and costs reported on the District's Extraordinary Aid Applications were not supported by detailed workpapers per student.

**Questioned Costs**

Unknown.

**Context**

See condition.

**Effect**

Certain information reported on the Extraordinary Aid Application could not be verified to detailed supporting schedules.

**Recommendation**

The District maintain detailed workpapers to support each student's costs reported on the Extraordinary Aid application.

**Views of Responsible Officials and Planned Corrective Actions**

Management has reviewed this finding and has indicated they will review and revise its procedures to ensure corrective action is taken.



**MIDLAND PARK BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular Letter 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.