

MIDLAND PARK
BOARD OF EDUCATION

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2019**

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, 2019**

**Prepared by
Midland Park Board of Education
Business Office**

**MIDLAND PARK BOARD OF EDUCATION
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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 7, 2019

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, 2019 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 2018-19 fiscal year with an enrollment of 945 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

Increase the effectiveness of classroom walkthroughs by developing a district process of implementation and attainment of measureable data analysis that ensures the following outcomes:

- *Identification of effective instructional practices.*
- *Monitoring of relevance and rigor in stated lesson objectives.*
- *Level of effective technology integration into instruction.*
- *Provision of immediate teacher feedback.*
- *Analysis of Walkthrough Outcome Data to inform instruction and ensure sustainability of effective practices.*

Goal #2

Analyze existing instructional practices and develop instructional plans that support the NJDOE's Social and Emotional Learning Competencies in grade level-appropriate ways (see attached standards.) SEL instruction is shown to reduce high-risk behaviors, increase student attendance, reduce code of conduct infractions, and positively impact student achievement.

Goal #3

Develop and implement Year Three of the district Professional Development Academy to be held in January 2019. Professional development facilitators will include administrators, staff members, and contracted workshop providers for Math and ELA. An area of focus this year will be the Social-Emotional Learning Competencies and Sub-Competencies for students and wellness/mindfulness professional development for certificated staff. Academy workshops will be district-specific in content and reflect: analysis of evaluations and participant feedback culled from Year Two; identified school-specific goals; administrator/certificated staff-submitted needs assessment surveys.

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.

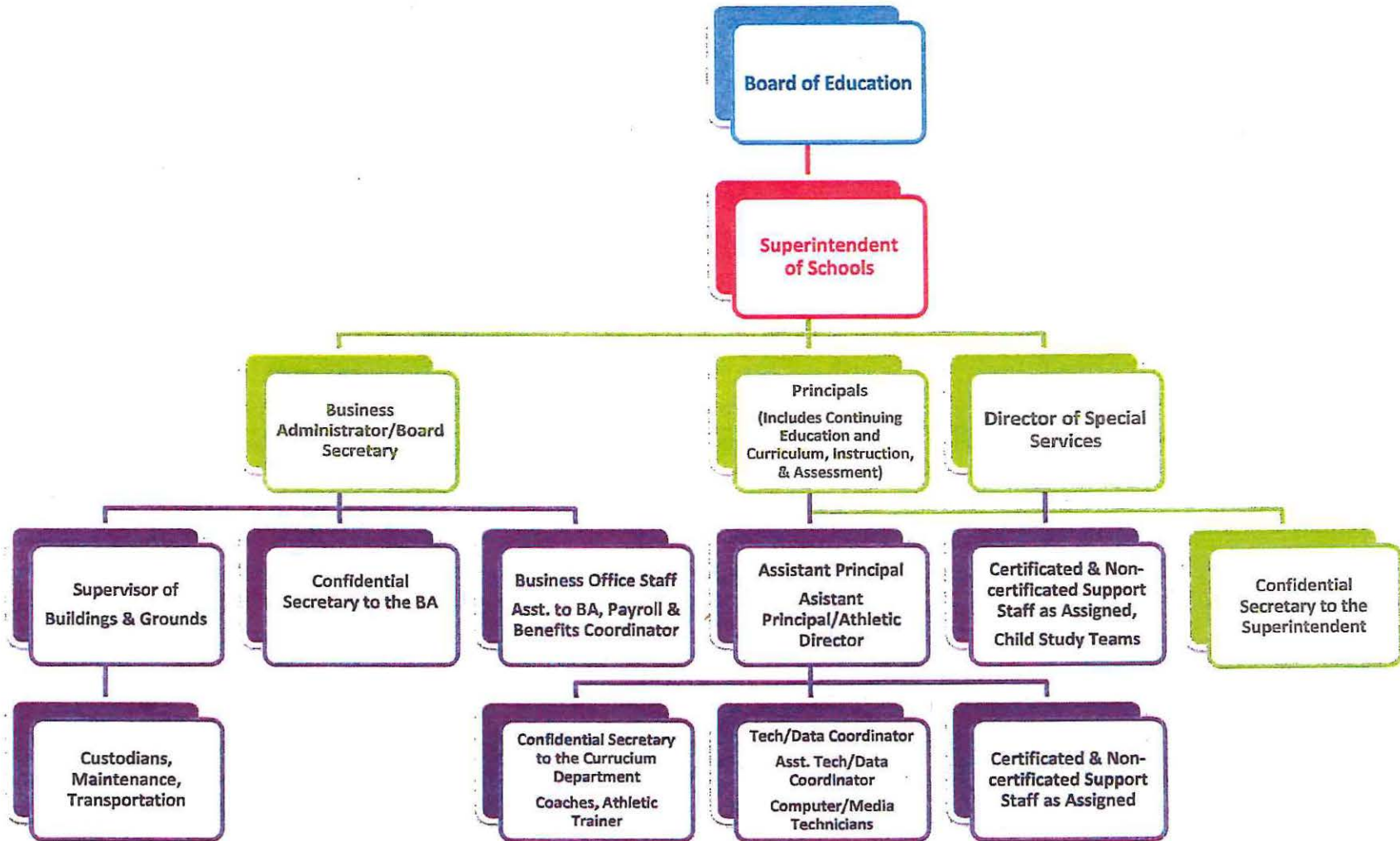
*Marie Cirasella, Ed. D.,
Superintendent of Schools*

Stacy Garvey

*Stacy Garvey,
Board Secretary/
Business Administrator*

**MIDLAND PARK PUBLIC SCHOOLS
2018-19 DISTRICT ORGANIZATIONAL CHART**

Board Approval: September 18, 2018



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

**Roster of Officials
June 30, 2019**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Richard Formicola, President	2019
Peter Triolo, Vice President	2020
James Canellas	2020
Sandra Criscenzo	2019
Christine Dell'Aglio	2021
Nabil Eliya	2021
Patricia Fantulin	2021
Brian McCourt	2019
Dr. Maryalice Thomas	2020

Other Officials

Dr. Marie Cirasella	Superintendent of Schools
Stacy Garvey	Board Secretary/Business Administrator

MIDLAND PARK SCHOOL DISTRICT

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
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
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, 2019 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, 2019, 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, pension information and other postemployment benefits 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.

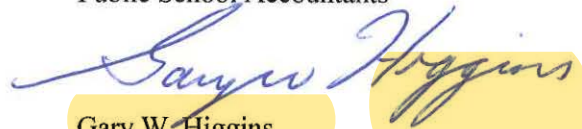
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 7, 2019 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 7, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Midland Park Board of Education Midland Park, New Jersey

Management's Discussion and Analysis Fiscal Year Ended June 30, 2019

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, 2019. 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 (2018-2019) and the prior year (2017-2018) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2018-2019 fiscal year are as follows:

- Net position decreased by \$562,377 from the June 30, 2018 balance.
- General revenues of \$21,868,372 accounted for 72 percent of all revenues. Program revenues of \$8,513,921 accounted for 28 percent of total revenues of \$30,382,293.
- Among major funds, the General Fund had \$26,083,564 in revenues and \$26,078,732 in expenditures and other financing uses. The General Fund's fund balance increased \$4,832 from the prior year.
- In total, fund balance of Governmental Funds decreased \$1,611,116, which represents a 38 percent decrease from the prior year's fund balance of \$4,246,498 to \$2,635,382 at June 30, 2019. This decrease is mainly 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, 2019**

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, 2019**

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, 2019**

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, 2019

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, unemployment compensation 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, 2019 and 2018.

Net Position. The district's combined net position was \$8,469,823 as of June 30, 2019 and \$9,032,200 as of June 30, 2018.

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2019**

Statement of Net Position
As of June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 3,113,162	\$ 4,623,689	\$ 111,704	\$ 123,077	\$ 3,224,866	\$ 4,746,766
Capital Assets - Net	<u>21,713,215</u>	<u>21,062,481</u>	<u>73,841</u>	<u>64,408</u>	<u>21,787,056</u>	<u>21,126,889</u>
Total Assets	<u>24,826,377</u>	<u>25,686,170</u>	<u>185,545</u>	<u>187,485</u>	<u>25,011,922</u>	<u>25,873,655</u>
Deferred Outflows of Resources						
Deferred Amounts on Refunding	78,774	98,467	-	-	78,774	98,467
Deferred Amounts on Net Pension Liability	<u>1,934,412</u>	<u>2,525,782</u>	<u>-</u>	<u>-</u>	<u>1,934,412</u>	<u>2,525,782</u>
Total Deferred Outflows of Resources	<u>2,013,186</u>	<u>2,624,249</u>	<u>-</u>	<u>-</u>	<u>2,013,186</u>	<u>2,624,249</u>
Total Assets and Deferred Outflows of Resources	<u>26,839,563</u>	<u>28,310,419</u>	<u>185,545</u>	<u>187,485</u>	<u>27,025,108</u>	<u>28,497,904</u>
Long-Term Liabilities	15,899,750	17,546,245			15,899,750	17,546,245
Other Liabilities	<u>571,777</u>	<u>477,783</u>	<u>10,843</u>	<u>12,809</u>	<u>582,620</u>	<u>490,592</u>
Total Liabilities	<u>16,471,527</u>	<u>18,024,028</u>	<u>10,843</u>	<u>12,809</u>	<u>16,482,370</u>	<u>18,036,837</u>
Deferred Inflows of Resources						
Deferred Commodities Revenue			1,640	1,514	1,640	1,514
Deferred Amounts on Net Pension Liability	<u>2,071,275</u>	<u>1,427,353</u>	<u>-</u>	<u>-</u>	<u>2,071,275</u>	<u>98,232</u>
Total Deferred Inflows of Resources	<u>2,071,275</u>	<u>1,427,353</u>	<u>1,640</u>	<u>1,514</u>	<u>2,072,915</u>	<u>99,746</u>
Total Liabilities and Deferred Inflows of Resources	<u>18,542,802</u>	<u>19,451,381</u>	<u>12,483</u>	<u>14,323</u>	<u>18,555,285</u>	<u>18,136,583</u>
Net Position:						
Net Investment in Capital Assets	12,474,404	12,975,747	73,841	64,408	12,548,245	13,040,155
Restricted	1,375,697	1,130,708			1,375,697	1,130,708
Unrestricted	<u>(5,553,340)</u>	<u>(5,247,417)</u>	<u>99,221</u>	<u>108,754</u>	<u>(5,454,119)</u>	<u>(5,138,663)</u>
Total Net Position	<u>\$ 8,296,761</u>	<u>\$ 8,859,038</u>	<u>\$ 173,062</u>	<u>\$ 173,162</u>	<u>\$ 8,469,823</u>	<u>\$ 9,032,200</u>

The table on the following page shows changes in net position for fiscal years 2019 and 2018.

Changes in Net Position. The District's total revenues were \$30,382,293 for the fiscal year ended June 30, 2019. Property taxes accounted for 69% of the total revenues for the school year. Operating grants and contributions and unrestricted federal and state aids were 24%. Capital grants and contributions accounted for less than 1% of the total revenues. The balance or 7% was obtained from charges for services, investment earnings and other miscellaneous revenue.

The total cost of all programs and services was \$30,692,494. 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, 2019**

Total expenses exceeded revenues, which resulted in a decrease in net position of \$562,377 from last year.

**Changes in Net Position
For the Fiscal Years Ended June 30, 2019 and 2018**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program Revenues						
Charges for Services	\$ 904,638	\$ 743,369	\$ 325,257	\$ 314,309	\$ 1,229,895	\$ 1,057,678
Operating Grants and Contributions	7,158,857	8,775,232	99,459	89,773	7,258,316	8,865,005
Capital Grants and Contributions	25,710	31,771			25,710	31,771
General Revenues						
Property Taxes	20,939,834	20,455,488			20,939,834	20,455,488
Unrestricted Federal and State Aid	34,612	33,593			34,612	33,593
Investment Earnings	28,664	11,960	826	207	29,490	12,167
Other	864,436	750,105	-	-	864,436	750,105
Total Revenues	<u>29,956,751</u>	<u>30,801,518</u>	<u>425,542</u>	<u>404,289</u>	<u>30,382,293</u>	<u>31,205,807</u>
Expenses						
Instruction						
Regular	11,480,682	12,408,806			11,480,682	12,408,806
Special Education	6,334,943	6,400,761			6,334,943	6,400,761
School Sponsored Activities and Ath.	969,669	999,843			969,669	999,843
Other	976,699	894,828			976,699	894,828
Support Services						
Student and Instruction Related Serv.	4,187,409	4,370,983			4,187,409	4,370,983
General Administration Services	635,701	656,955			635,701	656,955
School Administration Services	1,757,201	1,858,822			1,757,201	1,858,822
Business / Central Services	734,856	817,299			734,856	817,299
Plant Operations and Maintenance	2,435,986	2,278,130			2,435,986	2,278,130
Pupil Transportation	753,706	602,110			753,706	602,110
Food Services	-	-	425,642	386,879	425,642	386,879
	<u>30,266,852</u>	<u>31,288,537</u>	<u>425,642</u>	<u>386,879</u>	<u>30,692,494</u>	<u>31,675,416</u>
Interest on Long-Term Debt	252,176	260,275	-	-	252,176	260,275
Total Expenses	<u>30,519,028</u>	<u>31,548,812</u>	<u>425,642</u>	<u>386,879</u>	<u>30,944,670</u>	<u>31,935,691</u>
Change in Net Position	(562,277)	(747,294)	(100)	17,410	(562,377)	(729,884)
Net Position, Beginning of Year	<u>8,859,038</u>	<u>9,606,332</u>	<u>173,162</u>	<u>155,752</u>	<u>9,032,200</u>	<u>9,762,084</u>
Net Position, End of Year	<u>\$ 8,296,761</u>	<u>\$ 8,859,038</u>	<u>\$ 173,062</u>	<u>\$ 173,162</u>	<u>\$ 8,469,823</u>	<u>\$ 9,032,200</u>

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2019**

**Total Cost and Net Cost of Services of Governmental Activities
For the Fiscal Years Ended June 30, 2019 and 2018**

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Governmental Activities				
Instruction				
Regular	\$ 11,480,682	\$ 12,408,806	\$ 8,237,421	\$ 8,210,622
Special Education	6,334,943	6,400,761	3,863,278	3,590,259
School Sponsored Activities and Athletics	969,669	999,843	719,869	698,774
Other	976,699	894,828	39,104	34,551
Support Services				
Student and Instruction Related Svcs.	4,187,409	4,370,983	3,678,776	3,769,196
General Administration Services	635,701	656,955	613,528	615,694
School Administration Services	1,757,201	1,858,822	1,402,403	1,403,003
Business / Central Services	734,856	817,299	703,282	756,718
Plant Operations and Maintenance	2,435,986	2,278,130	2,285,180	2,109,813
Pupil Transportation	753,706	602,110	634,806	549,535
Interest on Long-Term Debt	252,176	260,275	252,176	260,275
 Total Governmental Activities	 <u>\$ 30,519,028</u>	 <u>\$ 31,548,812</u>	 <u>\$ 22,429,823</u>	 <u>\$ 21,998,440</u>

The following schedule presents a comparison of General Fund (GAAP basis) revenues for the fiscal years ended June 30, 2019 and 2018.

General Fund Revenues

	<u>Fiscal Year Ended June 30,</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
	<u>2019</u>	<u>2018</u>		
Local Sources:				
Property Taxes	\$ 20,021,446	\$ 19,533,118	\$ 488,328	2.5%
Tuition	63,242	40,750	22,492	55.2%
Restricted Miscellaneous	1,689,700	1,434,683	255,017	17.8%
Interest Earnings	28,664	10,697	17,967	168.0%
Miscellaneous	16,132	19,304	(3,172)	-16.4%
Intergovernmental				
State Sources	<u>4,264,380</u>	<u>3,792,487</u>	<u>471,893</u>	12.4%
 Total Revenues	 <u>\$ 26,083,564</u>	 <u>\$ 24,831,039</u>	 <u>\$ 1,252,525</u>	5.0%

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2019**

The following schedule presents a comparison of General Fund (GAAP Basis) expenditures for the fiscal years ended June 30, 2019 and 2018.

General Fund Expenditures

	Fiscal Year Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2019</u>	<u>2018</u>		
Instruction	\$ 16,912,056	\$ 16,088,145	\$ 823,911	5.1%
Undistributed Expenditures	8,858,271	8,601,708	256,563	3.0%
Debt Service	16,470	16,470	-	0.0%
Capital Outlay	<u>12,059</u>	<u>561,788</u>	<u>(549,729)</u>	<u>-97.9%</u>
 Total Expenditures	 <u>\$ 25,798,856</u>	 <u>\$ 25,268,111</u>	 <u>\$ 530,745</u>	 <u>2.1%</u>

Capital Assets. As of June 30, 2019 and 2018, the school district had invested in land, construction in progress, site improvements, buildings, building improvements, machinery and equipment as follows:

	Governmental Activities		Business-Type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 28,714	\$ 28,714			\$ 28,714	\$ 28,714
Construction in Progress	1,719,466				1,719,466	-
Site Improvements	2,779,523	2,779,523			2,779,523	2,779,523
Buildings and Building Improvements	27,080,511	27,072,287			27,080,511	27,072,287
Machinery and Equipment	<u>3,586,535</u>	<u>3,680,229</u>	<u>\$ 291,028</u>	<u>\$ 271,865</u>	<u>3,877,563</u>	<u>3,952,094</u>
 Total	 35,194,749	 33,560,753	 291,028	 271,865	 35,485,777	 33,832,618
 Less: Accumulated Depreciation	 <u>(13,481,534)</u>	 <u>(12,498,272)</u>	 <u>(217,187)</u>	 <u>(207,457)</u>	 <u>(13,698,721)</u>	 <u>(12,705,729)</u>
 Total Capital Assets, Net	 <u>\$ 21,713,215</u>	 <u>\$ 21,062,481</u>	 <u>\$ 73,841</u>	 <u>\$ 64,408</u>	 <u>\$ 21,787,056</u>	 <u>\$ 21,126,889</u>

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2019**

Debt Administration. As of June 30, 2019 and 2018 the school district had long-term liabilities in the amount of \$15,899,750 and \$17,546,245 as follows:

**Long-Term Debt
Outstanding Long-Term Liabilities
As of June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Bonds Payable (Including Unamortized Premium)	\$ 9,340,992	\$ 10,036,241
Capital Leases/Lease Purchase Agreements	46,878	61,696
Compensated Absences Payable	315,709	337,388
Net Pension Liability	<u>6,196,171</u>	<u>7,110,920</u>
Total	<u>\$ 15,899,750</u>	<u>\$ 17,546,245</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, 2019**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,696,642	\$ 101,319	\$ 2,797,961
Receivables, net			
Receivables from Other Governments	191,644	5,926	197,570
Other	137,673		137,673
Inventories		4,459	4,459
Prepaid Items	87,203		87,203
Capital Assets, Not Being Depreciated	1,748,180		1,748,180
Capital Assets, Being Depreciated, Net	<u>19,965,035</u>	<u>73,841</u>	<u>20,038,876</u>
Total Assets	<u>24,826,377</u>	<u>185,545</u>	<u>25,011,922</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	78,774	-	78,774
Deferred Amounts on Net Pension Liability	<u>1,934,412</u>	<u>-</u>	<u>1,934,412</u>
Total Deferred Outflows of Resources	<u>2,013,186</u>	<u>-</u>	<u>2,013,186</u>
Total Assets and Deferred Outflows of Resources	<u>26,839,563</u>	<u>185,545</u>	<u>27,025,108</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	237,237	4,527	241,764
Accrued Interest Payable	93,997		93,997
Payable to State Government	58,606		58,606
Unearned Revenue	181,937	6,316	188,253
Long-Term Liabilities			
Due Within One Year	740,215		740,215
Due Beyond One Year	<u>15,159,535</u>	<u>-</u>	<u>15,159,535</u>
Total Liabilities	<u>16,471,527</u>	<u>10,843</u>	<u>16,482,370</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue		1,640	1,640
Deferred Amounts on Net Pension Liability	<u>2,071,275</u>	<u>-</u>	<u>2,071,275</u>
Total Deferred Inflows of Resources	<u>2,071,275</u>	<u>1,640</u>	<u>2,072,915</u>
Total Liabilities and Deferred Inflows of Resources	<u>18,542,802</u>	<u>12,483</u>	<u>18,555,285</u>
NET POSITION			
Net Investment in Capital Assets	12,474,404	73,841	12,548,245
Restricted for:			
Capital Projects	1,130,622		1,130,622
Other Purposes - Adult Education	245,075		245,075
Unrestricted	<u>(5,553,340)</u>	<u>99,221</u>	<u>(5,454,119)</u>
Total Net Position	<u>\$ 8,296,761</u>	<u>\$ 173,062</u>	<u>\$ 8,469,823</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, 2019

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	\$ 11,480,682		\$ 3,243,261		\$ (8,237,421)		\$ (8,237,421)
Special Education	6,334,943	\$ 63,242	2,408,423		(3,863,278)		(3,863,278)
School Sponsored Activities and Athletics	969,669		249,800		(719,869)		(719,869)
Other	976,699	841,396	96,199		(39,104)		(39,104)
Support Services							
Student and Instruction- Related Services	4,187,409		508,633		(3,678,776)		(3,678,776)
General Administration Services	635,701		22,173		(613,528)		(613,528)
School Administration Services	1,757,201		354,798		(1,402,403)		(1,402,403)
Business / Central Services	734,856		31,574		(703,282)		(703,282)
Plant Operations and Maintenance	2,435,986		125,096	\$ 25,710	(2,285,180)		(2,285,180)
Pupil Transportation	753,706		118,900		(634,806)		(634,806)
Interest on Long-Term Debt	252,176	-	-	-	(252,176)	-	(252,176)
Total Governmental Activities	<u>30,519,028</u>	<u>904,638</u>	<u>7,158,857</u>	<u>25,710</u>	<u>(22,429,823)</u>	<u>-</u>	<u>(22,429,823)</u>
15 Business-Type Activities							
Food Service	425,642	325,257	99,459	-	-	\$ (926)	(926)
Total Business-Type Activities	<u>425,642</u>	<u>325,257</u>	<u>99,459</u>	<u>-</u>	<u>-</u>	<u>(926)</u>	<u>(926)</u>
Total Primary Government	<u>\$ 30,944,670</u>	<u>\$ 1,229,895</u>	<u>\$ 7,258,316</u>	<u>\$ 25,710</u>	<u>(22,429,823)</u>	<u>(926)</u>	<u>(22,430,749)</u>
General Revenues:							
Property Taxes levied for General Purposes					20,021,446		20,021,446
Property Taxes levied for Debt Service					918,388		918,388
State Aid Not Restricted					34,612		34,612
Investment Earnings					28,664	826	29,490
Miscellaneous Income					864,436	-	864,436
Total General Revenues					<u>21,867,546</u>	<u>826</u>	<u>21,868,372</u>
Change in Net Position					(562,277)	(100)	(562,377)
Net Position, Beginning of Year					<u>8,859,038</u>	<u>173,162</u>	<u>9,032,200</u>
Net Position, End of Year					<u>\$ 8,296,761</u>	<u>\$ 173,062</u>	<u>\$ 8,469,823</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, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 2,320,114	\$ 61,928	\$ 314,600		\$ 2,696,642
Due from Other Funds		133			133
Receivables from Other Governments	33,978	29,761	127,905		191,644
Other Accounts Receivable	137,540				137,540
Prepaid Items	87,203	-	-	-	87,203
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,578,835</u>	<u>\$ 91,822</u>	<u>\$ 442,505</u>	<u>\$ -</u>	<u>\$ 3,113,162</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 142,976	\$ 33,082	\$ 2,581		178,639
Other Liabilities	58,598				58,598
Payable to State Government		58,606			58,606
Unearned Revenue	181,803	134	-	-	181,937
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>383,377</u>	<u>91,822</u>	<u>2,581</u>	<u>-</u>	<u>477,780</u>
Fund Balances					
Restricted Fund Balance					
Capital Reserve	460,983				460,983
Capital Reserve- Designated for Subsequent Year's Budget (2019/20 Budget)	300,000				300,000
Adult Education Programs	185,340				185,340
Adult Education Programs - Designated for Subsequent Year's Budget (2019/20 Budget)	59,735				59,735
Excess Surplus- Designated for Subsequent Year's Budget (2019/20 Budget)	325,000				325,000
Excess Surplus	300,000				300,000
Capital Projects			439,924		439,924
Committed Fund Balance					
Year-End Encumbrances	98,600				98,600
Assigned Fund Balance					
Year-End Encumbrances	46,774				46,774
Unassigned					
General Fund	419,026	-	-	-	419,026
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund balances	<u>2,195,458</u>	<u>-</u>	<u>439,924</u>	<u>-</u>	<u>2,635,382</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 2,578,835</u>	<u>\$ 91,822</u>	<u>\$ 442,505</u>	<u>\$ -</u>	<u>\$ 3,113,162</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, 2019**

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

Total Fund Balances - Governmental Funds (Exhibit B-1) \$ 2,635,382

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$35,194,749 and the accumulated depreciation is \$13,481,534.

21,713,215

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

(93,997)

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.

78,774

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

Bonds Payable	\$	(9,260,000)	
Unamortized Premium on Bond Issuances		(80,992)	
Lease Purchase Agreements		(46,878)	
Compensated Absences Payable		(315,709)	
Net Pension Liability		<u>(6,196,171)</u>	
			<u>(15,899,750)</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		1,934,412	
Deferred Inflows of Resources		<u>(2,071,275)</u>	
			<u>(136,863)</u>

Net Position of Governmental Activities (Exhibit A-1)

\$ 8,296,761

**MIDLAND PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 20,021,446			\$ 918,388	\$ 20,939,834
Tuition	63,242				63,242
Other Restricted Miscellaneous Revenues	1,689,700				1,689,700
Miscellaneous	44,796	\$ 22,812	-	-	67,608
Total - Local Sources	21,819,184	22,812	-	918,388	22,760,384
State Sources	4,264,380	176,909	\$ 25,710		4,466,999
Federal Sources	-	362,148	-	-	362,148
Total Revenues	26,083,564	561,869	25,710	918,388	27,589,531
EXPENDITURES					
Current					
Regular Instruction	9,643,908	47,402			9,691,310
Special Education Instruction	5,526,187	206,205			5,732,392
Other Instruction	903,717				903,717
School-Sponsored Activities and Athletics	838,244				838,244
Student and Instruction Related Services	3,384,656	308,262			3,692,918
General Administration Services	570,329				570,329
School Administration Services	1,513,780				1,513,780
Central Services & Adm. Info. Technology	636,052				636,052
Plant Operations and Maintenance	2,043,094		187,781		2,230,875
Pupil Transportation	710,360				710,360
Debt Service					
Principal	14,818			675,000	689,818
Interest	1,652			257,675	259,327
Capital Outlay	12,059	-	1,719,466	-	1,731,525
Total Expenditures	25,798,856	561,869	1,907,247	932,675	29,200,647
Excess (Deficiency) of Revenues Over/(Under) Expenditures	284,708	-	(1,881,537)	(14,287)	(1,611,116)
OTHER FINANCING SOURCES (USES)					
Transfer In			279,876		279,876
Transfer Out	(279,876)	-	-	-	(279,876)
Total Other Financing Sources and Uses	(279,876)	-	279,876	-	-
Net Change in Fund Balances	4,832	-	(1,601,661)	(14,287)	(1,611,116)
Fund Balance, Beginning of Year	2,190,626	-	2,041,585	14,287	4,246,498
Fund Balance, End of Year	\$ 2,195,458	\$ -	\$ 439,924	\$ -	\$ 2,635,382

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, 2019**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (1,611,116)

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 in the current period.

Capital Outlay	\$ 1,731,525	
Depreciation Expense	<u>(1,080,791)</u>	650,734

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 (+).

Decrease in Compensated Absences, Net	21,679	
Increase in Pension Expense	<u>(320,543)</u>	(298,864)

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.

6,595

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	14,818	
Bonds Principal Repayment	<u>675,000</u>	<u>689,818</u>

Change in Net Position of Governmental Activities (Exhibit A-2) \$ (562,277)

MIDLAND PARK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2019

	Business-Type Activities Enterprise Fund <u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 101,319
Accounts Receivable	
Federal	5,605
State	321
Inventories	<u>4,459</u>
Total Current Assets	<u>111,704</u>
Capital Assets	
Equipment	291,028
Less: Accumulated Depreciation	<u>(217,187)</u>
Total Capital Assets, Net	<u>73,841</u>
Total Assets	<u>185,545</u>
LIABILITIES	
Current Liabilities	
Unearned Revenue	6,316
Accounts Payable	<u>4,527</u>
Total Current Liabilities	<u>10,843</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Commodities Revenue	<u>1,640</u>
Total Deferred Inflows of Resources	<u>1,640</u>
Total Liabilities and Deferred Inflows of Resources	<u>12,483</u>
NET POSITION	
Investment in Capital Assets	73,841
Unrestricted	<u>99,221</u>
Total Net Position	<u>\$ 173,062</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, 2019**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales- Reimbursable Programs	\$ 217,140
Daily Sales- Non-Reimbursable Programs	106,978
Special Functions	<u>1,139</u>
 Total Operating Revenues	 <u>325,257</u>
OPERATING EXPENSES	
Cost of Sales- Reimbursable Programs	140,761
Cost of Sales- Non-Reimbursable Programs	45,192
Salaries and Employee Benefits	175,109
Purchased Services-Management Fee	21,949
Purchased Services	2,845
Repairs	3,076
Supplies and Materials	26,080
Miscellaneous Expenditures	900
Depreciation	<u>9,730</u>
 Total Operating Expenses	 <u>425,642</u>
 Operating Loss	 <u>(100,385)</u>
NONOPERATING REVENUES	
Local Sources	
Interest on Deposits	826
State Sources	
School Lunch Program	4,053
Federal Sources	
School Breakfast Program	2,956
National School Lunch Program	67,231
Food Distribution Program	<u>25,219</u>
 Total Nonoperating Revenues	 <u>100,285</u>
 Change in Net Position	 (100)
 Total Net Position, Beginning of Year	 <u>173,162</u>
 Total Net Position, End of Year	 <u>\$ 173,062</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, 2019**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 326,307
Cash Payments for Employees' Salaries and Benefits	(175,109)
Cash Payments to Suppliers for Goods and Services	<u>(217,247)</u>
Net Cash Used by Operating Activities	<u>(66,049)</u>
Cash Flows from Capital Financing Activities	
Purchase of Capital Assets	<u>(19,163)</u>
Net Cash Used by Capital Financing Activities	<u>(19,163)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	<u>73,808</u>
Net Cash Provided by Noncapital Financing Activities	<u>73,808</u>
Cash Flows from Investing Activities	
Interest Received	<u>826</u>
Net Cash Provided by Investing Activities	<u>826</u>
Net Decrease in Cash and Cash Equivalents	(10,578)
Cash and Cash Equivalents, Beginning of Year	<u>111,897</u>
Cash and Cash Equivalents, End of Year	<u>\$ 101,319</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	\$ (100,385)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	9,730
Non-Cash Federal Assistance - National School Lunch (Food Distribution)	25,219
Change in Assets, Liabilities and Deferred Inflows of Resources	
Increase/(Decrease) in Accounts Payable	(2,768)
Increase/(Decrease) in Unearned Revenue	802
Increase/(Decrease) in Deferred Commodities Revenue	126
(Increase)/Decrease in Other Accounts Receivable	248
(Increase)/Decrease in Inventories	<u>979</u>
Total Adjustments	<u>34,336</u>
Net Cash Used by Operating Activities	<u>\$ (66,049)</u>
Non-Cash Financing Activities	
National School Lunch (Food Distribution Program)	\$ 25,345

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, 2019**

	Unemployment Compensation <u>Trust Fund</u>	Scholarships <u>Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 162,252	\$ 4,706	\$ 242,512
Due from Other Funds	<u>-</u>	<u>-</u>	<u>4,670</u>
Total Assets	<u>162,252</u>	<u>4,706</u>	<u>247,182</u>
LIABILITIES			
Payroll Deductions and Withholdings			45,346
Accrued Salaries and Wages			1,060
Reserve for Flexible Spending (Sect. 125) Plan			12,619
Due to Other Funds	4,670		133
Due to Student Groups		-	188,024
Due to the State Government	<u>10,697</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>15,367</u>	<u>-</u>	<u>\$ 247,182</u>
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 146,885</u>	<u>\$ 4,706</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, 2019**

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarships Trust Fund</u>
ADDITIONS		
Contributions		
Employees	\$ 36,315	
Donations	-	\$ 13,344
	<hr/>	<hr/>
Total Contributions	36,315	13,344
	<hr/>	<hr/>
Investment Earnings		
Interest	1,310	125
	<hr/>	<hr/>
Net Investment Earnings	1,310	125
	<hr/>	<hr/>
Total Additions	37,625	13,469
	<hr/>	<hr/>
DEDUCTIONS		
Scholarships Awarded		16,300
Unemployment Claims and Contributions	68,539	-
	<hr/>	<hr/>
Total Deductions	68,539	16,300
	<hr/>	<hr/>
Change in Net Position	(30,914)	(2,831)
	<hr/>	<hr/>
Net Position, Beginning of the Year	177,799	7,537
	<hr/>	<hr/>
Net Position, End of the Year	\$ 146,885	\$ 4,706
	<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, 2019**

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 2019, the District adopted the following GASB statement:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.

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

- 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.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- 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.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

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.

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.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

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 its enterprise fund 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.

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 funds* are used to account for resources legally held in trust for state unemployment insurance claims and for private donations for scholarship awards. All resources of the funds, 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.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 inventory at year-end is reported as deferred inflows of resources.

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

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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*

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 a future period(s) 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 amount 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.

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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items 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 inventory 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 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 and proprietary fund types in the fund 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.

MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *Pensions (Continued)*

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 with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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).

MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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)

Restricted Fund Balance (Continued)

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 2019/2020 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.

Adult Education Programs- Designated for Subsequent year's Expenditures- This designation was created to dedicate the portion of Adult Education Programs fund balance appropriated in the adopted 2019/20 District budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2018 audited excess surplus that was appropriated in the 2019/2020 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that is required to be appropriated in the 2020/2021 original budget certified for taxes.

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

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 Trustee's 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.

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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 1st 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.

3. *Tuition Revenues and Expenditures*

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2017-2018 and 2018-2019 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.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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.

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 2018/2019. Also, during 2018/2019 the Board increased the original general fund budget by \$857,237 and the original special revenue fund budget by \$208,866. The increase in the general fund was funded by the appropriation of prior year extraordinary aid \$381,523, the appropriation of additional adult school fund balance \$95,000, the appropriation of capital reserve funds \$279,876 and the reappropriation of prior year general fund encumbrances \$100,838. 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.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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.

The activity of the capital reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018		\$ 816,891
Increased by:		
Interest earnings	\$ 6,193	
Deposits Approved by Board Resolution	<u>237,899</u>	
Total Increases		<u>244,092</u>
		1,060,983
Decreased by:		
Withdrawals Approved in District Budget		<u>300,000</u>
Balance, June 30, 2019		<u>\$ 760,983</u>
Designated for Subsequent Year's Budget (2019/2020)		\$ 300,000
Capital Reserve Available		<u>460,983</u>
		<u>\$ 760,983</u>

The withdrawals from the capital reserve were for use in department approved facilities projects, consistent with the district's Long Range Facilities Plan. \$300,000 of the capital reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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, 2019 is \$625,000. Of this amount, \$325,000 was designated and appropriated in the 2019/2020 original budget certified for taxes and the remaining amount of \$300,000 will be appropriated in the 2020/2021 original budget certified for taxes.

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 and NCUSIF.

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, 2019, the book value of the Board's deposits were \$3,207,431 and bank and brokerage firm balances of the Board's deposits amounted to \$3,550,115. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 3,218,887
Uninsured or uncollateralized	331,228
	<hr/>
	\$ 3,550,115
	<hr/>

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

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, 2019 the Board’s bank balance of \$331,228 was exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>
Uninsured and Collateralized	
Collateral held by pledging financial institution's trust department or agent not in the Board's name	<u>\$ 331,228</u>

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; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; 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; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law,” (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2019, the Board had no outstanding investments.

B. Receivables

Receivables as of June 30, 2019 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	\$ 137,540				\$ 137,540
Intergovernmental					
Federal		\$ 29,761		\$ 5,605	35,366
State	33,978	-	\$ 127,905	321	162,204
Gross Receivables	171,518	29,761	127,905	5,926	335,110
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 171,518</u>	<u>\$ 29,761</u>	<u>\$ 127,905</u>	<u>\$ 5,926</u>	<u>\$ 335,110</u>

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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	\$ 172,778
Preschool Tuition	9,025
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>134</u>
Total Unearned Revenue of Governmental Funds	<u>\$ 181,937</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	<u>Balance, July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2019</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 28,714			\$ 28,714
Construction in Progress	<u>-</u>	\$ 1,719,466	<u>-</u>	<u>1,719,466</u>
Total Capital Assets, Not Being Depreciated	<u>28,714</u>	<u>1,719,466</u>	<u>-</u>	<u>1,748,180</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	27,072,287	8,224		27,080,511
Site Improvements	2,779,523			2,779,523
Machinery and Equipment	<u>3,680,229</u>	<u>3,835</u>	\$ <u>(97,529)</u>	<u>3,586,535</u>
Total Capital Assets Being Depreciated	<u>33,532,039</u>	<u>12,059</u>	<u>(97,529)</u>	<u>33,446,569</u>
Less Accumulated Depreciation for:				
Site Improvements	(743,073)	(150,113)		(893,186)
Buildings and Building Improvements	(9,340,628)	(725,987)		(10,066,615)
Machinery and Equipment	<u>(2,414,571)</u>	<u>(204,691)</u>	<u>97,529</u>	<u>(2,521,733)</u>
Total Accumulated Depreciation	<u>(12,498,272)</u>	<u>(1,080,791)</u>	<u>97,529</u>	<u>(13,481,534)</u>
Total Capital Assets, Being Depreciated, Net	<u>21,033,767</u>	<u>(1,068,732)</u>	<u>-</u>	<u>19,965,035</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,062,481</u>	<u>\$ 650,734</u>	<u>\$ -</u>	<u>\$ 21,713,215</u>

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2018	Increases	Decreases	Balance, June 30, 2019
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 271,865	\$ 19,163	-	\$ 291,028
Total Capital Assets Being Depreciated	<u>271,865</u>	<u>19,163</u>	<u>-</u>	<u>291,028</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(207,457)	(9,730)	-	(217,187)
Total Accumulated Depreciation	<u>(207,457)</u>	<u>(9,730)</u>	<u>-</u>	<u>(217,187)</u>
Total Capital Assets, Being Depreciated, Net	<u>64,408</u>	<u>9,433</u>	<u>-</u>	<u>73,841</u>
Business-Type Activities Capital Assets, Net	<u>\$ 64,408</u>	<u>\$ 9,433</u>	<u>\$ -</u>	<u>\$ 73,841</u>

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

Governmental Activities:

Instruction		
Regular		\$ 518,780
Special Education		118,887
School-Sponsored Activities and Athletics		32,424
Other Instructional		32,424
Total Instruction		<u>702,515</u>
Support Services		
Student and Instruction Related Services		183,734
General Administration Services		21,616
School Administration Services		64,847
Plant Operations and Maintenance		64,847
Pupil Transportation		10,808
Business / Central Services		32,424
Total Support Services		<u>378,276</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 1,080,791</u>
Business-Type Activities:		
Food Service Fund		<u>\$ 9,730</u>

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
<u>Capital Projects Fund</u>		
District-Wide Window Replacement	\$ 1,681,216	\$ 70,284
Door Replacement	2,565	204,235
 <u>General Fund</u>		
Bathroom Renovations		75,200
Highland - Masonry		33,600
		<u>65,000</u>
		<u>\$ 448,319</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Revenue Fund	Student Activity Fund	\$ 133
Payroll Agency Fund	Unemployment Compensation Trust Fund	<u>4,670</u>
	Total	<u>\$ 4,803</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.

Interfund transfers

<u>Transfer Out:</u>	<u>Transfer In:</u>	
	Capital Projects Fund	<u>Total</u>
General Fund	<u>279,876</u>	<u>279,876</u>
Total	<u>\$ 279,876</u>	<u>\$ 279,876</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.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Capital Leases

The District is leasing a school bus totaling \$77,900 under a lease purchase agreement. The lease is for a term of 5 years.

The capital assets acquired through a lease purchase agreement are as follows:

	<u>Governmental Activities</u>
Machinery and Equipment	\$ <u>77,900</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2020	\$ 16,470
2021	16,470
2022	<u>16,470</u>
Total Minimum Lease Payments	49,410
Less: Amount Representing Interest	<u>(2,532)</u>
Present Value of Minimum Lease Payments	\$ <u>46,878</u>

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 and other purposes permitted by statute. 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, 2019 are comprised of the following issues:

\$3,695,000, 2012 Refunding Bonds, due in annual installments of \$370,000 to \$395,000 through August 15, 2023 interest at 3.00%	\$1,930,000
\$8,500,000, 2015 School Bonds, due in annual installments of \$325,000 to \$540,000 through August 15, 2035, interest at 2.000% to 3.125%	<u>7,330,000</u>
Total	<u>\$9,260,000</u>

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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>	
2020	\$ 695,000	\$ 243,575	\$ 938,575
2021	715,000	225,825	940,825
2022	735,000	207,575	942,575
2023	755,000	188,900	943,900
2024	765,000	169,850	934,850
2025-2029	2,065,000	698,475	2,763,475
2030-2034	2,455,000	390,375	2,845,375
2035-2036	<u>1,075,000</u>	<u>49,800</u>	<u>1,124,800</u>
Total	<u>\$ 9,260,000</u>	<u>\$ 2,174,375</u>	<u>\$ 11,434,375</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2019 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 49,564,433
Less: Net Debt	<u>9,260,000</u>
Remaining Borrowing Power	<u>\$ 40,304,433</u>

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019, was as follows:

	<u>Balance, July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2019</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable	\$ 9,935,000	-	\$ 675,000	\$ 9,260,000	\$ 695,000
Add:					
Unamortized Premium	<u>101,241</u>	<u>-</u>	<u>20,249</u>	<u>80,992</u>	<u>-</u>
Bonds Payable, Gross	10,036,241	-	695,249	9,340,992	695,000
Lease Purchase Agreements	61,696		14,818	46,878	15,215
Compensated Absences Payable	337,388	\$ 8,732	30,411	315,709	30,000
Net Pension Liability	<u>7,110,920</u>	<u>-</u>	<u>914,749</u>	<u>6,196,171</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 17,546,245</u>	<u>\$ 8,732</u>	<u>\$ 1,655,227</u>	<u>\$ 15,899,750</u>	<u>\$ 740,215</u>

For the governmental activities, the liabilities for compensated absences, lease purchase agreements and net pension liability are 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 or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the Group 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 Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group attributable to a membership year during which they were a member.

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 Group 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.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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:

<u>Fiscal Year ended June 30,</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019	\$ 36,315	\$ 68,539	\$ 146,885
2018	41,934	42,680	177,799
2017	35,753	20,946	178,198

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, 2019, 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, 2019 the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

Public Employees’ Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage 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. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represent the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

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 and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. 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 (“Division”), 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.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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.us/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

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 members 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 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2019.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer 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. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

During the fiscal years ended June 30, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2019	\$ 313,019	\$ 1,687,024	\$ 3,861
2018	282,988	1,241,021	1,641
2017	246,665	901,624	2,698

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$1,035, \$2,738 and \$1,035, respectively for PERS and the State contributed \$1,841, \$1,973 and \$2,017, respectively 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 Statement No. 85, *Omnibus 2017* (GASB No. 85). 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.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$679,309 during the fiscal year ended June 30, 2019 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. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2017 through June 30, 2018. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2018 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$6,196,171 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 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 the District's share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District's proportionate share was .03147 percent, which was an increase of .00092 percent from its proportionate share measured as of June 30, 2017 of .03055 percent.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$633,562 for PERS. The pension contribution made by the District during the current 2018/2019 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2019 for contributions made subsequent to the measurement date. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 118,162	\$ 31,949
Changes of Assumptions	1,021,026	1,981,206
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		58,120
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>795,224</u>	<u>-</u>
Total	<u>\$ 1,934,412</u>	<u>\$ 2,071,275</u>

At June 30, 2019, 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:

<u>Year Ending June 30,</u>	<u>Total</u>
2020	\$ 235,848
2021	150,179
2022	(144,029)
2023	(277,159)
2024	(101,702)
Thereafter	<u>-</u>
	<u>\$ (136,863)</u>

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.00%
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, 2017 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, 2019**

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
US Equities	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Market Equities	6.50%	11.64%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	5.66%
2018	June 30, 2017	5.00%

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2046
Municipal Bond Rate *	From July 1, 2046 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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 5.66%, 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 (4.66 percent) or 1-percentage-point higher (6.66 percent) than the current rate:

	1% Decrease <u>4.66%</u>	Current Discount Rate <u>5.66%</u>	1% Increase <u>6.66%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 7,790,971</u>	<u>\$ 6,196,171</u>	<u>\$ 4,858,236</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2018. A sensitivity analysis specific to the District's net pension liability at June 30, 2018 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.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2018. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2018, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, 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, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,051,325 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State's proportionate share of the net pension liability attributable to the District is \$52,341,484. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the State's share of the net pension liability attributable to the District was .08227 percent, which was an increase of .00211 percent from its proportionate share measured as of June 30, 2017 of .08016 percent.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2006

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, 2017 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, 2019**

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	4.86%
2018	June 30, 2017	4.25%

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, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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 4.86%, 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 (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	1% Decrease <u>(3.86%)</u>	Current Discount Rate <u>(4.86%)</u>	1% Increase <u>(5.86%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 61,866,640</u>	<u>\$ 52,341,484</u>	<u>\$ 44,445,362</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) 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 employer 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.

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

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
Total	<u>362,181</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$765,232, \$801,549 and \$751,258, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2017 through June 30, 2018. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,768,151. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State’s proportionate share of the OPEB liability attributable to the District is \$37,316,159. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state’s share of the OPEB liability attributable to the District was .08 percent, which was unchanged from its proportionate share measured as of June 30, 2017 of .08 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%

Mortality Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Long-Term Rate of Return	1.00%
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*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2012 to June 30, 2015 and July 1, 2011 to June 30, 2014, respectively.

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2018.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

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

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

	<u>Total OPEB Liability (State Share 100%)</u>
Balance, June 30, 2017 Measurement Date	\$ <u>43,145,237</u>
Changes Recognized for the Fiscal Year:	
Service Cost	1,615,963
Interest on the Total OPEB Liability	1,585,359
Differences Between Expected and Actual Experience	(3,784,849)
Changes of Assumptions	(4,282,216)
Gross Benefit Payments	(997,821)
Contributions from the Member	34,486
Net Changes	\$ <u>(5,829,078)</u>
Balance, June 30, 2018 Measurement Date	\$ <u>37,316,159</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 was not provided by the pension system.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.87%, as well as what the State’s proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 44,115,296	\$ 37,316,159	\$ 31,911,547

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 30,843,979	\$ 37,316,159	\$ 45,875,865

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018 were not provided by the pension system.

F. Subsequent Events

The Board approved a lease agreement in the amount of \$209,412 for the purchase of chromebooks. The term of the lease is 4 years with interest at 3.942%.

G. 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 having entered into a tax abatement agreement is indeterminate.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 20,021,446		\$ 20,021,446	\$ 20,021,446	
Tuition from Individuals (Integrated Preschool)	43,400		43,400	63,242	\$ 19,842
Other Restricted Miscellaneous Revenues	1,373,454		1,373,454	1,689,700	316,246
Interest on Investments	22,500		22,500	22,471	(29)
Unrestricted Miscellaneous Revenues	-		-	16,132	16,132
Interest Earned on Capital Reserve Funds	500	-	500	6,193	5,693
	<u>21,461,300</u>	<u>-</u>	<u>21,461,300</u>	<u>21,819,184</u>	<u>357,884</u>
State Sources					
Special Education Aid	543,404		543,404	543,404	-
Equalization Aid	33,981		33,981	33,981	-
Security Aid	58,146		58,146	58,146	-
Transportation Aid	107,033		107,033	107,033	-
Extraordinary Aid				388,196	388,196
On-behalf TPAF Normal Cost & Accrued Liab. (Non-Budgeted)				1,652,434	1,652,434
On-behalf TPAF NCGI Premium Contribution (Non-budgeted)				34,590	34,590
On-behalf TPAF Long Term Disability Insurance (Non-budgeted)				1,841	1,841
On-behalf TPAF Post-Retirement Medical Contributions (Non-budgeted)				765,232	765,232
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	679,309	679,309
	<u>742,564</u>	<u>-</u>	<u>742,564</u>	<u>4,264,166</u>	<u>3,521,602</u>
Total State Sources					
Total Revenues	<u>22,203,864</u>	<u>-</u>	<u>22,203,864</u>	<u>26,083,350</u>	<u>3,879,486</u>
EXPENDITURES					
CURRENT					
Regular Programs- Instruction					
Salaries of Teachers					
Kindergarten	265,100	\$ 5,470	270,570	270,310	260
Grades 1-5	2,228,264	13,278	2,241,542	2,241,542	-
Grades 6-8	1,145,655	(32,328)	1,113,327	1,113,327	-
Grades 9-12	2,017,539	41,230	2,058,769	2,057,217	1,552
Regular Programs - Home Instruction					
Salaries of Teachers	18,000	-	18,000	3,731	14,269
Other Salaries for Instruction		469	469	469	-
Purchased Professional/Educational Services	4,000	(923)	3,077	1,344	1,733
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	32,220	14,412	46,632	46,602	30
Purchased Professional/Educational Services	42,435	(3,541)	38,894	28,625	10,269
Other Purchased Services	81,600	1,171	82,771	78,913	3,858
General Supplies	228,200	(11,721)	216,479	176,511	39,968
Textbooks	27,178	870	28,048	27,253	795
Other Objects	3,200	1,000	4,200	2,549	1,651
	<u>6,093,391</u>	<u>29,387</u>	<u>6,122,778</u>	<u>6,048,393</u>	<u>74,385</u>
Total Regular Programs					
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	103,750	2,177	105,927	105,927	-
Other Salaries for Instruction	258,163	(25,931)	232,232	232,232	-
General Supplies	1,500	964	2,464	2,464	-
	<u>363,413</u>	<u>(22,790)</u>	<u>340,623</u>	<u>340,623</u>	<u>-</u>
Total Learning and/or Language Disabilities					

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Special Education (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 48,150	\$ (48,150)			
General Supplies	1,000	(1,000)	-	-	-
Total Multiple Disabilities	<u>49,150</u>	<u>(49,150)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Resource Room/Resource Center					
Salaries of Teachers	1,159,419	69,714	\$ 1,229,133	\$ 1,229,133	-
Other Salaries for Instruction	350,450	12,652	363,102	363,102	-
General Supplies	4,000	(820)	3,180	3,180	-
Total Resource Room Resource Center	<u>1,513,869</u>	<u>81,546</u>	<u>1,595,415</u>	<u>1,595,415</u>	<u>-</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	175,050	(10,901)	164,149	163,646	\$ 503
Other Salaries for Instruction	147,049	34,992	182,041	180,756	1,285
General Supplies	2,000	-	2,000	1,638	362
Total Preschool Disabilities-Part Time	<u>324,099</u>	<u>24,091</u>	<u>348,190</u>	<u>346,040</u>	<u>2,150</u>
Home Instruction					
Purchased Professional-Educational Services	5,000	-	5,000	4,440	560
Total Home Instruction	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>4,440</u>	<u>560</u>
Total Special Education	<u>2,255,531</u>	<u>33,697</u>	<u>2,289,228</u>	<u>2,286,518</u>	<u>2,710</u>
School Spons. Co-Curricular Activities-Instruction					
Salaries	87,000	5,936	92,936	92,240	696
Purchased Services	4,400	(1,600)	2,800	2,800	-
Supplies and Materials	13,350	49	13,399	13,056	343
Other Objects	1,900	(949)	951	500	451
Total School Spons. Co-Curricular Activities-Instr.	<u>106,650</u>	<u>3,436</u>	<u>110,086</u>	<u>108,596</u>	<u>1,490</u>
School Sponsored Athletics - Instruction					
Salaries	370,100	(9,560)	360,540	356,181	4,359
Purchased Services	52,200	(593)	51,607	49,622	1,985
Supplies and Materials	44,480	8,392	52,872	45,002	7,870
Other Objects	16,865	(4,814)	12,051	9,384	2,667
Total School Sponsored Athletics - Instruction	<u>483,645</u>	<u>(6,575)</u>	<u>477,070</u>	<u>460,189</u>	<u>16,881</u>
Total Instruction	<u>8,939,217</u>	<u>59,945</u>	<u>8,999,162</u>	<u>8,903,696</u>	<u>95,466</u>

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within the State - Regular	\$ 80,784	\$ (6,336)	\$ 74,448	\$ 74,448	\$ -
Tuition to Other LEA's Within the State - Special	227,118	16,201	243,319	243,319	-
Tuition to Vocational School Districts- Regular	74,268	1,681	75,949	75,949	-
Tuition to Vocational School Districts- Special	27,000		27,000	27,000	-
Tuition to County Special Services School Districts and Regional Day Schools	174,500	110,112	284,612	284,612	-
Tuition to Private Schools for the Disabled Within the State	<u>1,439,937</u>	<u>(71,975)</u>	<u>1,367,962</u>	<u>1,317,797</u>	<u>50,165</u>
Total Undistributed Expenditures - Instruction	<u>2,023,607</u>	<u>49,683</u>	<u>2,073,290</u>	<u>2,023,125</u>	<u>50,165</u>
Health Services					
Salaries	249,250	13,820	263,070	263,070	-
Purchased Professional Educational Services	10,000	1,382	11,382	11,382	-
Supplies and Materials	<u>6,250</u>	<u>(2,581)</u>	<u>3,669</u>	<u>3,668</u>	<u>1</u>
Total Health Services	<u>265,500</u>	<u>12,621</u>	<u>278,121</u>	<u>278,120</u>	<u>1</u>
Other Support Services - Speech, OT, PT & Related Svcs					
Salaries	469,000	(785)	468,215	467,064	1,151
Purchased Professional/Educational Services	5,000	(5,000)			-
Supplies and Materials	<u>750</u>	<u>(42)</u>	<u>708</u>	<u>708</u>	<u>-</u>
Total Other Support Services - Speech, OT, PT & Related Svcs	<u>474,750</u>	<u>(5,827)</u>	<u>468,923</u>	<u>467,772</u>	<u>1,151</u>
Other Support Services - Extra. Serv.					
Purchased Professional/Education Services	<u>463,500</u>	<u>91,395</u>	<u>554,895</u>	<u>511,358</u>	<u>43,537</u>
Total Other Support Services - Extra. Serv.	<u>463,500</u>	<u>91,395</u>	<u>554,895</u>	<u>511,358</u>	<u>43,537</u>
Other Support Services - Guidance					
Salaries of Other Professional Staff	289,100	(1,601)	287,499	287,250	249
Salaries of Secretarial and Clerical Assistants	38,400	(825)	37,575	37,575	-
Purchased Professional- Educational Services	3,960	1,023	4,983	4,769	214
Supplies and Materials	6,800	(272)	6,528	4,912	1,616
Other Objects	<u>9,615</u>	<u>272</u>	<u>9,887</u>	<u>9,787</u>	<u>100</u>
Total Other Support Services - Guidance	<u>347,875</u>	<u>(1,403)</u>	<u>346,472</u>	<u>344,293</u>	<u>2,179</u>
Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	350,950	12,776	363,726	362,732	994
Salaries of Secretarial and Clerical Assistants	42,517	491	43,008	43,008	-
Purchased Professional/Educational Services	33,188	(12,810)	20,378	20,378	-
Other Purchased Professional and Tech. Services	5,000	(4,211)	789	789	-
Supplies and Materials	7,500	(1,520)	5,980	5,769	211
Other Objects	<u>1,000</u>	<u>(111)</u>	<u>889</u>	<u>889</u>	<u>-</u>
Total Other Support Services - Child Study Teams	<u>440,155</u>	<u>(5,385)</u>	<u>434,770</u>	<u>433,565</u>	<u>1,205</u>

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	\$ 25,000	\$ -	\$ 25,000	\$ 25,000	
Salaries of Other Professional Staff	34,140	-	34,140	34,140	\$ -
Salaries of Secretarial and Clerical Assistants	16,120	-	16,120	16,118	2
Other Salaries	22,200	102	22,302	22,302	-
Other Purchased Services	37,125	(5,102)	32,023	17,812	14,211
Supplies and Materials	6,000	5,000	11,000	6,116	4,884
Other Objects	750	-	750	125	625
	<u>141,335</u>	<u>-</u>	<u>141,335</u>	<u>121,613</u>	<u>19,722</u>
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff					
Educational Media Services/School Library					
Salaries	147,130	(15,989)	131,141	130,390	751
Salaries of Technology Coordinators	226,515	(15,461)	211,054	193,846	17,208
Purchased Professional and Technical Services	9,450	1,045	10,495	10,495	-
Supplies and Materials	13,850	(803)	13,047	12,529	518
Other Objects	600	(242)	358	58	300
	<u>397,545</u>	<u>(31,450)</u>	<u>366,095</u>	<u>347,318</u>	<u>18,777</u>
Total Educational Media Services/School Library					
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	25,000	-	25,000	25,000	-
Salaries of Other Professional Staff	34,140	-	34,140	34,140	-
Other Salaries	16,120	2,640	18,760	18,344	416
Other Purchased Professional and Technical Serv.	10,000	-	10,000	8,684	1,316
Supplies and Materials	500	-	500	484	16
Other Objects	12,000	1,425	13,425	12,887	538
	<u>97,760</u>	<u>4,065</u>	<u>101,825</u>	<u>99,539</u>	<u>2,286</u>
Total Instructional Staff Training Services					
Support Services General Administration					
Salaries	255,102	43,530	298,632	298,214	418
Legal Services	35,000	(2,470)	32,530	30,883	1,647
Audit Fees	24,850	1,665	26,515	26,515	-
Architectural/Engineering Services	30,000	28,818	58,818	17,272	41,546
Other Purchased Professional Services	5,350	(15)	5,335	5,335	-
Purchased Technical Services	2,000	(225)	1,775	426	1,349
Communications/Telephone	21,550	3,650	25,200	23,141	2,059
BOE Other Purchased Services	3,000	(1,002)	1,998	300	1,698
Misc. Purchased Services	9,000	219	9,219	9,009	210
General Supplies	5,700	(468)	5,232	5,232	-
BOE In-House Training/Meeting Supplies	100	33	133	133	-
Miscellaneous Expenditures	3,100	1,194	4,294	4,294	-
Board of Education Membership Dues and Fees	9,436	102	9,538	9,538	-
	<u>404,188</u>	<u>75,031</u>	<u>479,219</u>	<u>430,292</u>	<u>48,927</u>
Total Support Services General Administration					
Support Services School Administration					
Salaries of Principals/Asst. Principals	529,598	54,155	583,753	583,752	1
Salaries of Other Professional Staff	53,554	146,621	200,175	192,475	7,700
Salaries of Secretarial and Clerical Assistants	150,650	58,698	209,348	205,780	3,568
Purchased Professional and Technical Services	2,500	-	2,500	391	2,109
Other Purchased Services	13,000	(147)	12,853	7,845	5,008
Supplies and Materials	8,500	4,181	12,681	10,118	2,563
Other Objects	7,500	(1,094)	6,406	6,038	368
	<u>765,302</u>	<u>262,414</u>	<u>1,027,716</u>	<u>1,006,399</u>	<u>21,317</u>
Total Support Services School Administration					

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	\$ 328,916	\$ 68,988	\$ 397,904	\$ 394,490	\$ 3,414
Purchased Professional Services	1,400	(491)	909	752	157
Purchased Technical Services	5,470	49	5,519	5,500	19
Miscellaneous Purchased Services	1,500	-	1,500	970	530
Supplies and Materials	2,000	11,200	13,200	4,542	8,658
Interest on Current Loans	1,653	-	1,653	1,652	1
Miscellaneous Expenditures	1,340	-	1,340	1,240	100
	<u>342,279</u>	<u>79,746</u>	<u>422,025</u>	<u>409,146</u>	<u>12,879</u>
Total Central Services					
Admin. Information Technology					
Salaries	30,155	-	30,155	30,155	-
Purchased Professional Services	8,000	-	8,000	190	7,810
Purchased Technical Services	25,480	(757)	24,723	19,936	4,787
Other Purchased Services	11,500	-	11,500	8,743	2,757
Supplies and Materials	500	-	500	500	500
Other Objects	1,000	-	1,000	905	95
	<u>76,635</u>	<u>(757)</u>	<u>75,878</u>	<u>59,929</u>	<u>15,949</u>
Total Admin. Information Technology					
Required Maintenance for School Facilities					
Salaries	275,865	(28,658)	247,207	235,838	11,369
Cleaning, Repair and Maintenance Services	100,000	163,956	263,956	165,173	98,783
General Supplies	30,000	4,075	34,075	32,073	2,002
	<u>405,865</u>	<u>139,373</u>	<u>545,238</u>	<u>433,084</u>	<u>112,154</u>
Total Required Maintenance for School Facilities					
Custodial Services					
Salaries	511,650	(100)	511,550	501,224	10,326
Salaries of Non-Instructional Aides	128,000	10,165	138,165	135,593	2,572
Purchased Professional and Technical Services	42,445	(2,611)	39,834	39,288	546
Cleaning, Repair and Maintenance Services	68,850	3,593	72,443	67,281	5,162
Other Purchased Property Services	20,000	(2,244)	17,756	17,295	461
Insurance	105,000	5,871	110,871	110,871	-
General Supplies	37,000	7,589	44,589	44,459	130
Energy (Natural Gas)	115,000	(22,701)	92,299	90,266	2,033
Energy (Electricity)	165,000	3,915	168,915	168,915	-
Other Objects	350	225	575	575	-
	<u>1,193,295</u>	<u>3,702</u>	<u>1,196,997</u>	<u>1,175,767</u>	<u>21,230</u>
Total Custodial Services					
Security					
Salaries	50,000	2,000	52,000	52,000	-
Purchased Professional and Technical Services	14,650	2,914	17,564	17,564	-
General Supplies	-	1,784	1,784	1,091	693
	<u>64,650</u>	<u>6,698</u>	<u>71,348</u>	<u>70,655</u>	<u>693</u>
Total Security					

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 60,000	\$ 24,735	\$ 84,735	\$ 79,490	\$ 5,245
Salaries for Pupil Transportation					
(Between Home and School)-Special Education	168,500	(16,968)	151,532	135,704	15,828
Cleaning, Repair and Maintenance Services	13,000	-	13,000	12,722	278
Lease Purchase Payments - School Buses	14,819	-	14,819	14,818	1
Contracted Services (Other than Between Home and School) - Vendors	20,650	-	20,650	18,270	2,380
Contracted Services (Between Home and School) - Joint Agreements	45,000	1,090	46,090	46,090	-
Contracted Services (Special Education Students) - Joint Agreements	140,000	175,089	315,089	314,745	344
Transportation Supplies	3,500	-	3,500	2,456	1,044
Other Objects	20,500	2,965	23,465	17,917	5,548
Total Student Transportation Services	<u>485,969</u>	<u>186,911</u>	<u>672,880</u>	<u>642,212</u>	<u>30,668</u>
Unallocated Benefits					
Group Insurance	5,650	(19)	5,631	5,631	-
Social Security Contributions	260,000	7,194	267,194	267,194	-
Other Retirement Contributions - PERS	320,000	4,790	324,790	324,790	-
Other Retirement Contributions - Regular	2,500	1,361	3,861	3,861	-
Workmen's Compensation	110,000	(5,914)	104,086	104,086	-
Health Benefits	3,783,058	(470,089)	3,312,969	3,272,896	40,073
Tuition Reimbursement	26,000	-	26,000	23,444	2,556
Other Employee Benefits	95,500	14,441	109,941	103,790	6,151
Total Unallocated Benefits	<u>4,602,708</u>	<u>(448,236)</u>	<u>4,154,472</u>	<u>4,105,692</u>	<u>48,780</u>
On-Behalf TPAF Normal & Accrued Liab. Contribution (Non-Budgeted)				1,652,434	(1,652,434)
On-behalf TPAF NCGI Premium Contribution				34,590	(34,590)
On-behalf TPAF Long Term Disability Insurance (Non-budgeted)				1,841	(1,841)
On-behalf TPAF Post-Retirement Medical Contributions (Non-budgeted)				765,232	(765,232)
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	679,309	(679,309)
Total On-Behalf Payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,133,406</u>	<u>(3,133,406)</u>
Total Undistributed Expenditures	<u>12,992,918</u>	<u>418,581</u>	<u>13,411,499</u>	<u>16,093,285</u>	<u>(2,681,786)</u>
Total Expenditures-Current Expense	<u>21,932,135</u>	<u>478,526</u>	<u>22,410,661</u>	<u>24,996,981</u>	<u>(2,586,320)</u>

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	\$ 500	-	\$ 500	-	\$ 500
Equipment					
Undistributed Expend- Required Maintenance	-	\$ 3,835	3,835	\$ 3,835	-
Total Equipment	-	3,835	3,835	3,835	-
Facilities Acq. And Construction Services					
Other Purchased Professional and Technical Services	34,700	(34,700)			-
Construction Services	265,300	34,700	300,000	8,224	291,776
Other Objects-Debt Service Assessment	22,775	-	22,775	22,775	-
Total Facilities Acq. And Contr. Services	322,775	-	322,775	30,999	291,776
Total Capital Outlay	323,275	3,835	327,110	34,834	292,276
SPECIAL SCHOOLS					
Adult Education - Local - Instruction					
Salaries of Teachers	112,000	-	112,000	89,282	22,718
Purchased Professional and Technical Services	148,500	(15,167)	133,333	127,688	5,645
Other Purchased Services	266,500	95,000	361,500	335,054	26,446
General Supplies	6,000	-	6,000	3,301	2,699
Textbooks	3,000	-	3,000		3,000
Other Objects	100	-	100	-	100
Total Adult Education - Local - Instruction	536,100	79,833	615,933	555,325	60,608
Adult Education - Local - Support Services					
Salaries	123,000	15,167	138,167	138,167	-
Personal Services-Employee Benefits	75,300	-	75,300	73,549	1,751
Total Adult Education - Local - Support Services	198,300	15,167	213,467	211,716	1,751
Total Special Schools	734,400	95,000	829,400	767,041	62,359
Total Expenditures	22,989,810	577,361	23,567,171	25,798,856	(2,231,685)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(785,946)	(577,361)	(1,363,307)	284,494	1,647,801
Other Financing Sources (Uses)					
Transfers Out	-	(279,876)	(279,876)	(279,876)	-
Total Other Financing Sources (Uses)	-	(279,876)	(279,876)	(279,876)	-

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ (785,946)	\$ (857,237)	\$ (1,643,183)	\$ 4,618	\$ 1,647,801
Fund Balances, Beginning of Year	<u>2,618,917</u>	<u>-</u>	<u>2,618,917</u>	<u>2,618,917</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,832,971</u>	<u>\$ (857,237)</u>	<u>\$ 975,734</u>	<u>\$ 2,623,535</u>	<u>\$ 1,647,801</u>
<u>Recapitulation of Fund Balance</u>					
Restricted Fund Balance					
Capital Reserve				\$ 460,983	
Capital Reserve - Designated for Subsequent Year's Budget (2019/20 Budget)				300,000	
Adult Education Programs				185,340	
Adult Education Program - Designated for Subsequent Year's Budget (2019/20 Budget)				59,735	
Excess Surplus - Designated for Subsequent Year's Budget (2019/20 Budget)				325,000	
Excess Surplus				300,000	
Committed Fund Balance					
Year-End Encumbrances				98,600	
Assigned Fund Balance					
Year-End Encumbrances				46,774	
Unassigned Fund Balance				<u>847,103</u>	
				2,623,535	
Reconciliation to Governmental Fund Statement (GAAP)					
State Aid Payments Not Recognized on GAAP Basis				(39,881)	
Extraordinary Aid Payment Not Recognized on GAAP Basis				<u>(388,196)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 2,195,458</u>	

**MIDLAND PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
Local		\$ 22,946	\$ 22,946	\$ 22,812	\$ (134)
State	\$ 176,447	98,340	274,787	176,909	(97,878)
Federal	340,675	87,580	428,255	360,150	(68,105)
	<u>517,122</u>	<u>208,866</u>	<u>725,988</u>	<u>559,871</u>	<u>(166,117)</u>
EXPENDITURES					
Instruction					
Salaries		26,486	26,486	14,504	11,982
Purchased Prof. and Technical Services		7,221	7,221	4,325	2,896
Other Purchased Services	217,487	(18,699)	198,788	196,948	1,840
General Supplies	129,078	(58,032)	71,046	26,174	44,872
Textbooks	8,721	944	9,665	9,658	7
Other Objects	-	439	439	-	439
	<u>355,286</u>	<u>(41,641)</u>	<u>313,645</u>	<u>251,609</u>	<u>62,036</u>
Support Services					
Salaries				-	-
Employee Benefits		1,993	1,993	1,076	917
Purchased Professional/Technical Svcs.		161,099	161,099	123,492	37,607
Purchased Professional/Educational Svcs.	149,416	41,668	191,084	132,633	58,451
Other Purchased Services		545	545	545	-
General Supplies	12,420	45,202	57,622	50,516	7,106
	<u>161,836</u>	<u>250,507</u>	<u>412,343</u>	<u>308,262</u>	<u>104,081</u>
Total Expenditures	<u>517,122</u>	<u>208,866</u>	<u>725,988</u>	<u>559,871</u>	<u>166,117</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2019**

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>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 26,083,350	\$ 559,871
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, 2018		1,998
Extraordinary aid payments recognized for GAAP purpose not recognized for budgetary statements (2017/2018 State aid)	428,291	
State aid and Extraordinary aid payments recognized for budgetary purpose not recognized for GAAP statements (2018/2019 State aid)	<u>(428,077)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 26,083,564</u>	<u>\$ 561,869</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 25,798,856	\$ 559,871
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, 2018	<u>-</u>	<u>1,998</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 25,798,856</u>	<u>\$ 561,869</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POSTEMPLOYMENT BENEFITS INFORMATION

**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 Six Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03147%	0.03055%	0.02777%	0.02722%	0.02596%	0.02324%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 6,196,171</u>	<u>\$ 7,110,920</u>	<u>\$ 8,223,354</u>	<u>\$ 6,109,692</u>	<u>\$ 4,861,274</u>	<u>\$ 4,442,294</u>
District's Covered Payroll	<u>\$ 2,328,180</u>	<u>\$ 2,146,732</u>	<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 Payroll	266%	331%	407%	328%	271%	262%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	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 Six Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 313,019	\$ 282,988	\$ 246,665	\$ 233,994	\$ 214,048	\$ 175,135
Contributions in Relation to the Contractually Required Contribution	<u>313,019</u>	<u>282,988</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 2,283,079</u>	<u>\$ 2,328,180</u>	<u>\$ 2,146,732</u>	<u>\$ 2,021,935</u>	<u>\$ 1,860,340</u>	<u>\$ 1,791,926</u>
Contributions as a Percentage of Covered Payroll	13.71%	12.15%	11.49%	11.57%	11.51%	9.77%

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 Six Fiscal Years*

	<u>2019</u>	<u>2018</u>	<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%	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>\$ 52,341,484</u>	<u>\$ 54,045,652</u>	<u>\$ 62,258,043</u>	<u>\$ 52,884,457</u>	<u>\$ 43,394,304</u>	<u>\$ 41,140,249</u>
Total	<u>\$ 52,341,484</u>	<u>\$ 54,045,652</u>	<u>\$ 62,258,043</u>	<u>\$ 52,884,457</u>	<u>\$ 43,394,304</u>	<u>\$ 41,140,249</u>
District's Covered Payroll	<u>\$ 9,517,146</u>	<u>\$ 8,898,145</u>	<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 Payroll	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%	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, 2019**

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.

**MIDLAND PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Two Fiscal Years*

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 1,615,963	\$ 1,957,283
Interest on Total OPEB Liability	1,585,359	1,365,742
Differences between Expected and Actual Experiences	(3,784,849)	
Changes of Assumptions	(4,282,216)	(5,700,110)
Gross Benefit Payments	(997,821)	(990,155)
Contribution from the Member	<u>34,486</u>	<u>36,460</u>
Net Change in Total OPEB Liability	(5,829,078)	(3,330,780)
Total OPEB Liability - Beginning	<u>43,145,237</u>	<u>46,476,017</u>
Total OPEB Liability - Ending	<u>\$ 37,316,159</u>	<u>\$ 43,145,237</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>37,316,159</u>	<u>43,145,237</u>
Total OPEB Liability - Ending	<u>\$ 37,316,159</u>	<u>\$ 43,145,237</u>
District's Covered Payroll	<u>\$ 11,845,326</u>	<u>\$ 11,044,877</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*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. 75. 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 CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

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, 2019**

	<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 2018/19</u>
REVENUES							
Intergovernmental							
Local						\$ 22,812	\$ 22,812
State	\$ 9,658	\$ 18,137			\$ 121,064	28,050	176,909
Federal	-	-	\$ 21,057	\$ 235,323	74,169	29,601	360,150
Total Revenues	<u>\$ 9,658</u>	<u>\$ 18,137</u>	<u>\$ 21,057</u>	<u>\$ 235,323</u>	<u>\$ 195,233</u>	<u>\$ 80,463</u>	<u>\$ 559,871</u>
EXPENDITURES							
Instruction							
Salaries of Teachers					\$ 14,070	\$ 434	\$ 14,504
Purchased Prof. and Technical Services					-	4,325	4,325
Other Purchased Services				\$ 196,948		-	196,948
General Supplies			\$ 9,257		12,276	4,641	26,174
Textbooks	\$ 9,658	-	-	-	-	-	9,658
Total Instruction	<u>9,658</u>	<u>-</u>	<u>9,257</u>	<u>196,948</u>	<u>26,346</u>	<u>9,400</u>	<u>251,609</u>
Support Services							
Employee Benefits					1,076	-	1,076
Purchased Prof. And Technical Svcs.			11,800	38,375	53,114	20,203	123,492
Purchased Prof. - Educational Svc		\$ 17,937			114,697	-	132,634
Other Purchased Services						545	545
General Supplies	-	200	-	-	-	50,315	50,515
Total Support Services	<u>-</u>	<u>18,137</u>	<u>11,800</u>	<u>38,375</u>	<u>168,887</u>	<u>71,063</u>	<u>308,262</u>
Total Expenditures	<u>\$ 9,658</u>	<u>\$ 18,137</u>	<u>\$ 21,057</u>	<u>\$ 235,323</u>	<u>\$ 195,233</u>	<u>\$ 80,463</u>	<u>\$ 559,871</u>

MIDLAND PARK BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<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>			
REVENUES									
Intergovernmental									
State	\$ 34,179	\$ 3,020	\$ 15,810	\$ 11,181	\$ 17,652	\$ 32,855	\$ 6,367		\$ 121,064
Federal	-	-	-	-	-	-	-	\$ 74,169	74,169
Total Revenues	<u>\$ 34,179</u>	<u>\$ 3,020</u>	<u>\$ 15,810</u>	<u>\$ 11,181</u>	<u>\$ 17,652</u>	<u>\$ 32,855</u>	<u>\$ 6,367</u>	<u>\$ 74,169</u>	<u>\$ 195,233</u>
EXPENDITURES									
Instruction									
Salaries of Teachers								\$ 14,070	\$ 14,070
Salaries of Other Professional Staff									
Other Salaries for Instruction									
Purchased Prof. & Tech. Svcs.									
Other Purchased Services									
General Supplies	-	-	-	-	-	-	\$ 6,367	5,909	12,276
Total Instruction	-	-	-	-	-	-	6,367	19,979	26,346
Support Services									
Employee Benefits								1,076	1,076
Purchased Prof. - Educational Svc	\$ 34,179	\$ 3,020	\$ 15,810	\$ 11,181	\$ 17,652	\$ 32,855			114,697
Purchased Prof. and Technical Svcs.	-	-	-	-	-	-	-	53,114	53,114
Total Support Services	<u>34,179</u>	<u>3,020</u>	<u>15,810</u>	<u>11,181</u>	<u>17,652</u>	<u>32,855</u>	<u>-</u>	<u>54,190</u>	<u>168,887</u>
Total Expenditures	<u>\$ 34,179</u>	<u>\$ 3,020</u>	<u>\$ 15,810</u>	<u>\$ 11,181</u>	<u>\$ 17,652</u>	<u>\$ 32,855</u>	<u>\$ 6,367</u>	<u>\$ 74,169</u>	<u>\$ 195,233</u>

**MIDLAND PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Title IIA</u>	<u>Nonpublic Security Aid</u>	<u>Local Donations</u>	<u>Title IV</u>	<u>Total</u>
REVENUES					
Intergovernmental					
Local			\$ 22,812		\$ 22,812
State		\$ 28,050			28,050
Federal	\$ 19,232	-	-	\$ 10,369	29,601
Total Revenues	<u>\$ 19,232</u>	<u>\$ 28,050</u>	<u>\$ 22,812</u>	<u>\$ 10,369</u>	<u>\$ 80,463</u>
 EXPENDITURES					
Instruction					
Salaries			\$ 434		\$ 434
Purchased Prof. and Technical Services				\$ 4,325	4,325
Other Purchased Services					-
General Supplies				4,641	4,641
Other Objects	-	-	-	-	-
Total Instruction	<u>-</u>	<u>-</u>	<u>434</u>	<u>8,966</u>	<u>9,400</u>
Support Services					
Purchased Prof. and Technical Svcs.	\$ 18,800			1,403	20,203
Purchased Prof. - Educational Svc				-	-
Other Purchased Services			545		545
General Supplies	432	\$ 28,050	21,833	-	50,315
Total Support Services	<u>19,232</u>	<u>28,050</u>	<u>22,378</u>	<u>1,403</u>	<u>71,063</u>
Total Expenditures	<u>\$ 19,232</u>	<u>\$ 28,050</u>	<u>\$ 22,812</u>	<u>\$ 10,369</u>	<u>\$ 80,463</u>

**MIDLAND PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019**

<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Adjustment- SDA Grants</u>	<u>Federal Reimbursement Grant</u>	<u>Expenditures to Date Prior Years</u>	<u>Expenditures</u>	<u>Balance June 30, 2019</u>
Various Improvements and Renovations to Midland Park High School and Highland/Godwin School	\$ 11,596,307	\$ (137,011)	\$ 60,000	\$ 9,717,861	\$ 1,731,150	\$ 70,285
Godwin School Entrance Modification	134,160		-	5,311	23,088	105,761
Door Replacement Project	<u>279,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,998</u>	<u>263,878</u>
	<u>\$ 12,010,343</u>	<u>\$ (137,011)</u>	<u>\$ 60,000</u>	<u>\$ 9,723,172</u>	<u>\$ 1,770,236</u>	<u>\$ 439,924</u>
						<u>\$ 439,924</u>

Reconciliation of Fund Balance

Restricted	
Year-End Encumbrances	\$ 357,919
Available for Capital Projects	<u>82,005</u>
Total Fund Balance- Restricted for Capital Projects	<u>\$ 439,924</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, 2019**

Revenues and Other Financing Sources	
Transfer from Capital Reserve	\$ <u>279,876</u>
Total Revenues and Other Financing Sources	<u>279,876</u>
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	\$ 41,798
Supplies	8,972
Construction Services	1,719,466
SDA Grants Balances Cancelled	<u>137,011</u>
Total Expenditures and Other Financing Uses	<u>1,907,247</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(1,627,371)
Fund Balance- Beginning of Year	<u>2,067,295</u>
Fund Balance - End of Year	<u>\$ 439,924</u>

**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 AND GODWIN ELEMENTARY SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Period</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 8,500,000		\$ 8,500,000	\$ 8,500,000
State Sources- SDA Grants	2,859,807	\$ (137,011)	2,722,796	2,722,796
Federal Sources	60,000		60,000	60,000
Transfers from Capital Reserve	236,500	-	236,500	236,500
	<u>11,656,307</u>	<u>(137,011)</u>	<u>11,519,296</u>	<u>11,519,296</u>
Expenditures and Other Financing Uses				
Expenditures				
Purchased Professional and Technical Services	1,326,149	18,750	1,344,899	1,344,899
Construction Services	8,391,712	1,712,400	10,104,112	10,174,397
	<u>9,717,861</u>	<u>1,731,150</u>	<u>11,449,011</u>	<u>11,519,296</u>
Excess (Deficiency) of Revenues and Other Financing Sources				
Over Expenditures and Other Financing Uses	<u>\$ 1,938,446</u>	<u>\$ (1,868,161)</u>	<u>\$ 70,285</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers	3170-050-14-1001-G04		<u>State Share</u> \$ 1,299,600	
	3170-050-14-1002-G04		164,695	
	3170-070-14-1003-G04		<u>1,258,501</u>	
Grant Date	2/24/2014			
Bond Authorization Date	1/15/2015		<u>\$ 2,722,796</u>	
Proceeds Issued	\$ 8,500,000			
Original Authorized Cost	\$ 11,509,807			
Revised Authorized Cost	\$ 11,519,296			
Percentage Increase Over Original Authorized Cost	1.2%			
Percentage Completion	99%			
Original Target Completion Date	2018/2019			
Revised Target Completion Date	2019/2020			

**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, 2019**

	<u>Prior Period</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfers from Capital Reserve	\$ 134,160	-	\$ 134,160	\$ 134,160
Total Revenues and Other Financing Sources	<u>134,160</u>	<u>-</u>	<u>134,160</u>	<u>134,160</u>
Expenditures and Other Financing Uses				
Expenditures				
Purchased Professional and Technical Services	5,311	\$ 7,473	12,784	12,783
Supplies		8,972	8,972	9,022
Construction Services	-	6,643	6,643	112,355
Total Expenditures and Other Financing Uses	<u>5,311</u>	<u>23,088</u>	<u>28,399</u>	<u>134,160</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 128,849</u>	<u>\$ (23,088)</u>	<u>\$ 105,761</u>	<u>\$ -</u>
Additional Project Information:				
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		21%		
Original Target Completion Date		2017/2018		
Revised Target Completion Date		2019/2020		

**MIDLAND PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
DOOR REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Period</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfers from Capital Reserve	\$ -	\$ 279,876	\$ 279,876	\$ 279,876
Total Revenues and Other Financing Sources	<u>-</u>	<u>279,876</u>	<u>279,876</u>	<u>279,876</u>
Expenditures and Other Financing Uses				
Expenditures				
Purchased Professional and Technical Services	-	13,433	13,433	34,700
Construction Services	-	2,565	2,565	245,176
Total Expenditures and Other Financing Uses	<u>-</u>	<u>15,998</u>	<u>15,998</u>	<u>279,876</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 263,878</u>	<u>\$ 263,878</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Proceeds Issued	N/A			
Original Authorized Cost	\$	279,876		
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	6%			
Original Target Completion Date	2019/2020			

PROPRIETARY FUNDS

NOT APPLICABLE

FIDUCIARY FUNDS

**MIDLAND PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2019**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 188,157	\$ 54,355	\$ 242,512
Due from Other Funds	<u> -</u>	<u> 4,670</u>	<u> 4,670</u>
 Total Assets	 <u>\$ 188,157</u>	 <u>\$ 59,025</u>	 <u>\$ 247,182</u>
 LIABILITIES			
Payroll Deductions and Withholdings		\$ 45,346	\$ 45,346
Accrued Salaries and Wages		1,060	1,060
Reserve for Flexible Spending (Sect. 125) Plan		12,619	12,619
Due to Other Funds	\$ 133		133
Due to Student Groups	<u>188,024</u>	<u> -</u>	<u>188,024</u>
 Total Liabilities	 <u>\$ 188,157</u>	 <u>\$ 59,025</u>	 <u>\$ 247,182</u>

**MIDLAND PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
AS OF JUNE 30, 2019**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**MIDLAND PARK BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance</u> <u>July 1, 2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance,</u> <u>June 30, 2019</u>
ASSETS				
Cash and Cash Equivalents	\$ 205,241	\$ 318,991	\$ 336,075	\$ 188,157
Total Assets	<u>\$ 205,241</u>	<u>\$ 318,991</u>	<u>\$ 336,075</u>	<u>\$ 188,157</u>
LIABILITIES				
ELEMENTARY SCHOOLS				
Student activity	\$ 33,115	\$ 14,846	\$ 38,637	\$ 9,324
Due to Other Funds		21,967	21,834	133
HIGH SCHOOL				
Student activity	<u>172,126</u>	<u>282,178</u>	<u>275,604</u>	<u>178,700</u>
	<u>\$ 205,241</u>	<u>\$ 318,991</u>	<u>\$ 336,075</u>	<u>\$ 188,157</u>

**MIDLAND PARK BOARD OF EDUCATION
PAYROLL AGENCY FUND
STATEMENT OF ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>June 30, 2019</u>
ASSETS				
Cash and Cash Equivalents	\$ 64,250	\$ 15,108,067	\$ 15,117,962	\$ 54,355
Due from Other Funds	<u>1,250</u>	<u>4,670</u>	<u>1,250</u>	<u>4,670</u>
 Total Assets	 <u>\$ 65,500</u>	 <u>\$ 15,112,737</u>	 <u>\$ 15,119,212</u>	 <u>\$ 59,025</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 52,457	\$ 6,757,945	\$ 6,765,056	\$ 45,346
Accrued Salaries and Wages	435	8,326,930	8,326,305	1,060
Reserve for Flexible Spending (Sect. 125) Plan	11,848	27,862	27,091	12,619
Due to Other Funds	<u>760</u>	<u>-</u>	<u>760</u>	<u>-</u>
 Total Liabilities	 <u>\$ 65,500</u>	 <u>\$ 15,112,737</u>	 <u>\$ 15,119,212</u>	 <u>\$ 59,025</u>

LONG-TERM DEBT

**MIDLAND PARK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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<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, 2018</u>	<u>Retired</u>	<u>Balance, June 30, 2019</u>
			<u>Date</u>	<u>Amount</u>				
2012 Refunding Bonds	3/28/2012	\$ 3,695,000	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	\$ 2,290,000	\$ 360,000	\$ 1,930,000
2015 School Bonds	2/5/2015	8,500,000	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>7,645,000</u>	<u>315,000</u>	<u>7,330,000</u>
						<u>\$ 9,935,000</u>	<u>\$ 675,000</u>	<u>\$ 9,260,000</u>
							Paid by Budget Appropriation	<u>\$ 675,000</u>

**MIDLAND PARK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2018</u>	<u>Retired</u>	<u>Balance, June 30, 2019</u>
Lease Purchase-School Bus	2.599%	\$ 77,900	\$ 61,696	\$ 14,818	\$ 46,878
			<u>\$ 61,696</u>	<u>\$ 14,818</u>	<u>\$ 46,878</u>
				Paid by Budget Appropriation	<u>\$ 14,818</u>

**MIDLAND PARK BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 918,388	-	\$ 918,388	\$ 918,388	-
Total Revenues	<u>918,388</u>	<u>-</u>	<u>918,388</u>	<u>918,388</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Principal on Bonds	675,000		675,000	675,000	
Interest on Bonds	257,675	-	257,675	257,675	-
Total Expenditures	<u>932,675</u>	<u>-</u>	<u>932,675</u>	<u>932,675</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(14,287)</u>	<u>-</u>	<u>(14,287)</u>	<u>(14,287)</u>	<u>-</u>
Net Change in Fund Balance	<u>(14,287)</u>	<u>-</u>	<u>(14,287)</u>	<u>(14,287)</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>14,287</u>	<u>-</u>	<u>14,287</u>	<u>14,287</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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)

	Fiscal Year Ended June 30.									
	2010	2011	2012 (Restated)	2013	2014 (Restated)	2015	2016	2017 (Restated)	2018	2019
Governmental Activities										
Net Investment in Capital Assets	\$ 2,958,287	\$ 2,890,629	\$ 3,734,127	\$ 3,978,371	\$ 5,850,681	\$ 5,436,490	\$ 6,957,794	\$ 12,872,361	\$ 12,975,747	\$ 12,474,404
Restricted	203,147	351,875	966,860	1,030,055	1,125,760	1,518,161	943,530	950,806	1,130,708	1,375,697
Unrestricted	580,254	1,284,612	1,276,874	1,594,958	(2,983,237)	(2,925,558)	(2,736,476)	(4,216,835)	(5,247,417)	(5,553,340)
Total governmental activities net position	\$ 3,741,688	\$ 4,527,116	\$ 5,977,861	\$ 6,603,384	\$ 3,993,204	\$ 4,029,093	\$ 5,164,848	\$ 9,606,332	\$ 8,859,038	\$ 8,296,761
Business-Type Activities										
Investment in Capital Assets	\$ 11,787	\$ 9,793	\$ 61,733	\$ 53,102	\$ 50,501	\$ 39,561	\$ 42,166	\$ 64,508	\$ 64,408	\$ 73,841
Restricted										
Unrestricted	51,303	66,196	78,731	79,357	75,320	74,201	69,014	91,244	108,754	99,221
Total Business-Type Activities Net Position	\$ 63,090	\$ 75,989	\$ 140,464	\$ 132,459	\$ 125,821	\$ 113,762	\$ 111,180	\$ 155,752	\$ 173,162	\$ 173,062
District-Wide										
Net Investment in Capital Assets	\$ 2,970,074	\$ 2,900,422	\$ 3,795,860	\$ 4,031,473	\$ 5,901,182	\$ 5,476,051	\$ 6,999,960	\$ 12,936,869	\$ 13,040,155	\$ 12,548,245
Restricted	203,147	351,875	966,860	1,030,055	1,125,760	1,518,161	943,530	950,806	1,130,708	1,375,697
Unrestricted	631,557	1,350,808	1,355,605	1,674,315	(2,907,917)	(2,851,357)	(2,667,462)	(4,125,591)	(5,138,663)	(5,454,119)
Total District Net Position	\$ 3,804,778	\$ 4,603,105	\$ 6,118,325	\$ 6,735,843	\$ 4,119,025	\$ 4,142,855	\$ 5,276,028	\$ 9,762,084	\$ 9,032,200	\$ 8,469,823

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".

⊗ Note 3- Net Position at June 30, 2017 restated for updated capital asset and accumulated depreciation values.

Source: District financial statements

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

	Fiscal Year Ended June 30.									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities										
Instruction										
Regular	\$ 7,464,207	\$ 6,901,491	\$ 7,688,003	\$ 8,084,461	\$ 7,938,421	\$ 9,804,531	\$ 10,844,538	\$ 12,073,475	\$ 12,408,806	\$ 11,480,682
Special education	4,393,254	4,774,144	4,419,116	4,587,358	4,501,769	5,193,170	5,290,136	5,921,928	6,400,761	6,334,943
Other instruction										
School Sponsored Activities and Athletics	646,706	538,492	584,681	670,894	669,528	759,684	839,587	968,669	999,843	969,669
Other	433,849	337,381	726,031	633,752	671,286	886,952	858,751	802,493	894,828	976,699
Support Services:										
Student & instruction related services	3,270,124	2,838,277	2,894,049	2,823,942	2,887,818	3,310,290	3,554,681	3,767,826	4,370,983	4,187,409
General and Business Admin/Central Svcs.	1,061,754	1,162,374	1,230,311	1,209,666	1,194,263	1,322,919	1,178,620	1,338,159	1,474,254	1,370,557
School Administration services	1,062,906	1,000,521	1,074,035	1,195,229	1,167,881	1,386,281	1,535,538	1,762,734	1,858,822	1,757,201
Plant operations and maintenance	1,649,030	1,521,540	1,672,952	1,724,253	1,895,075	1,834,810	1,901,845	2,347,506	2,278,130	2,435,986
Pupil transportation	601,594	565,859	545,018	560,515	545,022	539,909	589,466	509,474	602,110	755,706
Interest on long-term debt	201,294	198,631	154,502	122,852	107,932	194,909	388,045	197,330	260,275	252,176
Total governmental activities expenses	20,784,718	19,838,710	20,988,698	21,612,922	21,578,995	25,234,455	26,981,227	29,689,594	31,548,812	30,519,028
Business-type activities:										
Food service	322,503	305,068	340,708	339,638	332,467	326,525	372,199	390,965	386,879	425,642
Total business-type activities expense	322,503	305,068	340,708	339,638	332,467	326,525	372,199	390,965	386,879	425,642
Total district expenses	\$ 21,107,221	\$ 20,143,778	\$ 21,329,406	\$ 21,952,560	\$ 21,911,462	\$ 25,560,980	\$ 27,353,426	\$ 30,080,559	\$ 31,935,691	\$ 30,944,670
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 2,624		\$ 27,700	\$ 26,482	\$ 25,644	\$ 31,195	\$ 29,875	\$ 46,397	\$ 40,750	\$ 63,242
Adult education	626,761	\$ 561,131	631,163	553,341	529,773	708,635	672,598	637,458	702,619	841,396
Operating grants and contributions	2,974,870	1,891,083	2,554,206	2,889,511	2,654,539	4,834,961	5,875,726	7,546,882	8,775,232	7,158,857
Capital grants and contributions						278,254	1,160,454	1,480,801	31,771	25,710
Total governmental activities program revenues	3,604,255	2,452,214	3,213,069	3,469,334	3,209,956	5,853,045	7,738,633	9,711,538	9,550,372	8,089,205
Business-type activities:										
Charges for services:										
Food service	280,468	259,182	277,845	255,620	247,855	239,912	283,963	301,684	314,309	325,257
Operating grants and contributions	52,809	58,513	70,470	75,845	77,687	74,471	85,579	94,894	89,773	99,459
Total business type activities program revenues	333,277	317,695	348,315	331,465	325,542	314,383	369,542	396,578	404,082	424,716
Total district program revenues	\$ 3,937,532	\$ 2,769,909	\$ 3,561,384	\$ 3,800,799	\$ 3,535,498	\$ 6,167,428	\$ 8,108,195	\$ 10,108,116	\$ 9,954,454	\$ 8,513,921
Net (Expense)/Revenue										
Governmental activities	\$ (17,180,465)	\$ (17,386,496)	\$ (17,775,629)	\$ (18,143,588)	\$ (18,369,039)	\$ (19,381,410)	\$ (19,242,574)	\$ (19,978,056)	\$ (21,998,440)	\$ (22,429,823)
Business-type activities	10,774	12,627	7,607	(8,173)	(6,925)	(12,142)	(2,657)	5,613	17,203	(926)
Total district-wide net expense	\$ (17,169,689)	\$ (17,373,869)	\$ (17,768,022)	\$ (18,151,761)	\$ (18,375,964)	\$ (19,393,552)	\$ (19,245,231)	\$ (19,972,443)	\$ (21,981,237)	\$ (22,430,749)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 16,171,595	\$ 16,818,459	\$ 17,154,828	\$ 17,497,925	\$ 18,802,959	\$ 18,204,842	\$ 18,705,258	\$ 19,079,363	\$ 19,533,118	\$ 20,021,446
Property Taxes levied for debt service	451,509	450,990	450,059	423,524	423,472	415,162	910,587	911,236	922,370	918,388
Unrestricted grants and contributions	136,320	77,936	30,576	34,660	30,576	34,980	35,320	33,651	33,593	34,612
Investment earnings	40,282	14,723	8,397	8,256	3,511	7,234	4,712	20,329	11,960	28,664
Miscellaneous income	732,671	809,816	799,462	808,830	936,551	755,081	722,452	655,332	750,105	864,436
Loss on Disposal of Capital Assets										
Transfers										
Total governmental activities	17,532,377	18,171,924	18,412,746	18,769,111	20,201,153	19,417,299	20,378,329	20,699,911	21,251,146	21,867,546
Business-type activities:										
Investment Earnings	620	272	179	168	287	83	75	76	207	826
Transfers										
Total business-type activities	620	272	179	168	287	83	75	76	207	826
Total district-wide	\$ 17,532,997	\$ 18,172,196	\$ 18,412,925	\$ 18,769,279	\$ 20,201,440	\$ 19,417,382	\$ 20,378,404	\$ 20,699,987	\$ 21,251,353	\$ 21,868,372
Change in Net Position										
Governmental activities	\$ 351,914	\$ 785,428	\$ 637,117	\$ 625,523	\$ 1,832,114	\$ 35,889	\$ 1,135,755	\$ 721,855	\$ (747,294)	\$ (562,277)
Business-type activities	11,394	12,899	7,786	(8,005)	(6,638)	(12,059)	(2,582)	5,689	17,410	(100)
Total district	\$ 363,308	\$ 798,327	\$ 644,903	\$ 617,518	\$ 1,825,476	\$ 23,830	\$ 1,133,173	\$ 727,544	\$ (729,884)	\$ (562,377)

Source: District financial statements

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 889,847									
Unreserved	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	\$ 1,687,572	\$ 1,631,058
Committed		214,375	267,345	493,776	267,213	-	1,099,894	424,924		98,600
Assigned		278,788	332,789	138,120	255,094	750,726	239,122	143,643	100,839	46,774
Unassigned		376,893	357,065	371,248	390,357	371,735	381,585	402,424	402,215	419,026
Total general fund	<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>	<u>\$ 2,190,626</u>	<u>\$ 2,195,458</u>
All Other Governmental Funds										
Reserved										
Unreserved	\$ 197									
Nonspendable										
Restricted		\$ 197	\$ 197	\$ 185,233	\$ 9,088	\$ 7,824,556	\$ 5,184,166	\$ 2,165,687	\$ 2,055,872	\$ 439,924
Committed										
Assigned										
Unassigned										
Total all other governmental funds	<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>	<u>\$ 2,055,872</u>	<u>\$ 439,924</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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Property Tax levy	\$ 16,623,104	\$ 17,269,449	\$ 17,604,887	\$ 17,921,449	\$ 19,226,431	\$ 18,620,004	\$ 19,615,845	\$ 19,990,599	\$ 20,455,488	\$ 20,939,834
Tuition charges	2,624					31,195	29,875	46,397	40,750	63,242
Miscellaneous	1,452,435	1,402,226	1,509,910	1,404,173	1,496,862	1,470,950	1,401,021	1,313,245	1,464,684	1,757,308
State sources	2,487,932	1,540,475	2,142,303	2,574,234	2,375,839	2,975,866	4,055,059	4,832,728	4,017,416	4,466,999
Federal sources	570,537	411,988	368,715	338,589	311,977	289,671	419,750	405,495	396,212	362,148
Total revenue	21,136,632	20,624,138	21,625,815	22,238,445	23,411,109	23,387,686	25,521,550	26,588,464	26,374,550	27,589,531
Expenditures										
Instruction										
Regular Instruction	7,680,945	7,153,897	7,479,148	7,884,907	7,742,389	8,086,962	8,694,063	9,209,223	9,512,086	9,691,310
Special education instruction	4,351,749	4,730,555	4,373,319	4,526,493	4,464,400	4,644,281	4,596,055	4,911,320	5,329,303	5,732,392
Other instruction			708,818	658,391	658,817	831,109	758,385	683,099	766,767	903,717
School sponsored activities and athletics	634,001	524,949	572,551	777,943	657,398	643,844	695,288	765,323	791,643	838,244
Support Services:										
Student & inst. related services	3,206,329	2,798,410	2,824,804	2,629,669	2,818,165	3,051,762	3,207,911	3,252,306	3,651,007	3,692,918
General Administration Services	470,720	518,720	497,309	509,185	536,758	501,429	510,788	504,226	560,163	570,329
School Administrative services	1,042,408	979,136	1,046,950	1,165,179	1,143,805	1,192,378	1,283,252	1,401,483	1,457,922	1,513,780
Business / Central Services	574,047	624,925	614,018	676,271	635,392	616,081	692,515	661,858	672,763	636,052
Plant operations and maintenance	1,628,801	1,500,746	1,654,691	1,699,994	1,870,816	1,757,337	1,782,408	2,148,118	2,002,056	2,230,875
Pupil transportation	598,848	562,851	540,975	556,472	540,979	522,680	558,202	462,610	535,513	710,360
Unallocated Employee benefits										
Capital outlay	183,282	213,455	234,690	614,394	1,923,905	1,446,206	4,074,043	5,346,153	701,269	1,731,525
Debt service:										
Principal	267,741	291,301	323,066	406,690	447,234	401,725	697,413	702,724	666,204	689,818
Interest and other charges	201,862	197,639	189,473	115,739	113,571	103,994	312,359	291,289	274,741	259,327
Cost of Issuance on Refunding Bonds			78,110							
Cost of Issuance Bonds						133,459	-			
Payment to Refunding Escrow Agent			216,625							
Total expenditures	20,840,733	20,096,584	21,354,547	22,221,327	23,553,629	23,933,247	27,862,682	30,339,732	26,921,437	29,200,647
Excess (Deficiency) of revenues over (under) expenditures	295,899	527,554	271,268	17,118	(142,520)	(545,561)	(2,341,132)	(3,751,268)	(546,887)	(1,611,116)
Other Financing sources (uses)										
Serial bonds issued			3,695,000			8,500,000	-			
Payments to Refunding Escrow Agent			(3,623,000)							
Premium on Issuance of Bonds			222,735			134,437	-			
Capital Lease issued		180,000	25,500		114,759	-	-			
Lease Purchase Proceeds				176,145	-	-	-		77,900	
Transfers in	21,440	3,150		197	211	154,439	2,105	238,947		279,876
Transfers out	(21,440)	(3,150)		(197)	(211)	(154,439)	(2,105)	(238,947)		(279,876)
Total other financing sources (uses)	-	180,000	320,235	176,145	114,759	8,634,437	-	-	77,900	-
Net Change in Fund Balances	\$ 295,899	\$ 707,554	\$ 591,503	\$ 193,263	\$ (27,761)	\$ 8,088,876	\$ (2,341,132)	\$ (3,751,268)	\$ (468,987)	\$ (1,611,116)
Debt service as a percentage of noncapital expenditures	2.27%	2.46%	2.43%	2.42%	2.59%	2.84%	4.24%	3.98%	3.59%	3.46%

Source: District financial statements

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)**

100	Fiscal Year Ended June 30,	Facility Charge	Tuition	Interest on Investments	Continuing Education Program Fees	Refunds	Rentals	Miscellaneous	Total
	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
	2018	732,064	40,750	11,960	702,619	5,398	1,228	11,415	1,505,434
	2019	848,304	63,242	28,664	841,396	8,517	801	6,814	1,797,738

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 ^a
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
2018	6,317,300	869,806,700	140,795,800	37,931,400	14,160,100	1,069,011,300	-	1,069,011,300	1,252,223,630	1.96
2019	7,060,100	871,583,400	140,890,500	37,931,400	14,160,100	1,071,625,500	-	1,071,625,500	1,264,345,838	1.99

Source: County Abstract of Ratables

N/A - Not Available

^a 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)**

<u>Calendar Year</u>	<u>Overlapping Rates</u>			<u>Total Direct and Overlapping Tax Rate</u>
	<u>Total Direct School Tax Rate</u>	<u>Municipality</u>	<u>County</u>	
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
2018	1.96	0.74	0.29	2.99
2019	1.99	0.76	0.29	3.04

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	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
UB Midland Park LLC	\$ 20,688,900	1.93%		
Mid Park, Hye Partners			\$ 16,178,400	1.87%
Marlow Park LLC	11,031,600	1.03%	10,313,800	1.19%
MW Midpark Grocery, LLC	9,849,500	0.92%	7,500,000	0.87%
Mature Environment	7,169,800	0.67%	6,400,000	0.74%
Henpal Realty Co	4,780,000	0.45%	4,000,000	0.46%
Vander Sterre Bros.	4,672,700	0.44%	3,200,000	0.37%
Oak Trail LLC	4,296,000	0.40%	4,038,100	0.47%
Tenastic, Inc.,	3,090,600	0.29%	2,662,500	0.31%
Texel Apartments, L.P.	3,306,900	0.31%	2,625,000	0.30%
The Kentshire Land LLC	3,381,900	0.32%	2,726,900	0.32%
	\$ 72,267,900	6.74%	\$ 59,644,700	6.90%

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	
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%	
2018	20,455,488	20,455,488	100.00%	
2019	20,939,834	20,939,834	100.00%	

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases/Lease Purchase	Grant Anticipation Notes (GANs)			
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	7,150	698
2012	4,265,000	184,882		4,449,882	7,192	619
2013	3,950,000	269,337		4,219,337	7,213	585
2014	3,635,000	251,862		3,886,862	7,233	537
2015	11,810,000	175,137		11,985,137	7,234	1,657
2016	11,210,000	77,724		11,287,724	7,252	1,556
2017	10,585,000			10,585,000	7,246	1,461
2018	9,935,000	61,696		9,996,696	7,274	1,374
2019	9,260,000	46,878		9,306,878	7,265	1,281

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,	<u>General Bonded Debt Outstanding</u>		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Debt	Deductions			
2010	\$ 3,950,000		\$ 3,950,000	0.46%	\$ 584
2011	4,463,000		4,463,000	0.52%	624
2012	4,265,000		4,265,000	0.40%	593
2013	3,950,000		3,950,000	0.37%	548
2014	3,635,000		3,635,000	0.34%	503
2015	11,810,000	\$ 4,439	11,805,561	1.11%	1,632
2016	11,210,000	6,544	11,203,456	1.05%	1,545
2017	10,585,000	16,392	10,568,608	0.99%	1,459
2018	9,935,000	14,287	9,920,713	0.93%	1,364
2019	9,260,000		9,260,000	0.86%	1,275

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, 2018
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Midland Park Board of Education	\$ 9,260,000	\$ 9,260,000	
Borough of Midland Park	<u>285,846</u>	<u>-</u>	\$ 285,846
	<u>\$ 9,545,846</u>	<u>\$ 9,260,000</u>	<u>285,846</u>
Overlapping Debt Apportioned to the Municipality:			
Bergen County:			
County of Bergen (A)			\$ 10,133,089
Northwest Bergen County Utilities Authority (B)			<u>1,683,593</u>
			<u>11,816,682</u>
Total Direct and Overlapping Debt			<u>\$ 12,102,528</u>

Source:

(1) Borough's 2018 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough of Midland Park by dividing the municipality's 2018 equalized value by the total 2018 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 2019

Equalized valuation basis	
2018	\$ 1,249,136,831
2017	1,239,468,855
2016	1,228,726,759
	<u>\$ 3,717,332,445</u>
Average equalized valuation of taxable property	<u>\$ 1,239,110,815</u>
Debt limit (4% of average equalization value)	49,564,433
Total Net Debt Applicable to Limit	9,260,000
Legal debt margin	<u>\$ 40,304,433</u>

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 52,483,634	\$ 52,395,585	\$ 51,536,771	\$ 49,965,865	\$ 47,566,471	\$ 46,201,991	\$ 46,198,007	\$ 47,516,051	\$ 48,687,539	\$ 49,564,433
Total net debt applicable to limit	<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>	<u>9,935,000</u>	<u>9,260,000</u>
Legal debt margin	<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>	<u>\$ 38,752,539</u>	<u>\$ 40,304,433</u>
Total net debt applicable to the limit as a percentage of debt limit	9.95%	9.12%	8.28%	7.91%	7.64%	25.56%	24.27%	22.28%	20.41%	18.68%

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>
2010	6,759	\$ 67,308	3.50%
2011	7,150	64,280	3.50%
2012	7,192	65,992	3.50%
2013	7,213	68,865	4.50%
2014	7,233	71,789	4.90%
2015	7,234	71,100	4.60%
2016	7,252	73,637	3.90%
2017	7,246	76,821	3.90%
2018	7,274	77,901	3.3%
2019	7,265	81,203	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)

<u>Employer</u>	<u>2019</u>		<u>2010</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

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>2019</u>	<u>2018</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>
Instruction										
Regular	78.1	80.3	81.5	79.1	73.2	74.6	75.4	71.4	73.0	78.0
Special education	48.5	50.2	44.3	41.9	38.3	35.9	34.5	33.0	34.5	40.6
Adult/Continuing Education Programs	2.7	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.5	3.7
Support Services:										
Student and instruction related services	24.8	25.0	24.8	25.3	25.2	24.8	26.4	25.1	25.3	11.0
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	10.3	10.0	9.5	9.5	9.5	9.5	9.5	8.5	9.8
Other Administrative Services				-				0.5	0.5	2.0
Central services	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.0	4.0	4.0
Plant operations and maintenance	18.5	18.5	17.0	18.0	17.1	16.5	18.5	18.5	18.0	24.5
Pupil transportation	4.5	4.5	4.5	5.5	6.5	5.0	2.5	2.0	2.5	2.0
Food Service	-	-	-	-	-	-	-	-	-	-
Total	<u>193.6</u>	<u>197.8</u>	<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>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
2010	1,166	\$ 20,187,848	\$ 17,314	-5.63%	113	11.9:1	10:1	11:01	1,128	1,072	0.35%	95.04%
2011	1,121	\$ 19,394,189	\$ 17,301	-0.07%	116	11.9:1	10:1	11:01	1,083	1,029	-3.99%	95.01%
2012	1,102	\$ 20,312,583	\$ 18,432	6.54%	117	11.9:1	9:1	12.3:1	1,088	1,039	0.46%	95.50%
2013	1,076	\$ 21,084,504	\$ 19,595	6.31%	118	11.9:1	9:1	11:01	1,045	1,006	-3.95%	96.27%
2014	1,010	\$ 21,068,919	\$ 20,860	6.46%	119	11.8:1	9:1	11:1	996	956	-4.69%	95.98%
2015	1,005	\$ 21,847,863	\$ 21,739	4.21%	121	10:1	9:1	10:1	987	948	-0.90%	96.07%
2016	1,035	\$ 22,778,867	\$ 22,009	1.24%	114	8:1	8:1	10:1	964	926	-2.37%	96.12%
2017	948	\$ 23,999,566	\$ 25,316	15.03%	118	10:1	8:1	9:1	952	911	-1.23%	95.70%
2018	940	\$ 25,279,223	\$ 26,893	6.23%	121	11.1:1	7:1	9:1	936	907	-1.65%	96.90%
2019	914	\$ 26,519,977	\$ 29,015	7.89%	119	8.6:1	6.6:1	7.3:1	915	876	-2.24%	95.74%

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.
 - d Average daily counts are based on annual end of year June summary counts.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>District Building</u>										
<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	637	582	575	554	510	512	532	494	494	518
<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	491	502	504	501	490	479	485	448	439	396

Number of Schools at June 30, 2019
 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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
SCHOOL FACILITIES	PROJECT #										
Elementary- Godwin/Highland	N/A	\$ 140,281	\$ 107,779	\$ 188,358	\$ 138,858	\$ 182,258	\$ 165,580	\$ 109,525	\$ 117,952	\$ 278,714	\$ 196,369
Midland Park Jr/Sr High School	N/A	<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>	<u>321,144</u>	<u>236,715</u>
GRAND TOTAL		<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>	<u>\$ 599,858</u>	<u>\$ 433,084</u>

114

Source: District Records

**MIDLAND PARK BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2019
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Great American Insurance Property - Blanket Building & Contents	\$ 41,232,163	\$ 5,000
General Liability-Great American Insurance	2,000,000	1,000
Automobile - Great American Insurance Liability	1,000,000	1,000
Excess Liability - Great American Insurance Umbrella Policy	9,000,000	
Workers Compensation - Safety National Casualty Workers Compensation Policy Bodily Injury	1,000,000	
School Board Legal Liability - Greenwich 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



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

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 Education
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, 2019 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 7, 2019.

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

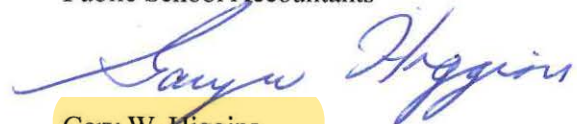
As part of obtaining reasonable assurance about whether the Midland Park Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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 7, 2019.

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 7, 2019



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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ROBERT LERCH, CPA
CHRIS SOHN, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
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 Midland Park Board of Education's major state programs for the fiscal year ended June 30, 2019. 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; and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards 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, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on each major state program is not modified with respect to these matters.

The Midland Park Board of Education's response to the noncompliance findings 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 and 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency.

The Midland Park Board of Education's response to the internal control over compliance findings 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.

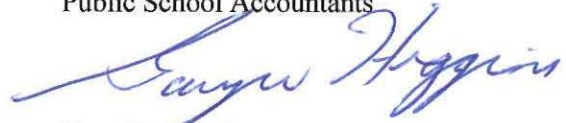
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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 Midland Park Board of Education, as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated November 7, 2019, 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 is 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 7, 2019

MIDLAND PARK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2018		Carryover Amount	Adjust Receivable	Cash Received	Budgetary Expenditures	Adjustments	(Accounts Receivable) June 30, 2019	Unearned Revenue	Due to Grantor at June 30, 2019	MEMO GAAP Receivable
						(Account Receivable) Unearned Revenue	Due to Grantor									
U.S. Department of Agriculture																
Passed-through State Department of Education																
Enterprise Fund:																
National School Lunch Program																
National School Lunch Program-Non-Cash	10.555		N/A	7/1/18-6/30/19	\$ 25,219	\$ 1,514				\$ 25,345	\$ 25,219			\$ 1,640		
National School Lunch Program-Cash	10.555	191N304N1099	N/A	7/1/18-6/30/19	67,231					61,851	67,231		\$ (5,380)			\$ (5,380)
National School Lunch Program-Cash	10.555	181N304N1099	N/A	7/1/17-6/30/18	61,702	(5,091)				5,091						
School Breakfast Program	10.553	191N304N1099	N/A	7/1/18-6/30/19	2,956					2,731	2,956		(225)			(225)
School Breakfast Program	10.553	181N304N1099	N/A	7/1/17-6/30/18	1,059	(84)				84						
Total National School Lunch Program Cluster						(3,661)				95,102	95,406		(5,605)	1,640		(5,605)
Total Enterprise Fund						(3,661)				95,102	95,406		(5,605)	1,640		(5,605)
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund:																
I.D.E.A. Part B, Basic Regular																
I.D.E.A. Part B, Basic Regular	84.027	H027A180100	IDEA-3170-19	7/1/18-9/30/19	242,398		8,801	8,801	213,991	235,323		(37,208)	15,876			(21,332)
I.D.E.A. Part B, Basic Regular	84.027	H027A170100	IDEA-3170-18	7/1/17-6/30/18	243,142	(10,363)	(8,801)	(8,801)	10,363							
I.D.E.A. Part B, Preschool	84.173	H173A180114	IDEA-3170-19	7/1/18-9/30/19	21,057				21,057	21,057						
Total Special Education (IDEA) - Cluster						(10,363)			245,411	256,380		(37,208)	15,876			(21,332)
Title I																
Title I	84.010A	S010A180030	ESSEA-3170-19	7/1/18-6/30/19	103,139		7,848	(7,848)	67,143	74,169		(43,844)	36,818			(7,026)
Title I	84.010A	S010A170030	ESSEA-3170-18	7/1/17-6/30/18	103,376	(10,105)	(7,848)	(7,848)	10,105							
Total Title I Cluster						(10,105)			77,248	74,169		(43,844)	36,818			(7,026)
Title II Part A																
Title II Part A	84.367A	S367A180029	ESSEA-3170-19	7/1/18-6/30/19	22,031		4,175	(4,175)	19,232	19,232		(6,974)	6,974			
Title II Part A	84.367A	S367A170029	ESSEA-3170-18	7/1/17-6/30/18	22,901	(24,428)	(4,175)	(4,175)	24,428							
Total Title II Cluster						(24,428)			43,660	19,232		(6,974)	6,974			
Title IV																
Title IV	84.424	S424A180031	ESSEA-3170-19	7/1/18-6/30/19	10,000		6,810	(6,810)	8,966	10,369		(7,844)	6,441			(1,403)
Title IV	84.424	S424A170031	ESSEA-3170-18	7/1/17-6/30/18	10,000	(2,938)	(6,810)	(6,810)	2,938							
Total Title IV Cluster						(2,938)			11,904	10,369		(7,844)	6,441			(1,403)
Total Special Revenue Fund						(47,834)			378,223	360,150		(95,870)	66,109			(29,761)
Total Federal Awards						\$ (51,495)	\$ -	\$ -	\$ -	\$ 473,325	\$ 455,536	\$ -	\$ (101,475)	\$ 67,749	\$ -	\$ (35,366)

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, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2018			Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	June 30, 2019		Due to Grantor June 30, 2019	MEMO		
				Uncearned Revenue/ (Accts Rec.)	Due to Grantor	Adjustments				(Accounts Receivable)	Uncearned Revenue		GAAP Receivable	Combined Total Expenditures	
State Department of Education															
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	\$ 33,981				\$ 32,156	\$ 33,981		\$ (1,825)			\$	33,981	
Equalization Aid	17-495-034-5120-078	7/1/17-6/30/18	33,981	(2,456)			2,456			-					
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	58,146				55,023	58,146		(3,123)				58,146	
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	18,299	(1,322)			1,322			-					
Special Education Categorical Aid	19-495-034-5120-089	7/1/18-6/30/19	543,404				514,219	543,404		(29,185)				543,404	
Special Education Categorical Aid	18-495-034-5120-089	7/1/17-6/30/18	543,404	(39,271)			39,271			-					
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	9,520	(688)			688			-					
PARCC Readiness	18-495-034-5120-098	7/1/17-6/30/18	9,520	(688)			688			-					
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	10,080	(728)			728			-					
Total State Aid Public Cluster				(45,153)			646,551	635,531		(34,133)				635,531	
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	107,033				101,285	107,033		(5,748)				107,033	
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	22,354	(1,615)			1,615			-					
Extraordinary Aid	19-100-034-5120-044	7/1/18-6/30/19	388,196					388,196		(388,196)				388,196	
Extraordinary Aid	18-100-034-5120-044	7/1/17-6/30/18	381,523	(381,523)			381,523			-					
On-Behalf TPAF Pension System Contributions (NCGI)	19-495-034-5094-004	7/1/18-6/30/19	34,590				34,590	34,590						34,590	
On-Behalf TPAF Pension System Contributions (Normal and Accrued Liability)	19-495-034-5094-002	7/1/18-6/30/19	1,652,434				1,652,434	1,652,434						1,652,434	
On-Behalf TPAF Pension System Contributions (Long Term Disability Insurance)	19-495-034-5094-004	7/1/18-6/30/19	1,841				1,841	1,841						1,841	
On-Behalf TPAF Post Retirement Medical Contr.	19-495-034-5094-001	7/1/18-6/30/19	765,232				765,232	765,232						765,232	
Total On-Behalf TPAF Contributions Cluster							2,454,097	2,454,097						2,454,097	
Reimbursed TPAF Social Security Contribution	19-495-034-5094-003	7/1/18-6/30/19	679,309				645,331	679,309		(33,978)			\$	(33,978) 679,309	
Reimbursed TPAF Social Security Contribution	18-495-034-5094-003	7/1/17-6/30/18	696,509	(177)			177			-					
Total General Fund				(428,468)			4,230,579	4,264,166		(462,055)				(33,978) 4,264,166	
New Jersey Nonpublic Aid															
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	\$ 9,665				\$ 9,665	\$ 9,658				\$	7	9,658	
Textbook Aid	18-100-034-5120-064	7/1/17-6/30/18	10,901		1,123				\$	1,123				-	
Nursing Services	19-100-034-5120-070	7/1/18-6/30/19	18,139				18,139	18,137					2	18,137	
Nursing Services	18-100-034-5120-070	7/1/17-6/30/18	20,079		452					452				-	
Technology Aid	19-100-034-5120-373	7/1/18-6/30/19	6,516				6,516	6,367					149	6,367	
Technology Aid	18-100-034-5120-373	7/1/17-6/30/18	7,363		65					65				-	
Security Aid	19-100-034-5120-509	7/1/18-6/30/19	28,050				28,050	28,050						28,050	
Auxiliary Services															
Transportation	19-100-034-5120-067	7/1/18-6/30/19	15,810				15,810	15,810						15,810	
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	64,298				64,298	34,179				30,119		34,179	
Compensatory Education	18-100-034-5120-067	7/1/17-6/30/18	56,694		7,353					7,353				-	
English as a Second Language	19-100-034-5120-067	7/1/18-6/30/19	3,451				3,451	3,020					431	3,020	
English as a Second Language	18-100-034-5120-067	7/1/17-6/30/18	4,517		3,162					3,162				-	
Total Nonpublic Auxiliary Services (Chap. 192) Cluster					10,515		83,559	53,009		10,515			30,550		53,009
Handicapped Services															
Supplementary Instruction	19-100-034-5120-066	7/1/18-6/30/19	21,410				21,410	11,181				10,229		11,181	
Supplementary Instruction	18-100-034-5120-066	7/1/17-6/30/18	23,631		3,807					3,807				-	
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	26,572				26,572	17,652				8,920		17,652	
Examination and Classification	18-100-034-5120-066	7/1/17-6/30/18	26,208		1,639					1,639				-	
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	41,604				41,604	32,855				8,749		32,855	
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	43,747		13,481					13,481				-	
Total Nonpublic Handicapped Services (Chap. 193) Cluster					18,927		89,586	61,688		18,927			27,898		61,688
Advanced Computer Science Competitive Grant	19E00144	1/5/19-6/30/20	39,272							(39,272)					
Total Special Revenue Fund					31,082		235,515	176,909		31,082			58,606		176,909

MIDLAND PARK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2018			Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	June 30, 2019		Due to Grantor June 30, 2019	MEMO	
				Unearned Revenue/ (Accts Rec.)	Due to Grantor	Adjustments				(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	\$ (827,348)	\$ 122,165	\$ 665,913	\$ 25,710		\$ (64,980)				\$ (64,980)	\$ 25,710
Elementary School Improvements	3170-050-14-1003		1,258,501	(251,701)		188,776			(62,925)				(62,925)	-
High School Auditorium	3170-050-14-1002		179,541	(35,908)		21,062			-				-	-
Total SDA Cluster				(1,114,957)	-	137,011	875,751	25,710	-	(127,905)	-	-	(127,905)	25,710
Total Capital Projects Fund				(1,114,957)	-	137,011	875,751	25,710	-	(127,905)	-	-	(127,905)	25,710
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	4,053			3,732	4,053		(321)				(321)	4,053
State School Lunch Program	18-100-010-3350-023	7/1/17-6/30/18	3,859	(319)	-	319	-	-	-	-	-	-	-	-
Total Food Service Fund				(319)	-	-	4,051	4,053	-	(321)	-	-	(321)	4,053
Total State Financial Assistance Subject to Single Audit Determination				(1,543,744)	\$ 31,082	137,011	5,345,896	4,470,838	\$ 31,082	(629,553)	39,272	\$ 58,606	(162,204)	4,470,838
State Financial Assistance Not Subject to Major Program Determination														
General Fund														
Less: On-Behalf TPAF NCGI Premium	19-495-034-5095-004	7/1/18-6/30/19	34,590			34,590	34,590							34,590
On-Behalf TPAF Pension	19-495-034-5095-006	7/1/18-6/30/19	1,652,434			1,652,434	1,652,434							1,652,434
On-Behalf TPAF Pension- Long Term Disability	19-495-034-5095-004	7/1/18-6/30/19	1,841			1,841	1,841							1,841
On-Behalf TPAF Post-Retirement Medical	19-495-034-5095-001	7/1/18-6/30/19	765,232			765,232	765,232							765,232
Total State Financial Assistance Subject to Major Program Determination				\$ (1,543,744)	\$ 31,082	\$ 137,011	\$ 2,891,799	\$ 2,016,741	\$ 31,082	\$ (629,553)	\$ 39,272	\$ 58,606	\$ (162,204)	\$ 2,016,741

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, 2019**

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 an increase of \$214 for the general fund and an increase of \$1,998 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		\$ 4,264,380	\$ 4,264,380
Special Revenue Fund	\$ 362,148	176,909	539,057
Capital Projects Fund		25,710	25,710
Food Service Fund	<u>95,406</u>	<u>4,053</u>	<u>99,459</u>
Total Financial Assistance	<u>\$ 457,554</u>	<u>\$ 4,471,052</u>	<u>\$ 4,928,606</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, 2019****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 \$679,309 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, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$1,687,024, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$765,232 and TPAF Long-Term Disability Insurance in the amount of \$1,841 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

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 payments 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.

NOTE 7 DE MINIMIS INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

MIDLAND PARK BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over compliance:

(1) Material weaknesses identified? yes no

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

Identification of major state programs:

<u>GMIS Number</u>	<u>Name of State Program or Cluster</u>
<u>19-100-034-5120-044</u>	<u>Extraordinary Aid</u>
<u>19-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>19-495-034-5120-084</u>	<u>Security Aid</u>
<u>19-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? yes no

**MIDLAND PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019

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, 2019**

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 2019-001

Our audit of the District's Extraordinary Aid Application noted several instances where the intensive services(s) claimed in the Extraordinary Aid Application could not be verified to supporting documentation. In certain instances, intensive service(s) indicated in the application could not be verified to the student's Individualized Education Plan (IEP).

State Program Information

Extraordinary Aid 100-034-5120-044

Criteria or Specific Requirement

NJ Department of Education – Grant Compliance Supplement

Condition

Certain information reported on the Extraordinary Aid Application such as certain therapy costs and attendance at ESY programs could not be verified to detailed supporting documentation. In addition, certain intensive service(s) claimed on application could not be verified to students IEP.

Questioned Costs

Unknown.

Context

See condition.

Effect

Certain services reported on the application could not be verified to student's IEP and/or supporting documentation.

Cause

Unknown.

Recommendation

Greater care be exercised over the preparation of the Extraordinary Aid Application to ensure costs and services claimed are properly documented on supporting schedules and in the student's Individualized Education Plan (IEP).

Views of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated it will implement 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, 2019**

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

Finding 2018-001

Our audit of the District's Extraordinary Aid Application noted numerous instances where the (IEP). intensive services(s) indicated in the application did not agree to what was in the student's Individualized Education Plan.

Current Status

Corrective action has been taken.