

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

**Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2020**

**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, 2020**

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

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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

February 19, 2021

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, 2020 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**

Develop and implement an Action Plan for Improvement—Mathematics, Grades 7; goal components include, but are not limited to:

- *Presentation of the Action Plan/Steps/Timeline on August 20<sup>th</sup>;*
- *Development of a pre- and post-test for identified student cohorts (SMART Goal) to determine skills acquisition and identify areas in need of improvement.*
- *Action Plan implementation, monitoring, modifications, ongoing administrative monitoring.*

#### **Goal #2**

Increase the effectiveness of classroom walkthroughs by improving upon the implementation process, ensuring attainment of measureable data in the areas of:

- *Effectiveness of technology integration into instruction, with a heightened focus on math instruction at identified grade levels.*
- *Identification of instructional outcomes that represent high expectations and rigor and are connected to a sequence of learning, both in the discipline and in related disciplines.*
- *Success in designing student assessments which are fully aligned with instructional outcomes in both content and process, and evidence that the teacher plans to use assessment results to develop future instruction for individual students.*

#### **Goal #3**

Develop program/teams and apply for the Sustainable New Jersey certification for Highland School (bronze or silver level.) *From the program website: Sustainable New Jersey for Schools advances and supports sustainable practices in schools and prepares the next generation of children to address sustainability issues, i.e., identifies actions that schools can implement to become certified; provides guidance and tools to enable schools to make progress on each action; provides access to grants and identifies funding opportunities for schools to make progress toward the actions; encompasses the three equal, interrelated components of sustainability—people, prosperity, planet.*



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.*

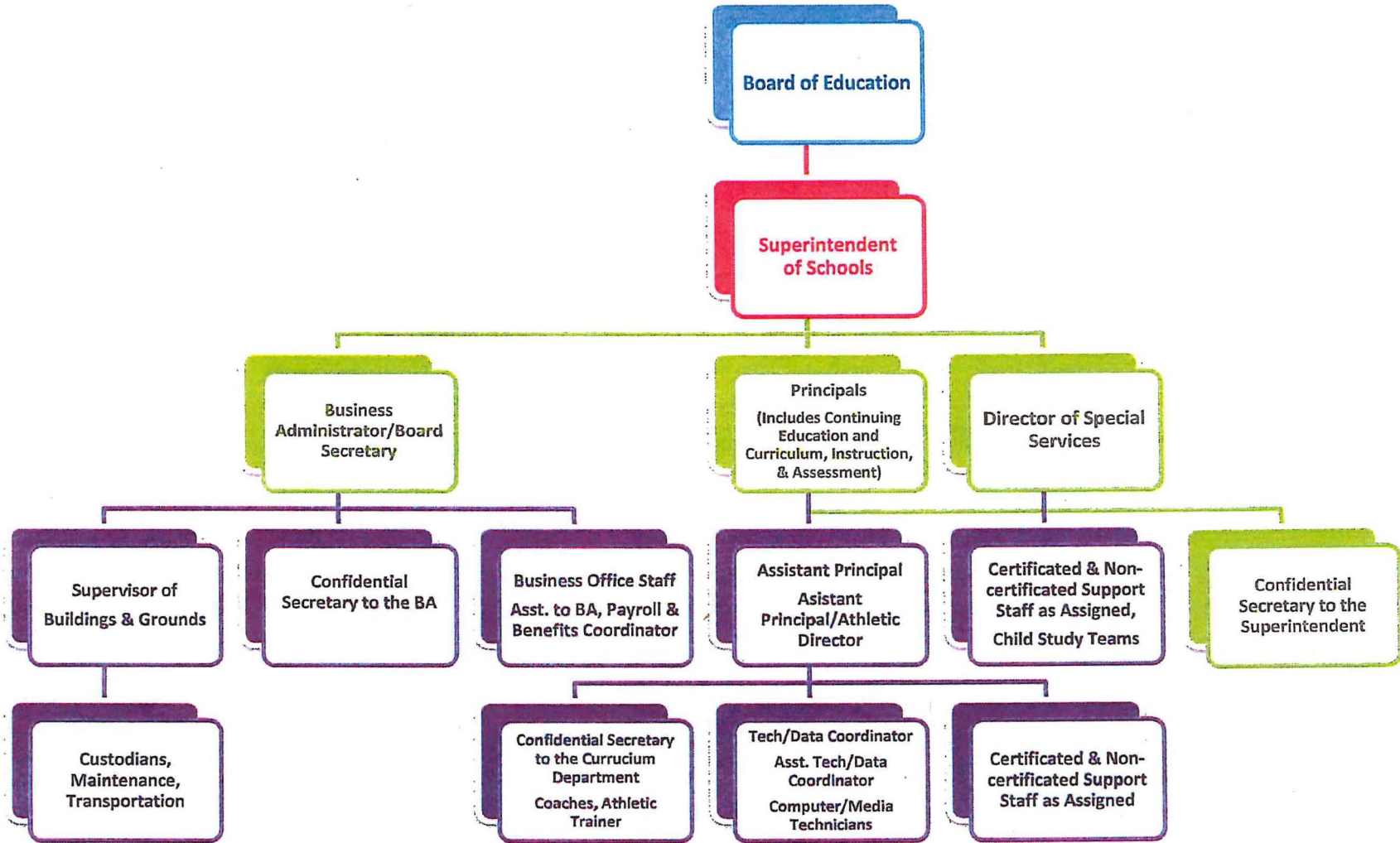
*Marie C. Cirasella, Ed. D.,  
Superintendent of Schools*

*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, 2020**

<u>Members of the Board of Education</u>	<u>Term</u>
<i>James Canellas</i>	2020
<i>Sandra Criscenzo</i>	2022
<i>Christine Dell’Aglia</i>	2021
<i>Nabil Eliya</i>	2021
<i>Patricia Fantulin</i>	2021
<i>Richard Formicola</i>	2022
<i>Brian McCourt</i>	2022
<i>Dr. MaryAlice Thomas</i>	2020
<i>Peter Triolo</i>	2020

Other Officials

*Marie Cirasella, Superintendent of Schools*

*Stacy Garvey, Business Administrator/Board Secretary*

**MIDLAND PARK BOARD OF EDUCATION**

***Consultants and Advisors***

***Audit Firm***

*Lerch, Vinci & Higgins, LLP*

*17-17 Route 208*

*Fair Lawn, NJ 07410*

***Attorney***

*Fogarty and Hara*

*21-00 Route 208 South*

*Fair Lawn, NJ 07410*

***Official Depository***

*Columbia Bank*

*Godwin Avenue*

*Midland Park, NJ 07432*

## **FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, CPA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of 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, 2020 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, 2020, 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.

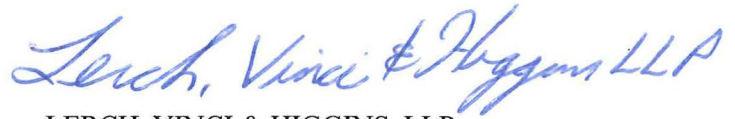
The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial 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.

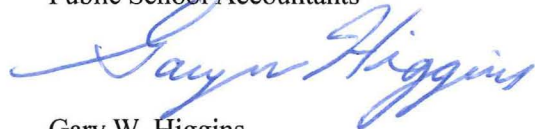


**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated February 19, 2021 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 solely 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  
February 19, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# **Midland Park Board of Education**

## **Midland Park, New Jersey**

### **Management's Discussion and Analysis**

#### **Fiscal Year Ended June 30, 2020**

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, 2020. 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 (2019-2020) and the prior year (2018-2019) is required to be presented in the MD&A.

#### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2019-2020 fiscal year are as follows:

- Net position decreased by \$1,903 from the June 30, 2019 balance.
- General revenues of \$22,325,113 accounted for 74 percent of all revenues. Program revenues of \$7,651,858 accounted for 26 percent of total revenues of \$29,976,971.
- Among major funds, the General Fund had \$26,820,397 in revenues and other sources and \$26,281,963 in expenditures. The General Fund's fund balance increased \$538,434 from the prior year.
- In total, fund balance of Governmental Funds increased \$379,412 which represents a 14 percent increase over the prior year's fund balance of \$2,635,382 to \$3,014,794 at June 30, 2020. This increase is mainly due to the General Fund revenues realized in excess of expenditures incurred.

#### **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, 2020**

**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, 2020**

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, 2020**

**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, 2020**

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, 2020 and 2019.

**Net Position.** The district's combined net position was \$8,304,472 as of June 30, 2020 and \$8,306,375 as of June 30, 2019.

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

**Management's Discussion and Analysis (continued)**  
**Fiscal Year Ended June 30, 2020**

**Statement of Net Position**  
**As of June 30, 2020 and 2019**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and Other Assets	\$ 3,432,568	\$ 3,113,162	\$ 76,151	\$ 111,704	\$ 3,508,719	\$ 3,224,866
Capital Assets - Net	<u>21,085,810</u>	<u>21,549,767</u>	<u>67,379</u>	<u>73,841</u>	<u>21,153,189</u>	<u>21,623,608</u>
<b>Total Assets</b>	<u>24,518,378</u>	<u>24,662,929</u>	<u>143,530</u>	<u>185,545</u>	<u>24,661,908</u>	<u>24,848,474</u>
Deferred Outflows of Resources						
Deferred Amounts on Refunding	59,081	78,774	-	-	59,081	78,774
Deferred Amounts on Net Pension Liability	<u>1,755,385</u>	<u>1,934,412</u>	<u>-</u>	<u>-</u>	<u>1,755,385</u>	<u>1,934,412</u>
<b>Total Deferred Outflows of Resources</b>	<u>1,814,466</u>	<u>2,013,186</u>	<u>-</u>	<u>-</u>	<u>1,814,466</u>	<u>2,013,186</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>26,332,844</u>	<u>26,676,115</u>	<u>143,530</u>	<u>185,545</u>	<u>26,476,374</u>	<u>26,861,660</u>
Long-Term Liabilities	15,368,914	15,899,750			15,368,914	15,899,750
Other Liabilities	<u>504,985</u>	<u>571,777</u>	<u>22,553</u>	<u>10,843</u>	<u>527,538</u>	<u>582,620</u>
<b>Total Liabilities</b>	<u>15,873,899</u>	<u>16,471,527</u>	<u>22,553</u>	<u>10,843</u>	<u>15,896,452</u>	<u>16,482,370</u>
Deferred Inflows of Resources						
Deferred Commodities Revenue			4,092	1,640	4,092	1,640
Deferred Amounts on Net Pension Liability	<u>2,271,358</u>	<u>2,071,275</u>	<u>-</u>	<u>-</u>	<u>2,271,358</u>	<u>98,232</u>
<b>Total Deferred Inflows of Resources</b>	<u>2,271,358</u>	<u>2,071,275</u>	<u>4,092</u>	<u>1,640</u>	<u>2,275,450</u>	<u>99,872</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>18,145,257</u>	<u>18,542,802</u>	<u>26,645</u>	<u>12,483</u>	<u>18,171,902</u>	<u>16,582,242</u>
Net Position:						
Net Investment in Capital Assets	12,487,485	12,310,956	67,379	73,841	12,554,864	12,384,797
Restricted	1,738,786	1,375,697			1,738,786	1,375,697
Unrestricted	<u>(6,038,684)</u>	<u>(5,553,340)</u>	<u>49,506</u>	<u>99,221</u>	<u>(5,989,178)</u>	<u>(5,454,119)</u>
<b>Total Net Position</b>	<u>\$ 8,187,587</u>	<u>\$ 8,133,313</u>	<u>\$ 116,885</u>	<u>\$ 173,062</u>	<u>\$ 8,304,472</u>	<u>\$ 8,306,375</u>

The table on the following page shows changes in net position for fiscal years 2020 and 2019.

**Changes in Net Position.** The District's total revenues were \$29,976,971 for the fiscal year ended June 30, 2020. Property taxes accounted for 71% of the total revenues for the school year. Operating grants and contributions and unrestricted federal and state aids were 22%. Capital grants and contributions accounted for less than 1% of the total revenues. The balance or 6% was obtained from charges for services, investment earnings and other miscellaneous revenue.

The total cost of all programs and services was \$29,978,874. The District's expenses are predominantly related to instruction and student and instruction related services accounting for 75% of total costs. The purely administrative activities of the District accounted for just 11% of total costs. Plant operations and maintenance accounted for 10% 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, 2020**

Total expenses exceeded revenues, which resulted in a decrease in net position of \$1,903 from last year.

**Changes in Net Position  
For the Fiscal Years Ended June 30, 2020 and 2019**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 611,557	\$ 904,638	\$ 223,782	\$ 325,257	\$ 835,339	\$ 1,229,895
Operating Grants and Contributions	6,470,757	7,158,857	75,762	99,459	6,546,519	7,258,316
Capital Grants and Contributions	270,000	25,710			270,000	25,710
General Revenues						
Property Taxes	21,357,200	20,939,834			21,357,200	20,939,834
Unrestricted Federal and State Aid	33,937	34,612			33,937	34,612
Investment Earnings	33,139	28,664	1,003	826	34,142	29,490
Other	899,834	864,436	-	-	899,834	864,436
<b>Total Revenues</b>	<u>29,676,424</u>	<u>29,956,751</u>	<u>300,547</u>	<u>425,542</u>	<u>29,976,971</u>	<u>30,382,293</u>
<b>Expenses</b>						
Instruction						
Regular	10,958,285	11,480,682			10,958,285	11,480,682
Special Education	6,136,491	6,334,943			6,136,491	6,334,943
School Sponsored Activities and Ath.	876,174	969,669			876,174	969,669
Other	733,334	976,699			733,334	976,699
Support Services						
Student and Instruction Related Serv.	3,933,264	4,187,409			3,933,264	4,187,409
General Administration Services	671,194	635,701			671,194	635,701
School Administration Services	1,703,933	1,757,201			1,703,933	1,757,201
Business / Central Services	784,985	734,856			784,985	734,856
Plant Operations and Maintenance	2,993,439	2,435,986			2,993,439	2,435,986
Pupil Transportation	639,511	753,706			639,511	753,706
Food Services	-	-	314,026	425,642	314,026	425,642
	<u>29,430,610</u>	<u>30,266,852</u>	<u>314,026</u>	<u>425,642</u>	<u>29,744,636</u>	<u>30,692,494</u>
Interest on Long-Term Debt	<u>234,238</u>	<u>252,176</u>	<u>-</u>	<u>-</u>	<u>234,238</u>	<u>252,176</u>
<b>Total Expenses</b>	<u>29,664,848</u>	<u>30,519,028</u>	<u>314,026</u>	<u>425,642</u>	<u>29,978,874</u>	<u>30,944,670</u>
Increase/(Decrease) in Net Position						
Before Transfers	11,576	(562,277)	(13,479)	(100)	(1,903)	(562,377)
<b>Transfers</b>	<u>42,698</u>	<u>-</u>	<u>(42,698)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	54,274	(562,277)	(56,177)	(100)	(1,903)	(562,377)
Net Position, Beginning of Year	<u>8,133,313</u>	<u>8,859,038</u>	<u>173,062</u>	<u>173,162</u>	<u>8,306,375</u>	<u>9,032,200</u>
Prior Period Adjustment- Capital Assets, Net	<u>-</u>	<u>(163,448)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(163,448)</u>
Net Position, End of Year	<u>\$ 8,187,587</u>	<u>\$ 8,133,313</u>	<u>\$ 116,885</u>	<u>\$ 173,062</u>	<u>\$ 8,304,472</u>	<u>\$ 8,306,375</u>

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

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2020**

**Total Cost and Net Cost of Services of Governmental Activities  
For the Fiscal Years Ended June 30, 2020 and 2019**

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Governmental Activities				
Instruction				
Regular	\$ 10,958,285	\$ 11,480,682	\$ 8,063,689	\$ 8,237,421
Special Education	6,136,491	6,334,943	3,701,007	3,863,278
School Sponsored Activities and Athletics	876,174	969,669	678,305	719,869
Other	733,334	976,699	127,911	39,104
Support Services				
Student and Instruction Related Svcs.	3,933,264	4,187,409	3,481,799	3,678,776
General Administration Services	671,194	635,701	665,747	613,528
School Administration Services	1,703,933	1,757,201	1,401,440	1,402,403
Business / Central Services	784,985	734,856	777,721	703,282
Plant Operations and Maintenance	2,993,439	2,435,986	2,651,183	2,285,180
Pupil Transportation	639,511	753,706	529,494	634,806
Interest on Long-Term Debt	234,238	252,176	234,238	252,176
	<u>234,238</u>	<u>252,176</u>	<u>234,238</u>	<u>252,176</u>
Total Governmental Activities	<u>\$ 29,664,848</u>	<u>\$ 30,519,028</u>	<u>\$ 22,312,534</u>	<u>\$ 22,429,823</u>

The following schedule presents a comparison of General Fund (GAAP basis) revenues for the fiscal years ended June 30, 2020 and 2019.

**General Fund Revenues**

	<u>Fiscal Year Ended June 30,</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
	<u>2020</u>	<u>2019</u>		
Local Sources:				
Property Taxes	\$ 20,421,875	\$ 20,021,446	\$ 400,429	2.0%
Tuition	39,204	63,242	(24,038)	-38.0%
Restricted Miscellaneous	1,457,154	1,689,700	(232,546)	-13.8%
Interest Earnings	33,139	28,664	4,475	15.6%
Miscellaneous	15,033	16,132	(1,099)	-6.8%
Intergovernmental				
State Sources	<u>4,593,282</u>	<u>4,264,380</u>	<u>328,902</u>	7.7%
	<u>4,593,282</u>	<u>4,264,380</u>	<u>328,902</u>	7.7%
Total Revenues	<u>\$ 26,559,687</u>	<u>\$ 26,083,564</u>	<u>\$ 476,123</u>	1.8%

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

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2020**

The following schedule presents a comparison of General Fund (GAAP Basis) expenditures for the fiscal years ended June 30, 2020 and 2019.

**General Fund Expenditures**

	<b>Fiscal Year Ended June 30,</b>		<b>Amount of Increase (Decrease)</b>	<b>Percent Increase (Decrease)</b>
	<b><u>2020</u></b>	<b><u>2019</u></b>		
Instruction	\$ 17,227,372	\$ 16,912,056	\$ 315,316	1.9%
Undistributed Expenditures	8,810,049	8,858,271	(48,222)	-0.5%
Debt Service	71,897	16,470	55,427	336.5%
Capital Outlay	<u>172,645</u>	<u>12,059</u>	<u>160,586</u>	1331.7%
 Total Expenditures	 <u>\$ 26,281,963</u>	 <u>\$ 25,798,856</u>	 <u>\$ 483,107</u>	 1.9%

**Capital Assets.** As of June 30, 2020 and 2019, the school district had invested in land, construction in progress, site improvements, buildings, building improvements, machinery and equipment as follows:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b><u>2020</u></b>	<b><u>2019</u></b> (Restated)	<b><u>2020</u></b>	<b><u>2019</u></b> (Restated)	<b><u>2020</u></b>	<b><u>2019</u></b> (Restated)
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	29,123,487	26,798,204			29,123,487	26,798,204
Machinery and Equipment	<u>4,889,774</u>	<u>4,887,129</u>	<u>\$ 294,296</u>	<u>\$ 291,028</u>	<u>5,184,070</u>	<u>5,178,157</u>
 <b>Total</b>	 36,821,498	 36,213,036	 294,296	 291,028	 37,115,794	 36,504,064
Less: Accumulated Depreciation	<u>(15,735,688)</u>	<u>(14,663,269)</u>	<u>(226,917)</u>	<u>(217,187)</u>	<u>(15,962,605)</u>	<u>(14,880,456)</u>
 <b>Total Capital Assets, Net</b>	 <u>\$ 21,085,810</u>	 <u>\$ 21,549,767</u>	 <u>\$ 67,379</u>	 <u>\$ 73,841</u>	 <u>\$ 21,153,189</u>	 <u>\$ 21,623,608</u>

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

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2020**

**Debt Administration.** As of June 30, 2020 and 2019 the school district had long-term liabilities in the amount of \$15,368,914 and \$15,899,750 as follows:

**Long-Term Debt  
Outstanding Long-Term Liabilities  
As of June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Bonds Payable (Including Unamortized Premium)	\$ 8,625,743	\$ 9,340,992
Capital Leases/Lease Purchase Agreements	235,246	46,878
Compensated Absences Payable	323,991	315,709
Net Pension Liability	<u>6,183,934</u>	<u>6,196,171</u>
Total	<u>\$ 15,368,914</u>	<u>\$ 15,899,750</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, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,724,935	\$ 59,980	\$ 2,784,915
Receivables, net			
Receivables from Other Governments	277,820	1,778	279,598
Other	423,936	2,559	426,495
Inventories		11,834	11,834
Prepaid Items	5,877		5,877
Capital Assets, Not Being Depreciated	28,714		28,714
Capital Assets, Being Depreciated, Net	<u>21,057,096</u>	<u>67,379</u>	<u>21,124,475</u>
Total Assets	<u>24,518,378</u>	<u>143,530</u>	<u>24,661,908</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	59,081		59,081
Deferred Amounts on Net Pension Liability	<u>1,755,385</u>	<u>-</u>	<u>1,755,385</u>
Total Deferred Outflows of Resources	<u>1,814,466</u>	<u>-</u>	<u>1,814,466</u>
Total Assets and Deferred Outflows of Resources	<u>26,332,844</u>	<u>143,530</u>	<u>26,476,374</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	369,467	8,613	378,080
Accrued Interest Payable	87,211		87,211
Payable to State Government	24,086		24,086
Unearned Revenue	24,221	13,940	38,161
Long-Term Liabilities			
Due Within One Year	111,512		111,512
Due Beyond One Year	<u>15,257,402</u>	<u>-</u>	<u>15,257,402</u>
Total Liabilities	<u>15,873,899</u>	<u>22,553</u>	<u>15,896,452</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue		4,092	4,092
Deferred Amounts on Net Pension Liability	<u>2,271,358</u>	<u>-</u>	<u>2,271,358</u>
Total Deferred Inflows of Resources	<u>2,271,358</u>	<u>4,092</u>	<u>2,275,450</u>
Total Liabilities and Deferred Inflows of Resources	<u>18,145,257</u>	<u>26,645</u>	<u>18,171,902</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	12,487,485	67,379	12,554,864
Restricted for:			
Capital Projects	1,515,877		1,515,877
Other Purposes - Adult Education	222,909		222,909
Unrestricted	<u>(6,038,684)</u>	<u>49,506</u>	<u>(5,989,178)</u>
Total Net Position	<u>\$ 8,187,587</u>	<u>\$ 116,885</u>	<u>\$ 8,304,472</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, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities							
Instruction:							
Regular	\$ 10,958,285		\$ 2,894,596		\$ (8,063,689)		\$ (8,063,689)
Special Education	6,136,491	\$ 39,204	2,396,280		(3,701,007)		(3,701,007)
School Sponsored Activities and Athletics	876,174		197,869		(678,305)		(678,305)
Other	733,334	572,353	33,070		(127,911)		(127,911)
Support Services							
Student and Instruction- Related Services	3,933,264		451,465		(3,481,799)		(3,481,799)
General Administration Services	671,194		5,447		(665,747)		(665,747)
School Administration Services	1,703,933		302,493		(1,401,440)		(1,401,440)
Business / Central Services	784,985		7,264		(777,721)		(777,721)
Plant Operations and Maintenance	2,993,439		72,256	\$ 270,000	(2,651,183)		(2,651,183)
Pupil Transportation	639,511		110,017		(529,494)		(529,494)
Interest on Long-Term Debt	234,238	-	-	-	(234,238)		(234,238)
Total Governmental Activities	<u>29,664,848</u>	<u>611,557</u>	<u>6,470,757</u>	<u>270,000</u>	<u>(22,312,534)</u>	<u>-</u>	<u>(22,312,534)</u>
Business-Type Activities							
Food Service	314,026	223,782	75,762	-	-	\$ (14,482)	(14,482)
Total Business-Type Activities	<u>314,026</u>	<u>223,782</u>	<u>75,762</u>	<u>-</u>	<u>-</u>	<u>(14,482)</u>	<u>(14,482)</u>
Total Primary Government	<u>\$ 29,978,874</u>	<u>\$ 835,339</u>	<u>\$ 6,546,519</u>	<u>\$ 270,000</u>	<u>(22,312,534)</u>	<u>(14,482)</u>	<u>(22,327,016)</u>
<b>General Revenues:</b>							
Property Taxes levied for General Purposes					20,421,875		20,421,875
Property Taxes levied for Debt Service					935,325		935,325
State Aid Not Restricted					33,937		33,937
Investment Earnings					33,139	1,003	34,142
Miscellaneous Income					899,834		899,834
<b>Transfers</b>					<u>42,698</u>	<u>(42,698)</u>	<u>-</u>
Total General Revenues and Transfers					<u>22,366,808</u>	<u>(41,695)</u>	<u>22,325,113</u>
Change in Net Position					54,274	(56,177)	(1,903)
Net Position, Beginning of Year (Restated)					<u>8,133,313</u>	<u>173,062</u>	<u>8,306,375</u>
Net Position, End of Year					<u>\$ 8,187,587</u>	<u>\$ 116,885</u>	<u>\$ 8,304,472</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, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,655,535	\$ 1,813	\$ 67,587		\$ 2,724,935
Due from Other Funds	64,846				64,846
Receivables from Other Governments	71,109	78,806	127,905		277,820
Other Accounts Receivable	193,936		230,000		423,936
Prepaid Items	5,877	-	-	-	5,877
	<u>2,991,303</u>	<u>80,619</u>	<u>425,492</u>	<u>-</u>	<u>3,497,414</u>
Total Assets	<u>\$ 2,991,303</u>	<u>\$ 80,619</u>	<u>\$ 425,492</u>	<u>\$ -</u>	<u>\$ 3,497,414</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 180,562	\$ 56,518	\$ 79,744		316,824
Other Liabilities	52,643				52,643
Due to Other Funds			64,846		64,846
Payable to State Government		24,086			24,086
Unearned Revenue	24,206	15	-	-	24,221
	<u>257,411</u>	<u>80,619</u>	<u>144,590</u>	<u>-</u>	<u>482,620</u>
Total Liabilities	<u>257,411</u>	<u>80,619</u>	<u>144,590</u>	<u>-</u>	<u>482,620</u>
<b>Fund Balances</b>					
<b>Restricted Fund Balance</b>					
Capital Reserve	934,975				934,975
Capital Reserve- Designated for Subsequent Year's Budget (2020/21 Budget)	300,000				300,000
Adult Education Programs	37,569				37,569
Adult Education Programs - Designated for Subsequent Year's Budget (2020/21 Budget)	185,340				185,340
Excess Surplus- Designated for Subsequent Year's Budget (2020/21 Budget)	300,000				300,000
Excess Surplus	275,000				275,000
Capital Projects			280,902		280,902
<b>Committed Fund Balance</b>					
Year-End Encumbrances	226,858				226,858
<b>Assigned Fund Balance</b>					
Year-End Encumbrances	65,239				65,239
<b>Unassigned</b>					
General Fund	408,911	-	-	-	408,911
	<u>2,733,892</u>	<u>-</u>	<u>280,902</u>	<u>-</u>	<u>3,014,794</u>
Total Fund balances	<u>2,733,892</u>	<u>-</u>	<u>280,902</u>	<u>-</u>	<u>3,014,794</u>
Total Liabilities and Fund Balances	<u>\$ 2,991,303</u>	<u>\$ 80,619</u>	<u>\$ 425,492</u>	<u>\$ -</u>	<u>\$ 3,497,414</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, 2020

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

**Total Fund Balances - Governmental Funds (Exhibit B-1)** \$ 3,014,794

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$36,821,498 and the accumulated depreciation is \$15,735,688.

21,085,810

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

(87,211)

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.

59,081

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

Bonds Payable	\$	(8,565,000)	
Unamortized Premium on Bond Issuances		(60,743)	
Lease Purchase Agreements		(235,246)	
Compensated Absences Payable		(323,991)	
Net Pension Liability		<u>(6,183,934)</u>	
			<u>(15,368,914)</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		1,755,385	
Deferred Inflows of Resources		<u>(2,271,358)</u>	
			<u>(515,973)</u>

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

**\$ 8,187,587**

**MIDLAND PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 20,421,875			\$ 935,325	\$ 21,357,200
Tuition	39,204				39,204
Other Restricted Miscellaneous Revenues	1,457,154				1,457,154
Miscellaneous	<u>48,172</u>	<u>\$ 4,922</u>	<u>\$ 270,000</u>	<u>-</u>	<u>323,094</u>
Total - Local Sources	21,966,405	4,922	270,000	935,325	23,176,652
State Sources	4,593,282	218,253			4,811,535
Federal Sources	<u>-</u>	<u>414,567</u>	<u>-</u>	<u>-</u>	<u>414,567</u>
Total Revenues	<u>26,559,687</u>	<u>637,742</u>	<u>270,000</u>	<u>935,325</u>	<u>28,402,754</u>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	10,137,930	36,225			10,174,155
Special Education Instruction	5,553,683	270,872			5,824,555
Other Instruction	726,328				726,328
School-Sponsored Activities and Athletics	809,431				809,431
Student and Instruction Related Services	3,342,804	329,920			3,672,724
General Administration Services	599,440		34,928		634,368
School Administration Services	1,575,781				1,575,781
Central Services & Adm. Info. Technology	720,679				720,679
Plant Operations and Maintenance	1,973,243				1,973,243
Pupil Transportation	598,102				598,102
Debt Service					
Principal	70,642			695,000	765,642
Interest	1,255			240,325	241,580
Capital Outlay	<u>172,645</u>	<u>-</u>	<u>435,817</u>	<u>-</u>	<u>608,462</u>
Total Expenditures	<u>26,281,963</u>	<u>637,017</u>	<u>470,745</u>	<u>935,325</u>	<u>28,325,050</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	<u>277,724</u>	<u>725</u>	<u>(200,745)</u>	<u>-</u>	<u>77,704</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In	1,700		42,698		44,398
Transfer Out	-	(725)	(975)	-	(1,700)
Lease Purchase Proceeds	<u>259,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>259,010</u>
Total Other Financing Sources and Uses	<u>260,710</u>	<u>(725)</u>	<u>41,723</u>	<u>-</u>	<u>301,708</u>
Net Change in Fund Balances	538,434	-	(159,022)	-	379,412
Fund Balance, Beginning of Year	<u>2,195,458</u>	<u>-</u>	<u>439,924</u>	<u>-</u>	<u>2,635,382</u>
Fund Balance, End of Year	<u>\$ 2,733,892</u>	<u>\$ -</u>	<u>\$ 280,902</u>	<u>\$ -</u>	<u>\$ 3,014,794</u>

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, 2020**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 379,412

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 depreciation expense exceeds capital outlay in the current period.

Capital Outlay	\$ 608,462	
Depreciation Expense	<u>(1,072,419)</u>	(463,957)

In the statement of activities, certain operating expenses, e.g., compensated absences and net pension liability are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Increase in Compensated Absences, Net	(8,282)	
Increase in Pension Expense	<u>(366,873)</u>	(375,155)

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.

6,786

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:

Debt Incurred:		
Lease Purchase Agreements	(259,010)	
Capital Leases/ Lease Purchase Agreements Principal Repayment	70,642	
Bonds Principal Repayment	<u>695,000</u>	<u>506,632</u>

**Change in Net Position of Governmental Activities (Exhibit A-2) \$ 54,274**

**MIDLAND PARK BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2020**

	<b>Business-Type Activities Enterprise Fund <u>Food Service</u></b>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 59,980
Accounts Receivable	
Federal	832
State	946
Other Accounts Receivable	2,559
Inventories	<u>11,834</u>
Total Current Assets	<u>76,151</u>
Capital Assets	
Equipment	294,296
Less: Accumulated Depreciation	<u>(226,917)</u>
Total Capital Assets, Net	<u>67,379</u>
Total Assets	<u>143,530</u>
<b>LIABILITIES</b>	
Current Liabilities	
Unearned Revenue	13,940
Accounts Payable	5,075
Other Liabilities	<u>3,538</u>
Total Current Liabilities	<u>22,553</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Commodities Revenue	<u>4,092</u>
Total Deferred Inflows of Resources	<u>4,092</u>
Total Liabilities and Deferred Inflows of Resources	<u>26,645</u>
<b>NET POSITION</b>	
Investment in Capital Assets	67,379
Unrestricted	<u>49,506</u>
Total Net Position	<u><u>\$ 116,885</u></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, 2020**

	<b>Business-Type Activities Enterprise Fund <u>Food Service</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales- Reimbursable Programs	\$ 133,835
Daily Sales- Non-Reimbursable Programs	88,780
Special Functions	<u>1,167</u>
 Total Operating Revenues	 <u>223,782</u>
<b>OPERATING EXPENSES</b>	
Cost of Sales- Reimbursable Programs	95,197
Cost of Sales- Non-Reimbursable Programs	23,303
Salaries and Employee Benefits	138,751
Purchased Services-Management Fee	21,479
Purchased Services	4,171
Repairs	850
Supplies and Materials	19,645
Miscellaneous Expenditures	900
Depreciation	<u>9,730</u>
 Total Operating Expenses	 <u>314,026</u>
 Operating Loss	 <u>(90,244)</u>
<b>NONOPERATING REVENUES</b>	
Local Sources	
Interest on Deposits	1,003
State Sources	
School Lunch Program	3,602
Federal Sources	
School Breakfast Program	2,241
National School Lunch Program	48,950
Food Distribution Program	<u>20,969</u>
 Total Nonoperating Revenues	 <u>76,765</u>
 Not Loss Before Transfers	 <u>(13,479)</u>
<b>TRANSFERS</b>	
Transfers Out	<u>(42,698)</u>
 Change in Net Position	 (56,177)
 Total Net Position, Beginning of Year	 <u>173,062</u>
 Total Net Position, End of Year	 <u>\$ 116,885</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, 2020**

	<b>Business-Type Activities Enterprise Fund Food Service</b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 231,406
Cash Payments for Employees' Salaries and Benefits	(138,751)
Cash Payments to Suppliers for Goods and Services	<u>(147,972)</u>
Net Cash Used by Operating Activities	<u>(55,317)</u>
<b>Cash Flows from Capital Financing Activities</b>	
Purchase of Capital Assets	<u>(3,268)</u>
Net Cash Used by Capital Financing Activities	<u>(3,268)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Cash Payments to Capital Projects Fund	(42,698)
Cash Received from State and Federal Subsidy Reimbursements	<u>58,941</u>
Net Cash Provided by Noncapital Financing Activities	<u>16,243</u>
<b>Cash Flows from Investing Activities</b>	
Interest Received	<u>1,003</u>
Net Cash Provided by Investing Activities	<u>1,003</u>
Net Decrease in Cash and Cash Equivalents	(41,339)
Cash and Cash Equivalents, Beginning of Year	<u>101,319</u>
Cash and Cash Equivalents, End of Year	<u>\$ 59,980</u>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>	
Operating Loss	\$ <u>(90,244)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	9,730
Non-Cash Federal Assistance - National School Lunch (Food Distribution)	20,969
Change in Assets, Liabilities and Deferred Inflows of Resources	
Increase/(Decrease) in Accounts Payable	548
Increase/(Decrease) in Other Liabilities	3,538
Increase/(Decrease) in Unearned Revenue	7,624
Increase/(Decrease) in Deferred Commodities Revenue	2,452
(Increase)/Decrease in Other Accounts Receivable	(2,559)
(Increase)/Decrease in Inventories	<u>(7,375)</u>
Total Adjustments	<u>34,927</u>
Net Cash Used by Operating Activities	<u>\$ (55,317)</u>
<b>Non-Cash Financing Activities</b>	
National School Lunch (Food Distribution Program)	\$ 23,421

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, 2020**

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b>Scholarships <u>Trust Fund</u></b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 130,484	\$ 7,250	\$ 361,233
Due from Other Funds	<u>-</u>	<u>-</u>	<u>19,986</u>
 Total Assets	 <u>130,484</u>	 <u>7,250</u>	 <u>\$ 381,219</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings			153,625
Accrued Salaries and Wages			6,186
Reserve for Flexible Spending (Sect. 125) Plan			10,711
Due to Other Funds	19,986		-
Due to Student Groups		-	210,697
Due to the State Government	<u>6,216</u>	<u>-</u>	<u>-</u>
 Total Liabilities	 <u>26,202</u>	 <u>-</u>	 <u>\$ 381,219</u>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 104,282</u>	<u>\$ 7,250</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, 2020**

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b><u>Scholarships Trust Fund</u></b>
<b>ADDITIONS</b>		
Contributions		
Employees	\$ 43,867	
Donations	<u>          -</u>	\$ 12,001
Total Contributions	<u>43,867</u>	<u>12,001</u>
Investment Earnings		
Interest	<u>1,188</u>	<u>93</u>
Net Investment Earnings	<u>1,188</u>	<u>93</u>
Total Additions	<u>45,055</u>	<u>12,094</u>
<b>DEDUCTIONS</b>		
Scholarships Awarded		9,550
Unemployment Claims and Contributions	<u>87,658</u>	<u>          -</u>
Total Deductions	<u>87,658</u>	<u>9,550</u>
Change in Net Position	(42,603)	2,544
Net Position, Beginning of the Year	<u>146,885</u>	<u>4,706</u>
Net Position, End of the Year	<u>\$ 104,282</u>	<u>\$ 7,250</u>

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, 2020**

**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. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions 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 currently operates a Kindergarten through grade twelve (12) school district.

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 Superintendent is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

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**

For fiscal year 2020, there were no GASB statements required to be adopted and implemented by the District.

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

- GASB No. 84, *Fiduciary Activities*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. 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, 2020**

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

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

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. 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*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**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.

**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 funds 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.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

**Fund Financial Statements (Continued)**

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 administrators, teachers and special events.

Additionally, the District 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, 2020**

**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, 2020**

**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, 2020**

**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 are 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 which is 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.

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.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

**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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**10. *Net Position/Fund Balance***

**District-Wide Statements**

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

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

**Governmental Fund Statements**

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

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

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

*Capital Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2020/2021 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 the adult education programs fund balance appropriated in the adopted 2020/2021 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, 2019 audited excess surplus that was appropriated in the 2020/2021 original budget certified for taxes.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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)**

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that is required to be appropriated in the 2021/2022 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.

***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.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

***2. Property Taxes***

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

***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 2018-2019 and 2019-2020 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 2019/2020. Also, during 2019/2020 the Board increased the original general fund budget by \$573,570 and the original special revenue fund budget by \$206,842. The increase in the general fund was funded by the additional appropriation of prior year extraordinary aid of \$388,196 approved by the Board on August 20, 2019 the appropriation of additional adult school fund balance of \$40,000 approved by the Board on December 17, 2019 and the reappropriation of prior year general fund encumbrances. The increase in the special revenue fund was funded by additional grant awards.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**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, 2020 is as follows:

Balance, July 1, 2019		\$ 760,983
Increased by:		
Interest earnings	\$ 2,395	
Unexpended Capital Reserve Funds Returned	975	
Deposits Approved by Board Resolution	<u>770,622</u>	
Total Increases		<u>773,992</u>
		1,534,975
Decreased by:		
Withdrawals Approved in District Budget		<u>300,000</u>
Balance, June 30, 2020		<u>\$ 1,234,975</u>
Designated for Subsequent Year's Budget (2020/2021)	\$ 300,000	
Capital Reserve Available		<u>934,975</u>
		<u>\$ 1,234,975</u>

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

**C. Transfers to Capital Outlay**

During the 2019/2020 school year, the district transferred \$20,000 to the non-equipment capital outlay accounts. The transfer was approved by the County Superintendent to support a project approved in the Long Range Facilities Plan pursuant to N.J.A.C. 6A:23A-13.3(h).

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**D. 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, 2020 is \$575,000. Of this amount, \$300,000 was designated and appropriated in the 2020/2021 original budget certified for taxes and the remaining amount of \$275,000 will be appropriated in the 2021/2022 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, 2020, the book value of the Board's deposits were \$3,283,882 and bank and brokerage firm balances of the Board’s deposits amounted to \$3,453,256. The Board's deposits which are displayed on the various fund balance sheets as "cash" or “cash and cash equivalents” are categorized as:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>
Insured	\$ 3,116,961
Uninsured or uncollateralized	<u>336,295</u>
	<u>\$ 3,453,256</u>

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020 the Board’s bank balance of \$336,295 was exposed to custodial credit risk as follows:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>
Uninsured and Collateralized	
Collateral held by pledging financial institution's trust department or agent not in the Board's name	\$ <u>336,295</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, 2020, the Board had no outstanding investments.

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.



**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**B. Receivables**

Receivables as of June 30, 2020 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	\$ 193,936		\$ 230,000	\$ 2,559	\$ 426,495
Intergovernmental					
Federal		\$ 62,513		832	63,345
State	71,109	16,293	127,905	946	216,253
Gross Receivables	265,045	78,806	357,905	4,337	706,093
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 265,045</u>	<u>\$ 78,806</u>	<u>\$ 357,905</u>	<u>\$ 4,337</u>	<u>\$ 706,093</u>

**C. Unearned Revenue**

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

	<u>Total</u>
General Fund	
Adult/Continuing Education Fees	\$ 17,381
Preschool Tuition	6,825
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>15</u>
Total Unearned Revenue of Governmental Funds	<u>\$ 24,221</u>

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Balance, July 1, 2019 <u>(Restated)</u>	<u>Increases</u>	<u>Transfrs</u>	Balance, June 30, 2020
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 28,714			\$ 28,714
Construction in Progress	<u>1,719,466</u>	-	\$ (1,719,466)	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>1,748,180</u>	<u>-</u>	<u>(1,719,466)</u>	<u>28,714</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	26,798,204	\$ 605,817	1,719,466	29,123,487
Site Improvements	2,779,523			2,779,523
Machinery and Equipment	<u>4,887,129</u>	<u>2,645</u>	-	<u>4,889,774</u>
Total Capital Assets Being Depreciated	<u>34,464,856</u>	<u>608,462</u>	<u>1,719,466</u>	<u>36,792,784</u>
Less Accumulated Depreciation for:				
Site Improvements	(893,186)	(149,971)		(1,043,157)
Buildings and Building Improvements	(10,077,303)	(761,888)		(10,839,191)
Machinery and Equipment	<u>(3,692,780)</u>	<u>(160,560)</u>	-	<u>(3,853,340)</u>
Total Accumulated Depreciation	<u>(14,663,269)</u>	<u>(1,072,419)</u>	<u>-</u>	<u>(15,735,688)</u>
Total Capital Assets, Being Depreciated, Net	<u>19,801,587</u>	<u>(463,957)</u>	<u>1,719,466</u>	<u>21,057,096</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,549,767</u>	<u>\$ (463,957)</u>	<u>\$ -</u>	<u>\$ 21,085,810</u>

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2020</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 291,028	\$ 3,268	-	\$ 294,296
Total Capital Assets Being Depreciated	<u>291,028</u>	<u>3,268</u>	<u>-</u>	<u>294,296</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(217,187)	(9,730)	-	(226,917)
Total Accumulated Depreciation	<u>(217,187)</u>	<u>(9,730)</u>	<u>-</u>	<u>(226,917)</u>
Total Capital Assets, Being Depreciated, Net	<u>73,841</u>	<u>(6,462)</u>	<u>-</u>	<u>67,379</u>
Business-Type Activities Capital Assets, Net	<u>\$ 73,841</u>	<u>\$ (6,462)</u>	<u>\$ -</u>	<u>\$ 67,379</u>

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

<b>Governmental Activities:</b>	
Instruction	
Regular	\$ 45,527
School-Sponsored Activities and Athletics	15,205
Total Instruction	<u>60,732</u>
Support Services	
Student and Instruction Related Services	41,571
General Administration Services	614
Plant Operations and Maintenance	929,048
Pupil Transportation	21,239
Business / Central Services	19,215
Total Support Services	<u>1,011,687</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,072,419</u>
<b>Business-Type Activities:</b>	
Food Service Fund	<u>\$ 9,730</u>

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
<u>Capital Projects Fund</u>		
Life Skills Classroom Renovation	\$ 79,744	\$ 212,954
 <u>General Fund</u>		
Phase 2 of the Door Replacement Project		150,000
		-
		<u>\$ 362,954</u>

The District has other significant commitments at June 30, 2020 as follows:

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

The composition of interfund balances as of June 30, 2020, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	64,846
Payroll Agency Fund	Unemployment Compensation Trust Fund	<u>19,986</u>
	Total	<u>\$ 84,832</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 and/or to cover cash balances which were in an overdraft position.

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

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

**Interfund Transfers**

	<u>Transfer In:</u>		<u>Total</u>
	<u>General Fund</u>	Capital Projects <u>Fund</u>	
Transfer Out:			
Special Revenue Fund	\$ 725		\$ 725
Capital Projects Fund	975		975
Food Service Enterprise Fund	-	\$ 42,698	42,698
Total	<u>\$ 1,700</u>	<u>\$ 42,698</u>	<u>\$ 44,398</u>

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

**F. Leases**

**Capital Leases/Lease Purchase Agreements**

The District is leasing a school bus totaling \$77,900 under a capital lease, computer supplies (chromebooks) totaling \$209,412 under a lease purchase agreement and technology supplies and software upgrades totaling \$49,598 under a lease purchase agreement. The leases are for terms of 3 to 5 years.

The capital assets acquired through capital leases 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, 2020 were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2021	\$ 88,430
2022	88,430
2023	<u>71,960</u>
Total Minimum Lease Payments	248,820
Less: Amount Representing Interest	<u>(13,574)</u>
Present Value of Minimum Lease Payments	<u>\$ 235,246</u>

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**G. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets or 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, 2020 are comprised of the following issues:

\$3,695,000, 2012 Refunding Bonds, due in annual installments of \$380,000 to \$395,000 through August 15, 2023, interest at 3.00%	\$1,560,000
\$8,500,000, 2015 School Bonds, due in annual installments of \$335,000 to \$540,000 through August 15, 2035, interest at 2.000% to 3.125%	<u>7,005,000</u>
Total	<u>\$8,565,000</u>

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

**Governmental Activities:**

Fiscal Year Ended	<u>Bonds Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30,			
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	385,000	156,525	541,525
2026-2030	2,140,000	648,525	2,788,525
2031-2035	2,530,000	316,725	2,846,725
2036	<u>540,000</u>	<u>16,875</u>	<u>556,875</u>
Total	<u>\$ 8,565,000</u>	<u>\$ 1,930,800</u>	<u>\$ 10,495,800</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2020 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 50,238,040
Less: Net Debt	<u>8,565,000</u>
Remaining Borrowing Power	<u>\$ 41,673,040</u>

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020, was as follows:

	Balance, July 1, 2019	Additions	Reductions	Balance, June 30, 2020	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable	\$ 9,260,000	-	\$ 695,000	\$ 8,565,000	\$ 715,000
Add:					
Unamortized Premium	80,992	-	20,249	60,743	-
Bonds Payable, Gross	9,340,992	-	715,249	8,625,743	
Lease Purchase Agreements	46,878	\$ 259,010	70,642	235,246	81,512
Compensated Absences Payable	315,709	37,380	29,098	323,991	30,000
Net Pension Liability	6,196,171	-	12,237	6,183,934	-
Governmental Activities Long-Term Liabilities	<u>\$ 15,899,750</u>	<u>\$ 296,390</u>	<u>\$ 827,226</u>	<u>\$ 15,368,914</u>	<u>\$ 111,512</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.

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the 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.

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current and previous two years:

Fiscal Year ended <u>June 30,</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2020	\$ 43,867	\$ 87,658	\$ 104,282
2019	36,315	68,539	146,885
2018	41,934	42,680	177,799

**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, 2020, 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, 2020, the District has not estimated its arbitrage earnings due to the IRS, if any.



**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**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](http://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.

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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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](http://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.

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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](http://www.state.nj.us/treasury/pensions).

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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](http://www.state.nj.us/treasury/doinvest).

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2019 is \$18.1 billion and the plan fiduciary net position as a percentage of the total pension liability is 56.27%. The collective net pension liability of the State funded TPAF at June 30, 2019 is \$61.5 billion and the plan fiduciary net position as a percentage of total pension liability is 26.95%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 which were rolled forward to June 30, 2019.

**Actuarial Methods and Assumptions**

In the July 1, 2018 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 2020.

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, 2020 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 the 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 2020, 2019 and 2018 were equal to the required contributions.

During the fiscal years ended June 30, 2020, 2019 and 2018 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 unfunded 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>
2020	\$ 333,834	\$ 1,988,922	\$ 3,688
2019	313,019	1,687,024	3,861
2018	282,988	1,241,021	1,641

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Employer and Employee Pension Contributions (Continued)**

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$1,301, \$1,035 and \$2,738, respectively for PERS and the State contributed \$1,692, \$1,841 and \$1,973, 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.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$697,086 during the fiscal year ended June 30, 2020 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 both 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, 2018 through June 30, 2019. 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, 2019 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2019.

At June 30, 2020, the District reported in the statement of net position (accrual basis) a liability of \$6,183,934 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2019. At June 30, 2019, the District's proportionate share was .03432 percent, which was an increase of .00285 percent from its proportionate share measured as of June 30, 2018 of .03147 percent.

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$700,707 for PERS. The pension contribution made by the District during the current 2019/2020 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, 2020 with a measurement date of the prior fiscal year end of June 30, 2019. 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, 2020 for contributions made subsequent to the measurement date. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 110,994	\$ 27,318
Changes of Assumptions	617,489	2,146,424
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		97,616
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>1,026,902</u>	<u>-</u>
Total	<u>\$ 1,755,385</u>	<u>\$ 2,271,358</u>

At June 30, 2020, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<b><u>Year Ending June 30,</u></b>	<b><u>Total</u></b>
2021	\$ 115,855
2022	(178,353)
2023	(311,483)
2024	(136,029)
2025	(5,963)
Thereafter	<u>-</u>
	<u>\$ (515,973)</u>

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019) 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 rates 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 PERS's target asset allocation as of June 30, 2019 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	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

***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>
2020	June 30, 2019	6.28%
2019	June 30, 2018	5.66%



**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2057
Municipal Bond Rate *	From July 1, 2057 and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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 6.28%, 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 (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	<b>1% Decrease <u>5.28%</u></b>	<b>Current Discount Rate <u>6.28%</u></b>	<b>1% Increase <u>7.28%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 7,811,313</u>	<u>\$ 6,183,934</u>	<u>\$ 4,812,636</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2019. A sensitivity analysis specific to the District’s net pension liability at June 30, 2019 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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 measurement period July 1, 2018 through June 30, 2019. 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, 2019, 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, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,041,308 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, 2020 the State's proportionate share of the net pension liability attributable to the District is \$51,562,728. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2019. At June 30, 2019, the State's share of the net pension liability attributable to the District was .08401 percent, which was an increase of .00174 percent from its proportionate share measured as of June 30, 2018 of .08227 percent.

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019) 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 TPAF's target asset allocation as of June 30, 2019 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	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
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**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:

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2020	June 30, 2019	5.60%
2019	June 30, 2018	4.86%

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, 2054

Municipal Bond Rate \*                                              From July 1, 2054  
 and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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 5.60%, 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 (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	<b>1% Decrease <u>(4.60%)</u></b>	<b>Current Discount Rate <u>(5.60%)</u></b>	<b>1% Increase <u>(6.60%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 60,803,869</u>	<u>\$ 51,562,728</u>	<u>\$ 43,895,499</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2019. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2019 was not provided by the pension system.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Pension Plan Fiduciary Net Position***

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

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program 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, 2019. 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  
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**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](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2018:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>          -</u>
 Total	 <u>364,943</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, 2019 is \$41.7 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, 2018 which were rolled forward to June 30, 2019.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Actuarial Methods and Assumptions**

In the June 30, 2018 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 \$1.28 billion to the OPEB plan in fiscal year 2019.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution 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 over a period not to exceed thirty years. 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, 2020, 2019 and 2018 were \$737,854, \$765,232 and \$801,549, 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, 2018 through June 30, 2019. 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.

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$959,138. 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, 2020 the State's proportionate share of the OPEB liability attributable to the District is \$34,538,978. 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, 2019 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, 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, 2018 of .08 percent.



**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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)**

**Actuarial Assumptions**

The OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 3.05%
Rate Thereafter	1.55% to 3.05%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2019.
Long-Term Rate of Return	2.00%

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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)**

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

**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 2.00% as of June 30, 2019.

**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>
2020	June 30, 2019	3.50%
2019	June 30, 2018	3.87%

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.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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)**

**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, 2020 (measurement date June 30, 2019) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2018 Measurement Date	\$ 37,316,159
Changes Recognized for the Fiscal Year:	
Service Cost	1,398,380
Interest on the Total OPEB Liability	1,478,534
Differences Between Expected and Actual Experience	(5,140,259)
Changes of Assumptions	514,979
Gross Benefit Payments	(1,060,244)
Contributions from the Member	31,429
<b>Net Changes</b>	<u>\$ (2,777,181)</u>
Balance, June 30, 2019 Measurement Date	<u>\$ 34,538,978</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2018 to 3.50% percent in 2019.

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, 2019.

**MIDLAND PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 3.50%, 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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	<b>1% Decrease (2.50%)</b>	<b>Current Discount Rate (3.50%)</b>	<b>1% Increase (4.50%)</b>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 40,804,182	\$ 34,538,978	\$ 29,562,243

*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:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	\$ 28,458,578	\$ 34,538,978	\$ 42,588,179

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 were not provided by the pension system.

**MIDLAND PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**F. Tax Abatements**

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

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

**NOTE 5 RESTATEMENT**

The District conducted an update and appraisal of its capital asset inventory during the 2019/2020 fiscal year. The District has restated its July 1, 2019 capital asset values as well as the accumulated depreciation amounts to reflect the amounts reported in the updated capital asset report. The net effect of this restatement was a decrease to governmental activities net position of \$163,448.

**NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

New Jersey Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of all schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. The Board expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the School District. The declaration of a public health emergency remains in effect as of the date of audit. As part of a planned multi-stage approach to restart the State's economy, Governor Murphy has signed a series of Executive Orders permitting the resumption of certain activities.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease.

**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, 2020**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 20,421,875		\$ 20,421,875	\$ 20,421,875	
Tuition from Individuals (Integrated Preschool)	43,400		43,400	39,204	\$ (4,196)
Other Restricted Miscellaneous Revenues	1,446,763		1,446,763	1,457,154	10,391
Interest on Investments	7,500		7,500	30,744	23,244
Unrestricted Miscellaneous Revenues	15,000		15,000	15,033	33
Interest Earned on Capital Reserve Funds	500	-	500	2,395	1,895
<b>Total Local Sources</b>	<u>21,935,038</u>	<u>-</u>	<u>21,935,038</u>	<u>21,966,405</u>	<u>31,367</u>
State Sources					
Special Education Aid	583,528		583,528	583,528	-
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				342,943	342,943
On-behalf TPAF Normal Cost & Accrued Liab. (Non-Budgeted)				1,953,901	1,953,901
On-behalf TPAF NCGI Premium Contribution (Non-budgeted)				35,021	35,021
On-behalf TPAF Long Term Disability Insurance (Non-budgeted)				1,692	1,692
On-behalf TPAF Post-Retirement Medical Contributions (Non-budgeted)				737,854	737,854
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	697,086	697,086
<b>Total State Sources</b>	<u>782,688</u>	<u>-</u>	<u>782,688</u>	<u>4,551,185</u>	<u>3,768,497</u>
<b>Total Revenues</b>	<u>22,717,726</u>	<u>-</u>	<u>22,717,726</u>	<u>26,517,590</u>	<u>3,799,864</u>
<b>EXPENDITURES</b>					
CURRENT					
Regular Programs- Instruction					
Salaries of Teachers					
Kindergarten	276,400	\$ 147	276,547	275,764	783
Grades 1-5	2,296,936	(51,855)	2,245,081	2,241,838	3,243
Grades 6-8	1,154,815	(6,380)	1,148,435	1,122,638	25,797
Grades 9-12	2,128,405	9,310	2,137,715	2,117,382	20,333
Regular Programs - Home Instruction					
Salaries of Teachers	18,000	-	18,000	1,360	16,640
Other Salaries for Instruction		1,154	1,154	591	563
Purchased Professional/Educational Services	4,000	-	4,000		4,000
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	47,738	(3,289)	44,449	44,149	300
Purchased Professional/Educational Services	48,485	(2,430)	46,055	21,794	24,261
Other Purchased Services	133,043	6,231	139,274	137,866	1,408
General Supplies	209,300	938	210,238	184,197	26,041
General Supplies- Acquired Under Lease Purchase ( Non-budgeted)				209,412	(209,412)
Textbooks	36,125	8,811	44,936	44,467	469
Other Objects	4,727	(1,311)	3,416	1,783	1,633
<b>Total Regular Programs</b>	<u>6,357,974</u>	<u>(38,674)</u>	<u>6,319,300</u>	<u>6,403,241</u>	<u>(83,941)</u>
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	109,750	10,570	120,320	120,096	224
Other Salaries for Instruction	217,350	(40,916)	176,434	170,350	6,084
General Supplies	1,500	(1,000)	500	452	48
<b>Total Learning and/or Language Disabilities</b>	<u>328,600</u>	<u>(31,346)</u>	<u>297,254</u>	<u>290,898</u>	<u>6,356</u>

**MIDLAND PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Special Education (Continued)					
Multiple Disabilities					
Salaries of Teachers		\$ 3,024	\$ 3,024	\$ 1,950	\$ 1,074
General Supplies	-	-	-	-	-
Total Multiple Disabilities	-	3,024	3,024	1,950	1,074
Resource Room/Resource Center					
Salaries of Teachers	1,307,697	(2,440)	1,305,257	1,283,102	22,155
Other Salaries for Instruction	324,450	40,797	365,247	359,532	5,715
General Supplies	4,000	(517)	3,483	2,950	533
Total Resource Room Resource Center	1,636,147	37,840	1,673,987	1,645,584	28,403
Preschool Disabilities - Part-Time					
Salaries of Teachers	167,100	(54,804)	112,296	112,296	
Other Salaries for Instruction	196,200	(112,278)	83,922	83,922	-
General Supplies	2,000	(1,400)	600	600	-
Total Preschool Disabilities-Part Time	365,300	(168,482)	196,818	196,818	-
Preschool Disabilities -Full-Time					
Salaries of Teachers		53,974	53,974	53,856	118
Other Salaries for Instruction		163,259	163,259	163,259	-
General Supplies	-	840	840	840	-
Total Preschool Disabilities-Full Time	-	218,073	218,073	217,955	118
Home Instruction					
Purchased Professional-Educational Services	5,000	2,500	7,500	3,775	3,725
Total Home Instruction	5,000	2,500	7,500	3,775	3,725
Total Special Education	2,335,047	61,609	2,396,656	2,356,980	39,676
Bilingual Education					
Salaries of Teachers		5,874	5,874	5,874	-
General Supplies	-	1,077	1,077	-	1,077
Total Bilingual Education	-	6,951	6,951	5,874	1,077
School Spons. Co-Curricular Activities-Instruction					
Salaries	90,000	4,292	94,292	92,595	1,697
Purchased Services	4,400	(1,600)	2,800	2,800	-
Supplies and Materials	13,350	884	14,234	13,790	444
Other Objects	1,600	-	1,600	942	658
Total School Spons. Co-Curricular Activities-Instr.	109,350	3,576	112,926	110,127	2,799
School Sponsored Athletics - Instruction					
Salaries	373,000	(27,590)	345,410	309,166	36,244
Purchased Services	53,000	24,948	77,948	75,877	2,071
Supplies and Materials	47,485	9,748	57,233	53,436	3,797
Other Objects	16,565	(2,004)	14,561	8,931	5,630
Total School Sponsored Athletics - Instruction	490,050	5,102	495,152	447,410	47,742
Total Instruction	9,292,421	38,564	9,330,985	9,323,632	7,353

(Continued)



**MIDLAND PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within the State - Regular	\$ 75,888	\$ (18,972)	\$ 56,916	\$ 56,916	\$ -
Tuition to Other LEA's Within the State - Special	299,100	19,234	318,334	318,334	-
Tuition to Vocational School Districts- Regular	73,548	20,862	94,410	94,410	-
Tuition to Vocational School Districts- Special	117,000	(28,950)	88,050	88,050	-
Tuition to County Special Services School Districts and Regional Day Schools	284,540	70,803	355,343	355,343	-
Tuition to Private Schools for the Disabled Within the State	1,165,520	(186,550)	978,970	962,611	16,359
<b>Total Undistributed Expenditures - Instruction</b>	<b>2,015,596</b>	<b>(123,573)</b>	<b>1,892,023</b>	<b>1,875,664</b>	<b>16,359</b>
Health Services					
Salaries	263,100	(187)	262,913	261,230	1,683
Purchased Professional Technical Services	10,000	-	10,000	6,788	3,212
Supplies and Materials	6,250	-	6,250	2,741	3,509
<b>Total Health Services</b>	<b>279,350</b>	<b>(187)</b>	<b>279,163</b>	<b>270,759</b>	<b>8,404</b>
Other Support Services - Speech, OT, PT & Related Svcs					
Salaries	482,500	(103,839)	378,661	376,064	2,597
Purchased Professional/Educational Services	1,000	68,968	69,968	46,296	23,672
Supplies and Materials	750	4,500	5,250	5,126	124
<b>Total Other Support Services - Speech, OT, PT &amp; Related Svcs</b>	<b>484,250</b>	<b>(30,371)</b>	<b>453,879</b>	<b>427,486</b>	<b>26,393</b>
Other Support Services - Extra. Serv.					
Purchased Professional/Education Services	599,750	29,854	629,604	514,393	115,211
<b>Total Other Support Services - Extra. Serv.</b>	<b>599,750</b>	<b>29,854</b>	<b>629,604</b>	<b>514,393</b>	<b>115,211</b>
Other Support Services - Guidance					
Salaries of Other Professional Staff	295,850	(5,788)	290,062	279,391	10,671
Salaries of Secretarial and Clerical Assistants	39,350	498	39,848	39,348	500
Other Salaries	-	4,699	4,699	4,699	-
Purchased Professional- Educational Services	4,060	1,731	5,791	5,296	495
Supplies and Materials	5,800	122	5,922	4,710	1,212
Other Objects	14,286	-	14,286	12,768	1,518
<b>Total Other Support Services - Guidance</b>	<b>359,346</b>	<b>1,262</b>	<b>360,608</b>	<b>346,212</b>	<b>14,396</b>
Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	363,200	2,146	365,346	365,346	-
Salaries of Secretarial and Clerical Assistants	44,600	1,302	45,902	45,702	200
Purchased Professional/Educational Services	23,000	(2,379)	20,621	14,149	6,472
Other Purchased Professional and Tech. Services	1,000	-	1,000	774	226
Supplies and Materials	5,000	(1,750)	3,250	2,781	469
Other Objects	1,000	250	1,250	1,184	66
<b>Total Other Support Services - Child Study Teams</b>	<b>437,800</b>	<b>(431)</b>	<b>437,369</b>	<b>429,936</b>	<b>7,433</b>

**MIDLAND PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	\$ 25,000	-	\$ 25,000	\$ 25,000	
Salaries of Other Professional Staff	35,025	\$ 4	35,029	35,028	\$ 1
Salaries of Secretarial and Clerical Assistants	16,570	(8,654)	7,916	7,916	-
Other Salaries	22,200	20,043	42,243	42,243	-
Other Purchased Services	30,075	(2,067)	28,008	28,008	-
Supplies and Materials	4,000	(3,844)	156	156	-
Other Objects	750	(750)	-	-	-
	<u>133,620</u>	<u>4,732</u>	<u>138,352</u>	<u>138,351</u>	<u>1</u>
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff					
Educational Media Services/School Library					
Salaries	138,020	320	138,340	138,047	293
Salaries of Technology Coordinators	210,960	1,760	212,720	212,720	-
Purchased Professional and Technical Services	5,152	-	5,152	4,442	710
Supplies and Materials	13,850	(860)	12,990	12,990	-
Other Objects	400	(5)	395	278	117
	<u>368,382</u>	<u>1,215</u>	<u>369,597</u>	<u>368,477</u>	<u>1,120</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	35,025	424	35,449	35,449	-
Salaries of Secretarial and Clerical Assistants	16,570	(8,367)	8,203	8,203	-
Other Salaries	-	-	-	-	-
Other Purchased Professional and Technical Serv.	5,000	(3,162)	1,838	1,838	-
Supplies and Materials	500	(500)	-	-	-
Other Objects	12,000	(6,098)	5,902	5,862	40
	<u>94,095</u>	<u>(17,703)</u>	<u>76,392</u>	<u>76,352</u>	<u>40</u>
Total Instructional Staff Training Services					
Support Services General Administration					
Salaries	247,407	85,027	332,434	332,434	-
Legal Services	35,000	(8,444)	26,556	26,556	-
Audit Fees	24,850	4,847	29,697	27,845	1,852
Architectural/Engineering Services	-	6,000	6,000	1,439	4,561
Other Purchased Professional Services	5,350	185	5,535	5,535	-
Purchased Technical Services	2,000	-	2,000	1,017	983
Communications/Telephone	23,700	2,705	26,405	23,871	2,534
BOE Other Purchased Services	5,000	(705)	4,295	86	4,209
Misc. Purchased Services	9,000	5,000	14,000	8,623	5,377
General Supplies	5,700	(2,068)	3,632	3,101	531
BOE In-House Training/Meeting Supplies	100	-	100	92	8
Miscellaneous Expenditures	3,780	68	3,848	3,848	-
Board of Education Membership Dues and Fees	9,436	-	9,436	9,436	-
	<u>371,323</u>	<u>92,615</u>	<u>463,938</u>	<u>443,883</u>	<u>20,055</u>
Total Support Services General Administration					
Support Services School Administration					
Salaries of Principals/Asst. Principals	543,312	95,952	639,264	600,358	38,906
Salaries of Other Professional Staff	85,164	132,316	217,480	197,479	20,001
Salaries of Secretarial and Clerical Assistants	143,475	94,375	237,850	218,227	19,623
Purchased Professional and Technical Services	2,500	-	2,500	1,629	871
Other Purchased Services	10,500	(1,372)	9,128	4,894	4,234
Supplies and Materials	7,000	(1,349)	5,651	4,994	657
Other Objects	6,000	172	6,172	5,747	425
	<u>797,951</u>	<u>320,094</u>	<u>1,118,045</u>	<u>1,033,328</u>	<u>84,717</u>
Total Support Services School Administration					

**MIDLAND PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	\$ 305,000	\$ 107,344	\$ 412,344	\$ 412,344	\$ -
Purchased Professional Services	1,400	146	1,546	1,546	-
Purchased Technical Services	5,520	59	5,579	5,569	10
Miscellaneous Purchased Services	1,500	(1,055)	445	25	420
Supplies and Materials	2,000	6,052	8,052	2,929	5,123
Interest on Current Loans	1,255	-	1,255	1,255	-
Miscellaneous Expenditures	1,340	(7)	1,333	1,240	93
	<u>318,015</u>	<u>112,539</u>	<u>430,554</u>	<u>424,908</u>	<u>5,646</u>
Total Central Services					
Admin. Information Technology					
Salaries	30,910	29	30,939	30,939	-
Purchased Professional Services	8,000	(1,309)	6,691	2,306	4,385
Purchased Technical Services	20,000	20,102	40,102	23,956	16,146
Other Purchased Services	11,900	(2,331)	9,569	9,523	46
Supplies and Materials	500	858	1,358	1,356	2
Technology Supplies Acquired Under Lease Purchase Agreement (Non-budget)				49,598	(49,598)
Other Objects	1,000	35	1,035	1,035	-
	<u>72,310</u>	<u>17,384</u>	<u>89,694</u>	<u>118,713</u>	<u>(29,019)</u>
Total Admin. Information Technology					
Required Maintenance for School Facilities					
Salaries	306,369	(36,253)	270,116	240,334	29,782
Cleaning, Repair and Maintenance Services	100,000	198,971	298,971	178,891	120,080
General Supplies	30,000	18,007	48,007	48,007	-
	<u>436,369</u>	<u>180,725</u>	<u>617,094</u>	<u>467,232</u>	<u>149,862</u>
Total Required Maintenance for School Facilities					
Custodial Services					
Salaries	519,950	(29,783)	490,167	485,431	4,736
Salaries of Non-Instructional Aides	130,000	7,828	137,828	137,828	-
Purchased Professional and Technical Services	41,000	(1,036)	39,964	39,964	-
Cleaning, Repair and Maintenance Services	73,850	8,317	82,167	71,617	10,550
Other Purchased Property Services	20,000	630	20,630	17,272	3,358
Insurance	115,000	1,660	116,660	116,660	-
General Supplies	37,000	49,995	86,995	48,056	38,939
Energy (Natural Gas)	115,000	(14,351)	100,649	59,412	41,237
Energy (Electricity)	115,000	29,304	144,304	119,298	25,006
Other Objects	450	650	1,100	1,100	-
	<u>1,167,250</u>	<u>53,214</u>	<u>1,220,464</u>	<u>1,096,638</u>	<u>123,826</u>
Total Custodial Services					
Security					
Salaries	2,000	-	2,000	2,000	-
Purchased Professional and Technical Services	64,650	(3,016)	61,634	61,634	-
General Supplies	-	-	-	-	-
	<u>66,650</u>	<u>(3,016)</u>	<u>63,634</u>	<u>63,634</u>	<u>-</u>
Total Security					

**MIDLAND PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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	\$ 19,229	\$ 79,229	\$ 76,562	\$ 2,667
Salaries for Pupil Transportation (Between Home and School)-Special Education	163,000	(19,229)	143,771	113,921	29,850
Cleaning, Repair and Maintenance Services	13,000	-	13,000	6,381	6,619
Lease Purchase Payments - School Buses	15,215	-	15,215	15,215	-
Contracted Services (Other than Between Home and School) - Vendors	21,650	2,050	23,700	14,535	9,165
Contracted Services (Between Home and School) - Joint Agreements	45,000	25,000	70,000	65,071	4,929
Contracted Services (Special Education Students) - Joint Agreements	310,000	15,000	325,000	232,686	92,314
Transportation Supplies	3,500	-	3,500	2,941	559
Other Objects	20,500	-	20,500	11,176	9,324
<b>Total Student Transportation Services</b>	<u>651,865</u>	<u>42,050</u>	<u>693,915</u>	<u>538,488</u>	<u>155,427</u>
Unallocated Benefits					
Group Insurance	5,650	156	5,806	5,806	-
Social Security Contributions	266,500	1,307	267,807	267,807	-
Other Retirement Contributions - PERS	335,500	9,628	345,128	345,074	54
Other Retirement Contributions - Regular	2,500	1,206	3,706	3,688	18
Workmen's Compensation	119,215	(13,632)	105,583	104,682	901
Health Benefits	3,523,140	(227,393)	3,295,747	3,257,814	37,933
Tuition Reimbursement	26,000	-	26,000	8,137	17,863
Other Employee Benefits	97,840	20,686	118,526	115,379	3,147
<b>Total Unallocated Benefits</b>	<u>4,376,345</u>	<u>(208,042)</u>	<u>4,168,303</u>	<u>4,108,387</u>	<u>59,916</u>
On-Behalf TPAF Normal & Accrued Liab. Contribution (Non-Budgeted)				1,953,901	(1,953,901)
On-behalf TPAF NCGI Premium Contribution (Non-budgeted)				35,021	(35,021)
On-behalf TPAF Long Term Disability Insurance (Non-budgeted)				1,692	(1,692)
On-behalf TPAF Post-Retirement Medical Contributions (Non-budgeted)				737,854	(737,854)
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	697,086	(697,086)
<b>Total On-Behalf Payments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,425,554</u>	<u>(3,425,554)</u>
<b>Total Undistributed Expenditures</b>	<u>13,030,267</u>	<u>472,361</u>	<u>13,502,628</u>	<u>16,168,395</u>	<u>(2,665,767)</u>
<b>Total Expenditures-Current Expense</b>	<u>22,322,688</u>	<u>510,925</u>	<u>22,833,613</u>	<u>25,492,027</u>	<u>(2,658,414)</u>

**MIDLAND PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
<b>CAPITAL OUTLAY</b>					
Interest Deposit to Capital Reserve	\$ 500	-	\$ 500	-	\$ 500
Equipment					
Undistributed Expenditures-Admin Info Tech	-	\$ 2,645	2,645	\$ 2,645	-
Total Equipment	-	2,645	2,645	2,645	-
Facilities Acq. And Construction Services					
Architectural/Engineering Services	35,000	20,000	55,000		55,000
Construction Services	265,000	-	265,000	170,000	95,000
Other Objects-Debt Service Assessment	22,775	-	22,775	22,775	-
Total Facilities Acq. And Contr. Services	322,775	20,000	342,775	192,775	150,000
Total Capital Outlay	323,275	22,645	345,920	195,420	150,500
<b>SPECIAL SCHOOLS</b>					
Adult Education - Local - Instruction					
Salaries of Teachers	100,000	-	100,000	61,275	38,725
Purchased Professional and Technical Services	142,000	39,000	181,000	96,608	84,392
Other Purchased Services	290,000	1,000	291,000	229,546	61,454
General Supplies	5,000	-	5,000	3,358	1,642
Textbooks	2,000	-	2,000		2,000
Other Objects	100	-	100	59	41
Total Adult Education - Local - Instruction	539,100	40,000	579,100	390,846	188,254
Adult Education - Local - Support Services					
Salaries	141,398	-	141,398	133,718	7,680
Personal Services-Employee Benefits	76,000	-	76,000	69,952	6,048
Total Adult Education - Local - Support Services	217,398	-	217,398	203,670	13,728
Total Special Schools	756,498	40,000	796,498	594,516	201,982
Total Expenditures	23,402,461	573,570	23,976,031	26,281,963	(2,305,932)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(684,735)	(573,570)	(1,258,305)	235,627	1,493,932
Other Financing Sources (Uses)					
Transfers In- Indirect Cost Allocation- Title I (Special Revenue Fund)				725	725
Transfers In- Capital Reserve Returned from Capital Projects Fund	-	-	-	975	975
Lease Purchase Proceeds	-	-	-	259,010	259,010
Total Other Financing Sources (Uses)	-	-	-	260,710	260,710

**MIDLAND PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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	\$ (684,735)	\$ (573,570)	\$ (1,258,305)	\$ 496,337	\$ 1,754,642
Fund Balances, Beginning of Year	<u>2,623,535</u>	<u>-</u>	<u>2,623,535</u>	<u>2,623,535</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,938,800</u>	<u>\$ (573,570)</u>	<u>\$ 1,365,230</u>	<u>\$ 3,119,872</u>	<u>\$ 1,754,642</u>
<b><u>Recapitulation of Fund Balance</u></b>					
Restricted Fund Balance					
Capital Reserve				\$ 934,975	
Capital Reserve - Designated for Subsequent Year's Budget (2020/21 Budget)				300,000	
Adult Education Programs				37,569	
Adult Education Program - Designated for Subsequent Year's Budget (2020/21 Budget)				185,340	
Excess Surplus - Designated for Subsequent Year's Budget (2020/21 Budget)				300,000	
Excess Surplus				275,000	
Committed Fund Balance					
Year-End Encumbrances				226,858	
Assigned Fund Balance					
Year-End Encumbrances				65,239	
Unassigned Fund Balance				<u>794,891</u>	
				3,119,872	
Reconciliation to Governmental Fund Statement (GAAP)					
State Aid Payments Not Recognized on GAAP Basis				(43,037)	
Extraordinary Aid Payment Not Recognized on GAAP Basis				<u>(342,943)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 2,733,892</u>	

**MIDLAND PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
Local		\$ 4,934	\$ 4,934	\$ 4,922	\$ (12)
State	\$ 195,728	49,285	245,013	218,253	(26,760)
Federal	381,485	152,623	534,108	414,567	(119,541)
Total Revenues	<u>577,213</u>	<u>206,842</u>	<u>784,055</u>	<u>637,742</u>	<u>(146,313)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries		-			-
Purchased Prof. and Technical Services	95,055	(88,291)	6,764	1,500	5,264
Other Purchased Services	248,418	(27,159)	221,259	219,419	1,840
General Supplies	21,277	61,931	83,208	76,448	6,760
Textbooks	8,215	1,747	9,962	9,730	232
Other Objects	-	439	439	-	439
Total Instruction	<u>372,965</u>	<u>(51,333)</u>	<u>321,632</u>	<u>307,097</u>	<u>14,535</u>
Support Services					
Salaries		36,859	36,859	11,672	25,187
Employee Benefits		2,830	2,830	969	1,861
Purchased Professional/Technical Svcs.	22,275	142,047	164,322	110,285	54,037
Purchased Professional/Educational Svcs.	142,713	16,512	159,225	135,469	23,756
Other Purchased Services		13,400	13,400	12,807	593
General Supplies	39,260	45,749	85,009	58,665	26,344
Other Objects	-	53	53	53	-
Total Support Services	<u>204,248</u>	<u>257,450</u>	<u>461,698</u>	<u>329,920</u>	<u>131,778</u>
Total Expenditures	<u>577,213</u>	<u>206,117</u>	<u>783,330</u>	<u>637,017</u>	<u>146,313</u>
Other Financing Use					
Indirect Cost Allocations	-	(725)	(725)	(725)	-
Sub-total Other Financing Uses	<u>-</u>	<u>(725)</u>	<u>(725)</u>	<u>(725)</u>	<u>-</u>
Total Outflows	<u>577,213</u>	<u>206,842</u>	<u>784,055</u>	<u>637,742</u>	<u>146,313</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Fund Balances, Beginning of Year

Fund Balances, End of Year

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



**MIDLAND PARK BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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.

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 26,517,590	\$ 637,742
Difference-Budget to GAAP:		
State and Extraordinary aid payments recognized for GAAP purpose not recognized for budgetary statements (2018/2019 State aid)	428,077	
State aid and Extraordinary aid payments recognized for budgetary purpose not recognized for GAAP statements (2019/2020 State aid)	<u>(385,980)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 26,559,687</u>	<u>\$ 637,742</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedule (Exhibits C-1 and C-2)	<u>\$ 26,281,963</u>	<u>\$ 637,017</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 26,281,963</u>	<u>\$ 637,017</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 Seven Fiscal Years\***

	<u>2020</u>	<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)	0.03420%	0.03147%	0.03055%	0.02777%	0.02722%	0.02596%	0.02324%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 6,183,934</u>	<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>\$ 2,283,079</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>	<u>\$ 1,695,648</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	271%	266%	331%	407%	328%	271%	262%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	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 Seven Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 333,834	\$ 313,019	\$ 282,988	\$ 246,665	\$ 233,994	\$ 214,048	\$ 175,135
Contributions in Relation to the Contractually Required Contribution	<u>333,834</u>	<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>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 2,262,518</u>	<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	14.75%	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 Seven Fiscal Years\***

	<u>2020</u>	<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	\$ 51,562,728	\$ 52,341,484	\$ 54,045,652	\$ 62,258,043	\$ 52,884,457	\$ 43,394,304	\$ 41,140,249
<b>Total</b>	<u>\$ 51,562,728</u>	<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>\$ 9,420,188</u>	<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	26.95%	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, 2020**

**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 Three Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 1,398,380	\$ 1,615,963	\$ 1,957,283
Interest on Total OPEB Liability	1,478,534	1,585,359	1,365,742
Differences between Expected and Actual Experiences	(5,140,259)	(3,784,849)	
Changes of Assumptions	514,979	(4,282,216)	(5,700,110)
Gross Benefit Payments	(1,060,244)	(997,821)	(990,155)
Contribution from the Member	<u>31,429</u>	<u>34,486</u>	<u>36,460</u>
<b>Net Change in Total OPEB Liability</b>	(2,777,181)	(5,829,078)	(3,330,780)
<b>Total OPEB Liability - Beginning</b>	<u>37,316,159</u>	<u>43,145,237</u>	<u>46,476,017</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 34,538,978</u>	<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>34,538,978</u>	<u>37,316,159</u>	<u>43,145,237</u>
Total OPEB Liability - Ending	<u>\$ 34,538,978</u>	<u>\$ 37,316,159</u>	<u>\$ 43,145,237</u>
District's Covered Payroll	<u>\$ 11,703,267</u>	<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%	0%	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, 2020**

**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, 2020

	Nonpublic Textbooks	Nonpublic Nursing	Advanced Computer Science	I.D.E.A. Part B Preschool	I.D.E.A. Part B Basic	Total Exhibit E-1A	Total Exhibit E-1B	Total 2019/20
REVENUES								
Intergovernmental								
Local							\$ 4,922	\$ 4,922
State	\$ 9,730	\$ 19,099	\$ 36,598			\$ 123,276	29,550	218,253
Federal	-	-	-	\$ 18,957	\$ 247,966	98,987	48,657	414,567
Total Revenues	\$ 9,730	\$ 19,099	\$ 36,598	\$ 18,957	\$ 247,966	\$ 222,263	\$ 83,129	\$ 637,742
EXPENDITURES								
Instruction								
Salaries of Teachers						\$ -	\$ -	\$ -
Purchased Prof. and Technical Services						-	1,500	1,500
Other Purchased Services				\$ 18,957	\$ 200,462		-	219,419
General Supplies			\$ 35,098		11,566	22,943	6,841	76,448
Textbooks	\$ 9,730	-	-	-	-	-	-	9,730
Total Instruction	9,730	-	35,098	18,957	212,028	22,943	8,341	307,097
Support Services								
Salaries						11,672		11,672
Employee Benefits						969	-	969
Purchased Prof. And Technical Svcs.			1,500		35,938	56,731	16,116	110,285
Purchased Prof. - Educational Svc		\$ 18,899				116,570	-	135,469
Other Purchased Services						12,600	207	12,807
General Supplies		200					58,465	58,665
Other Objects	-	-	-	-	-	53	-	53
Total Support Services	-	19,099	1,500	-	35,938	198,595	74,788	329,920
Sub-total Total Expenditures	9,730	19,099	36,598	18,957	247,966	221,538	83,129	637,017
Other Financing Use								
Indirect Cost Allocations	-	-	-	-	-	(725)	-	(725)
Sub-total Other Financing Uses	-	-	-	-	-	(725)	-	(725)
Total Outflows	9,730	19,099	36,598	18,957	247,966	222,263	83,129	637,742
Excess(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MIDLAND PARK BOARD OF EDUCATION  
 SPECIAL REVENUE FUND  
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGETARY BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Chapter 192 Auxiliary Services			Chapter 193 Handicapped Services			Nonpublic Technology	Title I	Total
	Nonpublic Comp. Ed.	Nonpublic E.S.L.	Nonpublic Transportation	Nonpublic Suppl. Inst.	Nonpublic Exam. and Class	Nonpublic Speech Corr.			
<b>REVENUES</b>									
Intergovernmental									
State	\$ 32,042	\$ 3,143	\$ 16,575	\$ 10,362	\$ 21,364	\$ 33,084	\$ 6,706		\$ 123,276
Federal	-	-	-	-	-	-	-	\$ 98,987	98,987
Total Revenues	\$ 32,042	\$ 3,143	\$ 16,575	\$ 10,362	\$ 21,364	\$ 33,084	\$ 6,706	\$ 98,987	\$ 222,263
<b>EXPENDITURES</b>									
Instruction									
Salaries of Teachers									
Salaries of Other Professional Staff									
Other Salaries for Instruction									
Purchased Prof. & Tech. Svcs.									
Other Purchased Services									
General Supplies	-	-	-	-	-	-	\$ 6,706	16,237	22,943
Total Instruction	-	-	-	-	-	-	6,706	16,237	22,943
Support Services									
Salaries								11,672	11,672
Employee Benefits								969	969
Purchased Prof. - Educational Svc	\$ 32,042	\$ 3,143	\$ 16,575	\$ 10,362	\$ 21,364	\$ 33,084			116,570
Purchased Prof. and Technical Svcs.							-	56,731	56,731
Other Purchased Services								12,600	12,600
Other Objects	-	-	-	-	-	-	-	53	53
Total Support Services	32,042	3,143	16,575	10,362	21,364	33,084	-	82,025	198,595
Sub-total Total Expenditures	\$ 32,042	\$ 3,143	\$ 16,575	\$ 10,362	\$ 21,364	\$ 33,084	\$ 6,706	\$ 98,262	\$ 221,538
Other Financing Use									
Indirect Cost Allocations	-	-	-	-	-	-	-	(725)	(725)
Sub-total Other Financing Uses	-	-	-	-	-	-	-	(725)	(725)
Total Outflows	32,042	3,143	16,575	10,362	21,364	33,084	6,706	98,987	222,263
Excess(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MIDLAND PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>CARES</u>	<u>Title IIA</u>	<u>Nonpublic Security Aid</u>	<u>Local Donations</u>	<u>Title IV</u>	<u>Total</u>
<b>REVENUES</b>						
Intergovernmental						
Local				\$ 4,922		\$ 4,922
State			\$ 29,550			29,550
Federal	\$ 28,782	\$ 11,323	-	-	\$ 8,552	48,657
Total Revenues	\$ 28,782	\$ 11,323	\$ 29,550	\$ 4,922	\$ 8,552	\$ 83,129
<b>EXPENDITURES</b>						
Instruction						
Salaries						\$ -
Purchased Prof. and Technical Services					\$ 1,500	1,500
Other Purchased Services						-
General Supplies				\$ 4,789	2,052	6,841
Other Objects	-	-	-	-	-	-
Total Instruction	-	-	-	4,789	3,552	8,341
Support Services						
Purchased Prof. and Technical Svcs.		\$ 11,116			5,000	16,116
Purchased Prof. - Educational Svc						-
Other Purchased Services		207				207
General Supplies	\$ 28,782	-	\$ 29,550	133	-	58,465
Total Support Services	28,782	11,323	29,550	133	5,000	74,788
Sub-total Total Expenditures	28,782	11,323	29,550	4,922	8,552	83,129
Other Financing Use						
Indirect Cost Allocations	-	-	-	-	-	-
Sub-total Other Financing Uses	-	-	-	-	-	-
Total Outflows	\$ 28,782	\$ 11,323	\$ 29,550	\$ 4,922	\$ 8,552	\$ 83,129
Excess(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**MIDLAND PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020**

<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, 2020</u>
Various Improvements and Renovations to Midland Park High School and Highland/Godwin School	\$ 11,596,307	\$ (137,011)	\$ 60,000	\$ 11,449,011	\$ 70,285	\$ -
Godwin School Entrance Modification	134,160		-	28,399	75,200	30,561
Door Replacement Project	278,901	-	-	15,998	230,405	32,498
Life Skills Classroom Renovations	<u>312,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,855</u>	<u>217,843</u>
	<u>\$ 12,322,066</u>	<u>\$ (137,011)</u>	<u>\$ 60,000</u>	<u>\$ 11,493,408</u>	<u>\$ 470,745</u>	<u>\$ 280,902</u>
						<u>\$ 280,902</u>

Project Balance

**Reconciliation of Fund Balance**

Restricted	
Year-End Encumbrances	\$ 220,843
Available for Capital Projects	<u>60,059</u>
Total Fund Balance- Restricted for Capital Projects	<u>\$ 280,902</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, 2020**

**Revenues and Other Financing Sources**

Local Sources- Other	\$ 270,000
Transfer from Food Service Enterprise Fund	<u>42,698</u>
 Total Revenues and Other Financing Sources	 <u>312,698</u>

**Expenditures and Other Financing Uses**

Purchased Professional and Technical Services	34,928
Construction Services	435,817
Transfers Out- General Fund- Return of Unexpended Capital Reserve Funds	<u>975</u>
 Total Expenditures and Other Financing Uses	 <u>471,720</u>

Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(159,022)
 Fund Balance- Beginning of Year	 <u>439,924</u>
 Fund Balance - End of Year	 <u>\$ 280,902</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, 2020**

	<u>Prior Period</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 8,500,000		\$ 8,500,000	\$ 8,500,000
State Sources- SDA Grants	2,722,796		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>11,519,296</u>	<u>-</u>	<u>11,519,296</u>	<u>11,519,296</u>
<b>Expenditures and Other Financing Uses</b>				
Expenditures				
Purchased Professional and Technical Services	1,344,899		1,344,899	1,344,899
Construction Services	10,104,112	\$ 70,285	10,174,397	10,174,397
	<u>11,449,011</u>	<u>70,285</u>	<u>11,519,296</u>	<u>11,519,296</u>
Excess (Deficiency) of Revenues and Other Financing Sources				
Over Expenditures and Other Financing Uses	<u>\$ 70,285</u>	<u>\$ (70,285)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
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	100%			
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, 2020**

	<u>Prior Period</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfers from Capital Reserve	\$ 134,160	-	\$ 134,160	\$ 134,160
Total Revenues and Other Financing Sources	<u>134,160</u>	<u>-</u>	<u>134,160</u>	<u>134,160</u>
<b>Expenditures and Other Financing Uses</b>				
Expenditures				
Purchased Professional and Technical Services	12,784		12,784	12,784
Supplies	8,972		8,972	9,021
Construction Services	<u>6,643</u>	<u>\$ 75,200</u>	<u>81,843</u>	<u>112,355</u>
Total Expenditures and Other Financing Uses	<u>28,399</u>	<u>75,200</u>	<u>103,599</u>	<u>134,160</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 105,761</u>	<u>\$ (75,200)</u>	<u>\$ 30,561</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Proceeds Issued	N/A			
Original Authorized Cost	\$	134,160		
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	77%			
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, 2020**

	<u>Prior Period</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfers from Capital Reserve	\$ 279,876	\$ (975)	\$ 278,901	\$ 278,901
Total Revenues and Other Financing Sources	<u>279,876</u>	<u>(975)</u>	<u>278,901</u>	<u>278,901</u>
<b>Expenditures and Other Financing Uses</b>				
Expenditures				
Purchased Professional and Technical Services	13,433	19,817	33,250	33,725
Construction Services	<u>2,565</u>	<u>210,588</u>	<u>213,153</u>	<u>245,176</u>
Total Expenditures and Other Financing Uses	<u>15,998</u>	<u>230,405</u>	<u>246,403</u>	<u>278,901</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 263,878</u>	<u>\$ (231,380)</u>	<u>\$ 32,498</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Proceeds Issued	N/A			
Original Authorized Cost	\$ 279,876			
Revised Authorized Cost	278,901			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	88%			
Original 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  
LIFE SKILLS CLASSROOM  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Period</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Contributions from Other Local Sources		\$ 40,000	\$ 40,000	\$ 40,000
Contributions from Other Governments		230,000	230,000	230,000
Transfers from Food Service Enterprise Fund	\$ -	42,698	42,698	42,698
Total Revenues and Other Financing Sources	-	312,698	312,698	312,698
<b>Expenditures and Other Financing Uses</b>				
Expenditures				
Purchased Professional and Technical Services		15,111	15,111	20,000
Supplies	-	-	-	-
Construction Services	-	79,744	79,744	292,698
Total Expenditures and Other Financing Uses	-	94,855	94,855	312,698
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ 217,843	\$ 217,843	\$ -
<b>Additional Project Information:</b>				
Project Numbers	3170-050-20-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Proceeds Issued	N/A			
Original Authorized Cost	\$	312,698		
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	30%			
Original Target Completion Date	2020/2021			

**PROPRIETARY FUNDS**

**NOT APPLICABLE**

**FIDUCIARY FUNDS**

**MIDLAND PARK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2020**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Fund</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 210,697	\$ 150,536	\$ 361,233
Due from Other Funds	<u>-</u>	<u>19,986</u>	<u>19,986</u>
Total Assets	<u>\$ 210,697</u>	<u>\$ 170,522</u>	<u>\$ 381,219</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 153,625	\$ 153,625
Accrued Salaries and Wages		6,186	6,186
Reserve for Flexible Spending (Sect. 125) Plan		10,711	10,711
Due to Student Groups	<u>\$ 210,697</u>	<u>-</u>	<u>210,697</u>
Total Liabilities	<u>\$ 210,697</u>	<u>\$ 170,522</u>	<u>\$ 381,219</u>



**MIDLAND PARK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
AS OF JUNE 30, 2020**

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, 2020**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance,</u> <u>June 30, 2020</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 188,157	\$ 282,250	\$ 259,710	\$ 210,697
Total Assets	<u>\$ 188,157</u>	<u>\$ 282,250</u>	<u>\$ 259,710</u>	<u>\$ 210,697</u>
<b>LIABILITIES</b>				
<b>ELEMENTARY SCHOOLS</b>				
Student activity	\$ 9,324	\$ 9,439	\$ 5,127	\$ 13,636
Due to Other Funds	133	-	133	-
<b>HIGH SCHOOL</b>				
Student activity	<u>178,700</u>	<u>272,810</u>	<u>254,449</u>	<u>197,061</u>
	<u>\$ 188,157</u>	<u>\$ 282,249</u>	<u>\$ 259,709</u>	<u>\$ 210,697</u>

**MIDLAND PARK BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
STATEMENT OF ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>June 30, 2020</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 54,355	\$ 15,311,280	\$ 15,215,099	\$ 150,536
Due from Other Funds	<u>4,670</u>	<u>19,986</u>	<u>4,670</u>	<u>19,986</u>
 Total Assets	 <u>\$ 59,025</u>	 <u>\$ 15,331,266</u>	 <u>\$ 15,219,769</u>	 <u>\$ 170,522</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 45,346	\$ 6,840,654	\$ 6,732,375	\$ 153,625
Accrued Salaries and Wages	1,060	8,464,953	8,459,827	6,186
Reserve for Flexible Spending (Sect. 125) Plan	12,619	20,990	22,898	10,711
Due to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Liabilities	 <u>\$ 59,025</u>	 <u>\$ 15,326,597</u>	 <u>\$ 15,215,100</u>	 <u>\$ 170,522</u>

**LONG-TERM DEBT**

**MIDLAND PARK BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<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, 2019</u>	<u>Retired</u>	<u>Balance, June 30, 2020</u>
			<u>Date</u>	<u>Amount</u>				
2012 Refunding Bonds	3/28/2012	\$ 3,695,000	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	\$ 1,930,000	\$ 370,000	\$ 1,560,000
2015 School Bonds	2/5/2015	8,500,000	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>7,330,000</u>	<u>325,000</u>	<u>7,005,000</u>
						<u>\$ 9,260,000</u>	<u>\$ 695,000</u>	<u>\$ 8,565,000</u>
							<u>\$ 695,000</u>	
							Paid by Budget Appropriation	

**MIDLAND PARK BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2020</u>
Lease Purchase-School Bus	2.599%	\$ 77,900	\$ 46,878		\$ 15,215	\$ 31,663
Lease Purchase- Chromebooks	3.942%	\$ 209,412		\$ 209,412	55,427	153,985
Lease Purchase- Technology Supplies and Software Upgrades	0.000%	\$ 49,598	-	49,598	-	49,598
			<u>\$ 46,878</u>	<u>\$ 259,010</u>	<u>\$ 70,642</u>	<u>\$ 235,246</u>
					<u>\$ 70,642</u>	
				Paid by Budget Appropriation		

**MIDLAND PARK BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 935,325	-	\$ 935,325	\$ 935,325	-
Total Revenues	<u>935,325</u>	<u>-</u>	<u>935,325</u>	<u>935,325</u>	<u>-</u>
<b>EXPENDITURES</b>					
Debt Service					
Principal on Bonds	695,000		695,000	695,000	
Interest on Bonds	<u>240,325</u>	-	<u>240,325</u>	<u>240,325</u>	-
Total Expenditures	<u>935,325</u>	<u>-</u>	<u>935,325</u>	<u>935,325</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<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>

## 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,									
	2011	2012	2013	2014 (Restated)	2015	2016	2017 (Restated)	2018	2019 (Restated)	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 2,890,629	\$ 3,734,127	\$ 3,978,371	\$ 5,850,681	\$ 5,436,490	\$ 6,957,794	\$ 12,872,361	\$ 12,975,747	\$ 12,310,956	\$ 12,487,485
Restricted	351,875	966,860	1,030,055	1,125,760	1,518,161	943,530	950,806	1,130,708	1,375,697	1,738,786
Unrestricted	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)	(6,038,684)
Total governmental activities net position	<u>\$ 4,527,116</u>	<u>\$ 5,977,861</u>	<u>\$ 6,603,384</u>	<u>\$ 3,993,204</u>	<u>\$ 4,029,093</u>	<u>\$ 5,164,848</u>	<u>\$ 9,606,332</u>	<u>\$ 8,859,038</u>	<u>\$ 8,133,313</u>	<u>\$ 8,187,587</u>
Business-Type Activities										
Investment in Capital Assets	\$ 9,793	\$ 61,733	\$ 53,102	\$ 50,501	\$ 39,561	\$ 42,166	\$ 64,508	\$ 64,408	\$ 73,841	\$ 67,379
Restricted										
Unrestricted	66,196	78,731	79,357	75,320	74,201	69,014	91,244	108,754	99,221	49,506
Total Business-Type Activities Net Position	<u>\$ 75,989</u>	<u>\$ 140,464</u>	<u>\$ 132,459</u>	<u>\$ 125,821</u>	<u>\$ 113,762</u>	<u>\$ 111,180</u>	<u>\$ 155,752</u>	<u>\$ 173,162</u>	<u>\$ 173,062</u>	<u>\$ 116,885</u>
District-Wide										
Net Investment in Capital Assets	\$ 2,900,422	\$ 3,795,860	\$ 4,031,473	\$ 5,901,182	\$ 5,476,051	\$ 6,999,960	\$ 12,936,869	\$ 13,040,155	\$ 12,384,797	\$ 12,554,864
Restricted	351,875	966,860	1,030,055	1,125,760	1,518,161	943,530	950,806	1,130,708	1,375,697	1,738,786
Unrestricted	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)	(5,989,178)
Total District Net Position	<u>\$ 4,603,105</u>	<u>\$ 6,118,325</u>	<u>\$ 6,735,843</u>	<u>\$ 4,119,025</u>	<u>\$ 4,142,855</u>	<u>\$ 5,276,028</u>	<u>\$ 9,762,084</u>	<u>\$ 9,032,200</u>	<u>\$ 8,306,375</u>	<u>\$ 8,304,472</u>

Note 1 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Note 2- Net Position at June 30, 2017 and at June 30, 2019 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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Governmental activities</b>										
<b>Instruction</b>										
Regular	\$ 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	\$ 10,958,285
Special education	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	6,136,491
Other instruction										
School Sponsored Activities and Athletics	538,492	584,681	670,894	669,528	759,684	839,587	968,669	999,843	969,669	876,174
Other	337,381	726,031	633,752	671,286	886,952	858,751	802,493	894,828	976,699	733,334
<b>Support Services:</b>										
Student & instruction related services	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	3,933,264
General and Business Admin/Central Svcs.	1,162,374	1,230,311	1,209,666	1,194,263	1,323,919	1,178,620	1,338,159	1,474,254	1,370,557	1,456,179
School Administration services	1,000,521	1,074,035	1,195,229	1,167,881	1,386,281	1,535,558	1,762,734	1,858,822	1,757,201	1,703,933
Plant operations and maintenance	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	2,993,439
Pupil transportation	565,859	545,018	560,515	545,022	539,909	589,466	509,474	602,110	753,706	639,511
Interest on long-term debt	198,631	154,502	122,852	107,932	194,909	388,405	197,330	260,275	252,176	234,238
<b>Total governmental activities expenses</b>	<u>19,838,710</u>	<u>20,988,698</u>	<u>21,612,922</u>	<u>21,578,995</u>	<u>25,234,455</u>	<u>26,981,227</u>	<u>29,689,594</u>	<u>31,548,812</u>	<u>30,519,028</u>	<u>29,664,848</u>
<b>Business-type activities:</b>										
Food service	305,068	340,708	339,638	332,467	326,525	372,199	390,965	386,879	425,642	314,026
<b>Total business-type activities expense</b>	<u>305,068</u>	<u>340,708</u>	<u>339,638</u>	<u>332,467</u>	<u>326,525</u>	<u>372,199</u>	<u>390,965</u>	<u>386,879</u>	<u>425,642</u>	<u>314,026</u>
<b>Total district expenses</b>	<u>\$ 20,143,778</u>	<u>\$ 21,329,406</u>	<u>\$ 21,952,560</u>	<u>\$ 21,911,462</u>	<u>\$ 25,560,980</u>	<u>\$ 27,353,426</u>	<u>\$ 30,080,559</u>	<u>\$ 31,935,691</u>	<u>\$ 30,944,670</u>	<u>\$ 29,978,874</u>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
Instruction (tuition)		\$ 27,700	\$ 26,482	\$ 25,644	\$ 31,195	\$ 29,875	\$ 46,397	\$ 40,750	\$ 63,242	\$ 39,204
Adult education	\$ 561,131	631,163	553,341	529,773	708,635	672,598	637,458	702,619	841,396	572,353
Operating grants and contributions	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	6,470,757
Capital grants and contributions	-	-	-	-	278,254	1,160,454	1,480,801	31,771	25,710	270,000
<b>Total governmental activities program revenues</b>	<u>2,452,214</u>	<u>3,213,069</u>	<u>3,469,334</u>	<u>3,209,956</u>	<u>5,853,045</u>	<u>7,738,653</u>	<u>9,711,538</u>	<u>9,550,372</u>	<u>8,089,205</u>	<u>7,352,314</u>
<b>Business-type activities:</b>										
<b>Charges for services</b>										
Food service	259,182	277,845	255,620	247,855	239,912	283,963	301,684	314,309	325,257	223,782
Operating grants and contributions	58,513	70,470	75,845	77,687	74,471	85,579	94,894	89,773	99,459	75,762
<b>Total business-type activities program revenues</b>	<u>317,695</u>	<u>348,315</u>	<u>331,465</u>	<u>325,542</u>	<u>314,383</u>	<u>369,542</u>	<u>396,578</u>	<u>404,082</u>	<u>424,716</u>	<u>299,544</u>
<b>Total district program revenues</b>	<u>\$ 2,769,909</u>	<u>\$ 3,561,384</u>	<u>\$ 3,800,799</u>	<u>\$ 3,535,498</u>	<u>\$ 6,167,428</u>	<u>\$ 8,108,195</u>	<u>\$ 10,108,116</u>	<u>\$ 9,954,454</u>	<u>\$ 8,513,921</u>	<u>\$ 7,651,858</u>
<b>Net (Expense)/Revenue</b>										
<b>Governmental activities</b>	\$ (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)	\$ (22,312,534)
<b>Business-type activities</b>	12,627	7,607	(8,173)	(6,925)	(12,142)	(2,657)	5,613	17,203	(926)	(14,482)
<b>Total district-wide net expense</b>	<u>\$ (17,373,869)</u>	<u>\$ (17,768,022)</u>	<u>\$ (18,151,761)</u>	<u>\$ (18,375,964)</u>	<u>\$ (19,393,552)</u>	<u>\$ (19,245,231)</u>	<u>\$ (19,972,443)</u>	<u>\$ (21,981,237)</u>	<u>\$ (22,430,749)</u>	<u>\$ (22,327,016)</u>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Property taxes levied for general purposes	\$ 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	\$ 20,421,875
Property Taxes levied for debt service	450,990	450,059	423,524	423,472	415,162	910,587	911,236	922,370	918,388	935,325
Unrestricted grants and contributions	77,936	30,576	34,660	34,980	34,980	35,320	33,651	33,593	34,612	33,937
Investment earnings	14,723	8,397	8,256	3,511	7,234	4,712	20,329	11,960	28,664	33,139
Miscellaneous income	809,816	799,462	808,830	936,551	755,081	722,452	655,332	750,105	864,436	899,834
Loss on Disposal of Capital Assets										
Transfers										42,698
<b>Total governmental activities</b>	<u>18,171,924</u>	<u>18,412,746</u>	<u>18,769,111</u>	<u>20,201,153</u>	<u>19,417,299</u>	<u>20,378,329</u>	<u>20,699,911</u>	<u>21,251,146</u>	<u>21,867,546</u>	<u>22,366,808</u>
<b>Business-type activities:</b>										
Investment Earnings	272	179	168	287	83	75	76	207	826	1,003
Transfers										(42,698)
<b>Total business-type activities</b>	<u>272</u>	<u>179</u>	<u>168</u>	<u>287</u>	<u>83</u>	<u>75</u>	<u>76</u>	<u>207</u>	<u>826</u>	<u>(41,695)</u>
<b>Total district-wide</b>	<u>\$ 18,172,196</u>	<u>\$ 18,412,925</u>	<u>\$ 18,769,279</u>	<u>\$ 20,201,440</u>	<u>\$ 19,417,382</u>	<u>\$ 20,378,404</u>	<u>\$ 20,699,987</u>	<u>\$ 21,251,353</u>	<u>\$ 21,868,372</u>	<u>\$ 22,325,113</u>
<b>Change in Net Position</b>										
<b>Governmental activities</b>	\$ 785,428	\$ 637,117	\$ 625,523	\$ 1,832,114	\$ 35,889	\$ 1,135,755	\$ 721,855	\$ (747,294)	\$ (562,277)	\$ 54,274
<b>Business-type activities</b>	12,899	7,786	(8,005)	(6,638)	(12,059)	(2,582)	5,689	17,410	(100)	(56,177)
<b>Total district</b>	<u>\$ 798,327</u>	<u>\$ 644,903</u>	<u>\$ 617,518</u>	<u>\$ 1,825,476</u>	<u>\$ 23,830</u>	<u>\$ 1,133,173</u>	<u>\$ 727,544</u>	<u>\$ (729,884)</u>	<u>\$ (562,377)</u>	<u>\$ (1,903)</u>

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved										
Unreserved										
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	\$ 2,032,884
Committed	214,375	267,345	493,776	267,213	-	1,099,894	424,924		98,600	226,858
Assigned	278,788	332,789	138,120	255,094	750,726	239,122	143,643	100,839	46,774	65,239
Unassigned	376,893	357,065	371,248	390,357	371,735	381,585	402,424	402,215	419,026	408,911
Total general fund	<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>	<u>\$ 2,733,892</u>
All Other Governmental Funds										
Reserved										
Unreserved										
Nonspendable										
Restricted	\$ 197	\$ 197	\$ 185,233	\$ 9,088	\$ 7,824,556	\$ 5,184,166	\$ 2,165,687	\$ 2,055,872	\$ 439,924	\$ 280,902
Committed										
Assigned										
Unassigned										
Total all other governmental funds	<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>	<u>\$ 280,902</u>

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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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Property Tax levy	\$ 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	\$ 21,357,200
Tuition charges					31,195	29,875	46,397	40,750	63,242	39,204
Miscellaneous	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	1,780,248
State sources	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	4,811,535
Federal sources	411,988	368,715	338,589	311,977	289,671	419,750	405,495	396,212	362,148	414,567
<b>Total revenue</b>	<b>20,624,138</b>	<b>21,625,815</b>	<b>22,238,445</b>	<b>23,411,109</b>	<b>23,387,686</b>	<b>25,521,550</b>	<b>26,588,464</b>	<b>26,374,550</b>	<b>27,589,531</b>	<b>28,402,754</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	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	10,174,155
Special education instruction	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	5,824,555
Other instruction		708,818	658,391	658,817	831,109	758,385	683,099	766,767	903,717	726,328
School sponsored activities and athletics	524,949	572,551	777,943	657,398	643,844	695,288	765,323	791,643	838,244	809,431
<b>Support Services:</b>										
Student & inst. related services	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	3,672,724
General Administration Services	518,720	497,309	509,185	536,758	501,429	510,788	504,226	560,163	570,329	634,368
School Administrative services	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	1,575,781
Business / Central Services	624,925	614,018	676,271	635,392	616,081	692,515	661,858	672,763	636,052	720,679
Plant operations and maintenance	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	1,973,243
Pupil transportation	562,851	540,975	556,472	540,979	522,680	558,202	462,610	535,513	710,360	598,102
Capital outlay	213,455	234,690	614,394	1,923,905	1,446,206	4,074,043	5,346,153	701,269	1,731,525	608,462
<b>Debt service:</b>										
Principal	291,301	323,066	406,690	447,234	401,725	697,413	702,724	666,204	689,818	765,642
Interest and other charges	197,639	189,473	115,739	113,571	103,994	312,359	291,289	274,741	259,327	241,580
Cost of Issuance on Refunding Bonds		78,110								
Cost of Issuance Bonds					133,459	-				
Payment to Refunding Escrow Agent		216,625								
<b>Total expenditures</b>	<b>20,096,584</b>	<b>21,354,547</b>	<b>22,221,327</b>	<b>23,553,629</b>	<b>23,933,247</b>	<b>27,862,682</b>	<b>30,339,732</b>	<b>26,921,437</b>	<b>29,200,647</b>	<b>28,325,050</b>
Excess (Deficiency) of revenues over (under) expenditures	527,554	271,268	17,118	(142,520)	(545,561)	(2,341,132)	(3,751,268)	(546,887)	(1,611,116)	77,704
<b>Other Financing sources (uses)</b>										
Serial bonds issued		3,695,000			8,500,000	-				
Payments to Refunding Escrow Agent		(3,623,000)								
Premium on Issuance of Bonds		222,735			134,437	-				
Capital Lease issued	180,000	25,500		114,759	-	-				
Lease Purchase Proceeds			176,145	-	-	-		77,900		259,010
Transfers in	3,150		197	211	154,439	2,105	238,947		279,876	44,398
Transfers out	(3,150)		(197)	(211)	(154,439)	(2,105)	(238,947)	-	(279,876)	(1,700)
<b>Total other financing sources (uses)</b>	<b>180,000</b>	<b>320,235</b>	<b>176,145</b>	<b>114,759</b>	<b>8,634,437</b>	<b>-</b>	<b>-</b>	<b>77,900</b>	<b>-</b>	<b>301,708</b>
<b>Net Change in Fund Balances</b>	<b>\$ 707,554</b>	<b>\$ 591,503</b>	<b>\$ 193,263</b>	<b>\$ (27,761)</b>	<b>\$ 8,088,876</b>	<b>\$ (2,341,132)</b>	<b>\$ (3,751,268)</b>	<b>\$ (468,987)</b>	<b>\$ (1,611,116)</b>	<b>\$ 379,412</b>
Debt service as a percentage of noncapital expenditures	2.46%	2.43%	2.42%	2.59%	2.84%	4.24%	3.98%	3.59%	3.46%	3.63%

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)**

105	<b>Fiscal Year Ended June 30,</b>	<b>Facility Charge</b>	<b>Tuition</b>	<b>Interest on Investments</b>	<b>Continuing Education Program Fees</b>	<b>Refunds</b>	<b>Rentals</b>	<b>Miscellaneous</b>	<b>Total</b>
	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
	2020	884,801	39,204	33,139	572,353	422	301	14,310	1,544,530

Source: District financial statements

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
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
2020	6,556,300	874,237,200	141,781,800	38,067,700	14,160,100	1,074,803,100	-	1,074,803,100	1,295,131,426	2.04

Source: County Abstract of Ratables

N/A - Not Available

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

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

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

Calendar Year	Total Direct School Tax Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
		Municipality	County	
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
2020	2.04	0.78	0.30	3.12

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	2020		2011	
	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	0.019249014	\$ 16,178,400	1.87%
MW Midpark Grocery, LLC	9,849,500	0.009164004	7,500,000	0.87%
Vander Sterre Bros.	8,529,300	0.007935686	3,200,000	0.37%
Marlow Park LLC	8,281,600	0.007705225	10,313,800	1.19%
Mature Environment	7,169,800	0.006670803	6,400,000	0.74%
Henpal Realty Co	4,000,000	0.003721612	4,000,000	0.46%
Texel Apartments, L.P.	3,306,900	0.00307675	2,662,500	0.31%
Tenastic, Inc.,	3,090,600	0.002875503	2,662,500	0.31%
ARV at Midland Park, LLC	2,875,000	0.002674909		
Kentshire c/o Richman Prop Serv	2,844,000	0.002646066		
Oak Trail LLC			4,038,100	0.47%
The Kentshire Land LLC			2,726,900	0.32%
	\$ 70,635,600	6.57%	\$ 59,682,200	6.91%

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	
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%	
2020	21,357,200	21,357,200	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	<u>Population</u>	<u>Per Capita</u>
	General Obligation Bonds	Capital Leases/Lease Purchase	Grant Anticipation Notes (GANs)			
2011	\$ 4,463,000	\$ 212,448	\$ 315,055	\$ 4,990,503	7,162	\$ 697
2012	4,265,000	184,882		4,449,882	7,204	618
2013	3,950,000	269,337		4,219,337	7,225	584
2014	3,635,000	251,862		3,886,862	7,244	537
2015	11,810,000	175,137		11,985,137	7,244	1,654
2016	11,210,000	77,724		11,287,724	7,260	1,555
2017	10,585,000			10,585,000	7,251	1,460
2018	9,935,000	61,696		9,996,696	7,278	1,374
2019	9,260,000	46,878		9,306,878	7,247	1,284
2020	8,565,000	235,246		8,800,246	7,216	1,220

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Debt	Deductions			
2011	\$ 4,463,000		\$ 4,463,000	0.52%	\$ 623
2012	4,265,000		4,265,000	0.40%	592
2013	3,950,000		3,950,000	0.37%	547
2014	3,635,000		3,635,000	0.34%	502
2015	11,810,000	\$ 4,439	11,805,561	1.11%	1,630
2016	11,210,000	6,544	11,203,456	1.05%	1,543
2017	10,585,000	16,392	10,568,608	0.99%	1,458
2018	9,935,000	14,287	9,920,713	0.93%	1,363
2019	9,260,000		9,260,000	0.86%	1,278
2020	8,565,000		8,565,000	0.80%	1,187

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, 2019  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Midland Park Board of Education	\$ 8,565,000	\$ 8,565,000	
Borough of Midland Park	<u>265,158</u>	<u>-</u>	<u>\$ 265,158</u>
	<u>\$ 8,830,158</u>	<u>\$ 8,565,000</u>	<u>265,158</u>
 Overlapping Debt Apportioned to the Municipality:			
Bergen County:			
County of Bergen (A)			\$ 9,877,449
Northwest Bergen County Utilities Authority (B)			<u>1,539,365</u>
			<u>11,416,814</u>
 Total Direct and Overlapping Debt			<u>\$ 11,681,972</u>

Source:

(1) Borough's 2019 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough of Midland Park by dividing the municipality's 2019 equalized value by the total 2019 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 2020**

Equalized valuation basis	
2019	\$ 1,279,247,344
2018	1,249,136,831
2017	1,239,468,855
	<u>\$ 3,767,853,030</u>
Average equalized valuation of taxable property	<u>\$ 1,255,951,010</u>
Debt limit (4% of average equalization value)	50,238,040
Total Net Debt Applicable to Limit	8,565,000
Legal debt margin	<u>\$ 41,673,040</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>	<u>2020</u>
Debt limit	\$ 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	\$ 50,238,040
Total net debt applicable to limit	<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>	<u>8,565,000</u>
Legal debt margin	<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>	<u>\$ 41,673,040</u>
Total net debt applicable to the limit as a percentage of debt limit	9.12%	8.28%	7.91%	7.64%	25.56%	24.27%	22.28%	20.41%	18.68%	17.05%

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>
2011	7,162	\$ 64,229	3.50%
2012	7,204	66,064	3.50%
2013	7,225	69,053	4.50%
2014	7,244	72,152	4.90%
2015	7,244	71,679	4.60%
2016	7,260	74,452	3.90%
2017	7,251	77,666	3.90%
2018	7,278	79,145	3.30%
2019	7,247	81,483	2.90%
2020	7,216	85,951	N/A

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>2020</u>		<u>2011</u>	
<u>Employer</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>2020</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>
Instruction										
Regular	80.0	78.1	80.3	81.5	79.1	73.2	74.6	75.4	71.4	73.0
Special education	50.0	48.5	50.2	44.3	41.9	38.3	35.9	34.5	33.0	34.5
Adult/Continuing Education Programs	2.4	2.7	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.5
Support Services:										
Student and instruction related services	23.7	24.8	25.0	24.8	25.3	25.2	24.8	26.4	25.1	25.3
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	10.2	10.0	10.3	10.0	9.5	9.5	9.5	9.5	9.5	8.5
Other Administrative Services					-				0.5	0.5
Central services	4.0	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.0	4.0
Plant operations and maintenance	18.5	18.5	18.5	17.0	18.0	17.1	16.5	18.5	18.5	18.0
Pupil transportation	4.5	4.5	4.5	4.5	5.5	6.5	5.0	2.5	2.0	2.5
Food Service	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<u>195.3</u>	<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>

Source: District Personnel Records



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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)d	Average Daily Attendance (ADA) d	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
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%
2020	889	26,709,366	30,044	3.55%	105	8.4:1	9.1:1	9.3:1	885	863	-3.25%	97.49%

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)**

	<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>	<u>2020</u>
<b><u>District Building</u></b>										
<u>Godwin/Highland Elementary School</u>										
Square Feet	50,420	50,420	50,420	50,420	50,420	50,420	50,420	50,420	50,420	50,420
Capacity (students)	518	518	518	518	518	518	518	518	518	518
Enrollment	582	575	554	510	512	532	494	494	518	520
 <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	502	504	501	490	479	485	448	439	396	367

Number of Schools at June 30, 2020  
 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>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>	<u>2020</u>
SCHOOL FACILITIES	PROJECT #										
Elementary- Godwin/Highland	N/A	\$ 107,779	\$ 188,358	\$ 138,858	\$ 182,258	\$ 165,580	\$ 109,525	\$ 117,952	\$ 278,714	\$ 196,369	\$ 370,368
Midland Park Jr/Sr High School	N/A	<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>	<u>96,864</u>
GRAND TOTAL		<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>	<u>\$ 467,232</u>

Source: District Records

**MIDLAND PARK BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2020  
(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  
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ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
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DONNA L. JAPHET, CPA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, 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, 2020 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 February 19, 2021.

#### **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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

### **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 an instance of noncompliance or other matter that is 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 and which is described in the accompanying schedule of findings and questioned costs as item 2020-001.

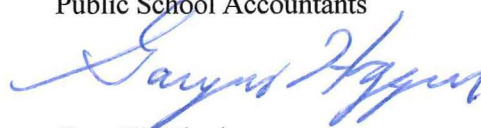
### **Midland Park Board of Education's Responses to Findings**

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

### **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  
February 19, 2021



# 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  
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CHRISTOPHER M. VINCI, CPA

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

**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 the Midland Park Board of Education's major state programs for the fiscal year ended June 30, 2020. 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 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, 2020.

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

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

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

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

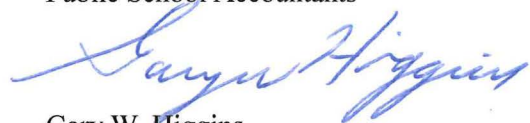
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Midland Park Board of Education, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated February 19, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and is 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  
February 19, 2021

MIDLAND PARK BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2019		Carryover Amount	Adjust Receivable	Cash Received	Budgetary Expenditures	(Accounts Receivable) June 30, 2020	Unearned Revenue	Due to Grantor at June 30, 2020	MEMO GAAP Receivable
						(Account Receivable) Unearned Revenue/	Due to Grantor								
<b>U.S. Department of Agriculture</b>															
<b>Passed-through State Department of Education</b>															
Enterprise Fund:															
National School Lunch Program															
National School Lunch Program-Non-Cash	10.555			7/1/18-6/30/19	\$ 25,219	\$ 1,640				\$ 1,640					
National School Lunch Program-Non-Cash	10.555			7/1/19-6/30/20	23,421				\$ 23,421	19,329		\$ 4,092			
National School Lunch Program-Cash	10.555	191NJ304N1099	N/A	7/1/18-6/30/19	67,231	(5,380)			5,380						
National School Lunch Program-Cash	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	48,950				48,118	48,950	\$ (832)				\$ (832)
School Breakfast Program	10.553	191NJ304N1099	N/A	7/1/18-6/30/19	2,956	(225)			225						
School Breakfast Program	10.553	201NJ304N1099	N/A	7/1/19-6/30/20	2,241				2,241	2,241					
Total National School Lunch Program Cluster						(3,965)				79,385	72,160	(832)	4,092		(832)
Total Enterprise Fund						(3,965)				79,385	72,160	(832)	4,092		(832)
<b>U.S. Department of Education</b>															
<b>Passed-through State Department of Education</b>															
Special Revenue Fund:															
I.D.E.A. Part B, Basic Regular															
I.D.E.A. Part B, Basic Regular	84.027	H027A180100	IDEA-3170-19	7/1/18-9/30/19	242,398	(21,332)		\$ (15,876)	\$ 15,876	21,332					
I.D.E.A. Part B, Basic Regular	84.027	H027A190100	IDEA-3170-20	7/1/19-9/30/20	244,041			15,876	(15,876)	229,615	247,966	(30,302)	11,951		(18,351)
I.D.E.A. Part B, Preschool	84.173	H173A190114	IDEA-3170-20	7/1/19-9/30/20	21,181					18,957	18,957	(2,224)	2,224		
Total Special Education (IDEA) - Cluster						(21,332)				269,904	266,923	(32,526)	14,175		(18,351)
Title I															
Title I	84.010A	S010A180030	ESSEA-3170-19	7/1/18-6/30/19	103,139	(7,026)		(36,818)	36,818	7,026					
Title I	84.010A	S010A190030	ESSEA-3170-20	7/1/19-9/30/20	96,929			36,818	(36,818)	85,176	98,987	(48,571)	34,760		(13,811)
Total Title I Cluster						(7,026)				92,202	98,987	(48,571)	34,760		(13,811)
Title II Part A															
Title II Part A	84.367A	S367A180029	ESSEA-3170-19	7/1/18-6/30/19	22,031			(6,974)	6,974						
Title II Part A	84.367A	S367A190029	ESSEA-3170-20	7/1/19-9/30/20	17,921			6,974	(6,974)	9,861	11,323	(15,034)	13,572		(1,462)
Total Title II Cluster										9,861	11,323	(15,034)	13,572		(1,462)
Title IV															
Title IV	84.424	S424A180031	ESSEA-3170-19	7/1/18-6/30/19	10,000	(1,403)		(6,441)	6,441	1,403					
Title IV	84.424	S424A190031	ESSEA-3170-20	7/1/19-9/30/20	10,000			6,441	(6,441)	8,445	8,552	(7,996)	7,889		(107)
Total Title IV Cluster						(1,403)				9,848	8,552	(7,996)	7,889		(107)
CARES Emergency Relief Grant	84.425	S425D200027		3/13/20-9/30/22	77,928						28,782	(77,928)	49,146		(28,782)
Total Special Revenue Fund						(29,761)				381,815	414,567	(182,055)	119,542		(62,513)
Total Federal Awards						\$ (33,726)	\$ -	\$ -	\$ -	\$ 461,200	\$ 486,727	\$ (182,887)	\$ 123,634	\$ -	\$ (63,345)

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

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  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	June 30, 2020		Due to Grantor June 30, 2020	MEMO		
				Unearned Revenue/ (Accts Rec.)	Due to Grantor				(Accounts Receivable)	Unearned Revenue		GAAP Receivable	Combined Total Expenditures	
<b>State Department of Education</b>														
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	\$ 33,981	\$ (1,825)		\$ 1,825								
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	33,981			32,112	\$ 33,981		\$ (1,869)				\$	33,981
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	58,146	(3,123)		3,123								
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	58,146			54,949	58,146		(3,197)					58,146
Special Education Categorical Aid	19-495-034-5120-089	7/1/18-6/30/19	543,404	(29,185)		29,185								
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	583,528			551,442	583,528		(32,086)					583,528
Total State Aid Public Cluster				(34,133)		672,636	675,655		(37,152)					675,655
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	107,033	(5,748)		5,748								
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	107,033			101,148	107,033		(5,885)					107,033
Extraordinary Aid	19-100-034-5120-044	7/1/18-6/30/19	388,196	(388,196)		388,196								
Extraordinary Aid	20-100-034-5120-044	7/1/19-6/30/20	342,943				342,943		(342,943)					342,943
On-Behalf TPAF Pension System Contributions (NCGI)	20-495-034-5094-004	7/1/19-6/30/20	35,021			35,021	35,021							35,021
On-Behalf TPAF Pension System Contributions (Normal and Accrued Liability)	20-495-034-5094-002	7/1/19-6/30/20	1,953,901			1,953,901	1,953,901							1,953,901
On-Behalf TPAF Pension System Contributions (Long Term Disability Insurance)	20-495-034-5094-004	7/1/19-6/30/20	1,692			1,692	1,692							1,692
On-Behalf TPAF Post Retirement Medical Contr.	20-495-034-5094-001	7/1/19-6/30/20	737,854			737,854	737,854							737,854
Total On-Behalf TPAF Contributions Cluster						2,728,468	2,728,468							2,728,468
Reimbursed TPAF Social Security Contribution	19-495-034-5094-003	7/1/18-6/30/19	679,309	(33,978)		33,978								
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	7/1/19-6/30/20	697,086			625,977	697,086		(71,109)				\$	(71,109) 697,086
Total General Fund				(462,055)		4,556,151	4,551,185		(457,089)					(71,109) 4,551,185
<b>New Jersey Nonpublic Aid</b>														
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	\$ 9,665		\$ 7			\$ 7			\$ -			-
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	9,962			9,962	9,730				232			9,730
Nursing Services	19-100-034-5120-070	7/1/18-6/30/19	18,139		2			2						-
Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	19,109			19,109	19,099				10			19,099
Technology Aid	19-100-034-5120-373	7/1/18-6/30/19	6,516		149			149						-
Technology Aid	20-100-034-5120-373	7/1/19-6/30/20	6,804			6,804	6,706				98			6,706
Security Aid	20-100-034-5120-509	7/1/19-6/30/20	29,550			29,550	29,550							29,550
Auxiliary Services														-
Transportation	20-100-034-5120-067	7/1/19-6/30/20	16,667			14,992	16,575		(1,675)		92		(1,675)	16,575
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	64,298		30,119			30,119						-
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	35,368			32,667	32,042		(2,701)		3,326		(2,701)	32,042
English as a Second Language	19-100-034-5120-067	7/1/18-6/30/19	3,451		431			431						-
English as a Second Language	20-100-034-5120-067	7/1/19-6/30/20	6,287			4,553	3,143		(1,734)		3,144		(1,734)	3,143
Total Nonpublic Auxiliary Services (Chap. 192) Cluster					30,550	52,212	51,760	30,550	(6,110)		6,562		(6,110)	51,760
Handicapped Services														-
Supplementary Instruction	19-100-034-5120-066	7/1/18-6/30/19	21,410		10,229			10,229						-
Supplementary Instruction	20-100-034-5120-066	7/1/19-6/30/20	13,681			12,569	10,362		(1,112)		3,319		(1,112)	10,362
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	26,572		8,920			8,920						-
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	26,935			23,154	21,364		(3,781)		5,571		(3,781)	21,364
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	41,604		8,749			8,749						-
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	41,378			36,088	33,084		(5,290)		8,294		(5,290)	33,084
Total Nonpublic Handicapped Services (Chap. 193) Cluster					27,898	71,811	64,810	27,898	(10,183)		17,184		(10,183)	64,810
Advanced Computer Science Competitive Grant	19E00144	1/5/19-6/30/20	39,272			36,598	36,598		(2,674)		2,674			36,598
Total Special Revenue Fund					58,606	226,046	218,253	58,606	(18,967)		24,086		(16,293)	218,253

MIDLAND PARK BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	June 30, 2020		Due to Grantor June 30, 2020	MEMO	
				Unearned Revenue/ (Accts Rec.)	Due to Grantor				(Accounts Receivable)	Unearned Revenue		GAAP Receivable	Combined Total Expenditures
State of New Jersey Schools Development Authority													
High School Improvements	3170-050-14-1001		\$ 1,421,765	\$ (64,980)					\$ (64,980)			\$ (64,980)	\$ -
Elementary School Improvements	3170-050-14-1003		1,258,501	(62,925)					(62,925)			(62,925)	-
High School Auditorium	3170-050-14-1002		179,541	-	-	-	-	-	-	-	-	-	-
Total SDA Cluster				(127,905)	-	-	-	-	(127,905)	-	-	(127,905)	-
Total Capital Projects Fund				(127,905)	-	-	-	-	(127,905)	-	-	(127,905)	-
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	4,053	(321)		\$ 321			-			-	-
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	3,602	-	-	2,656	\$ 3,602	-	(946)	-	-	(946)	\$ 3,602
Total Food Service Fund				(321)	-	2,977	3,602	-	(946)	-	-	(946)	3,602
Total State Financial Assistance Subject to Single Audit Determination				(590,281)	\$ 58,606	4,785,174	4,773,040	\$ 58,606	(604,907)	\$ 2,674	\$ 24,086	(216,253)	4,773,040
State Financial Assistance Not Subject to Major Program Determination													
General Fund													
Less: On-Behalf TPAF NCGI Premium	20-495-034-5095-004	7/1/19-6/30/20	35,021			35,021	35,021						35,021
On-Behalf TPAF Pension	20-495-034-5095-006	7/1/19-6/30/20	1,953,901			1,953,901	1,953,901						1,953,901
On-Behalf TPAF Pension- Long Term Disability	20-495-034-5095-004	7/1/19-6/30/20	1,692			1,692	1,692						1,692
On-Behalf TPAF Post-Retirement Medical	20-495-034-5095-001	7/1/19-6/30/20	737,854			737,854	737,854						737,854
Total State Financial Assistance Subject to Major Program Determination				\$ (590,281)	\$ 58,606	\$ 2,056,706	\$ 2,044,572	\$ 58,606	\$ (604,907)	\$ 2,674	\$ 24,086	\$ (216,253)	\$ 2,044,572

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, 2020**

**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 \$42,097 for the general 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		\$ 4,593,282	\$ 4,593,282
Special Revenue Fund	\$ 414,567	218,253	632,820
Food Service Fund	<u>72,160</u>	<u>3,602</u>	<u>75,762</u>
Total Financial Assistance	<u>\$ 486,727</u>	<u>\$ 4,815,137</u>	<u>\$ 5,301,864</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, 2020**

**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 \$697,086 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, 2020. The amount reported as TPAF Pension System Contributions in the amount of \$1,988,922, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$737,854 and TPAF Long-Term Disability Insurance in the amount of \$1,692 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2020.

**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, 2020**

*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)?	_____ <u>X</u> yes	_____ no
Noncompliance material to the basic financial statements noted?	_____ <u>X</u> yes	_____ no

**Federal Awards Section**

Not Applicable





**MIDLAND PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*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.

**Finding 2020-001**

Our audit revealed that certain capital contracts were not encumbered when awarded and furthermore, not encumbered by year-end.

**Criteria or specific requirement:**

The State Department of Education's GAAP Technical Systems Manual pursuant to N.J.S.A. 18A:4-14 and NJAC 6:20-2A.

**Condition:**

Certain contracts were not encumbered in internal accounting records by year-end.

**Questioned Costs:**

Unknown.

**Context:**

\$300,256 of capital contracts awarded were not recorded in the District's internal accounting records. These amounts were recorded by audit adjustment as encumbrances of \$150,000 in the General Fund and \$150,256 in the Capital Projects Fund.

**Effect:**

Expenditures may not reflect amounts incurred for the year.

**Recommendation:**

Contracts be properly encumbered in internal accounting records when the contract is awarded.

**Management's Response:**

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

MIDLAND PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

*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, 2020**

*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**

There are none.

**MIDLAND PARK BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 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 services(s) indicated in the application could not be verified to the student's Individualized Education Plan (IEP).

**Current Status**

Corrective action has been taken.