

MIDLAND PARK
BOARD OF EDUCATION

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2021**

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, 2021**

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

**MIDLAND PARK BOARD OF EDUCATION
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INTRODUCTORY SECTION



USDOE Blue Ribbon School of Excellence
NJDOE Star School

MIDLAND PARK PUBLIC SCHOOLS

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

Godwin School

Highland School

Midland Park Junior/Senior High School



Home of the Panthers

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

February 14, 2022

*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, 2021 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 2020-21 fiscal year with an enrollment of 884 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

Year 2: Develop and implement an Action Plan for Improvement—Mathematics, Grades 7-8:

Goal components include, but are not limited to:

- *Presentation of the Action Plan/Steps/Timeline by September 15th.*
- *Development of a pre- and post-test for identified student cohorts to determine skills acquisition and identify areas in need of improvement.*
- *Action Plan implementation, modifications, ongoing administrative monitoring.*

Goal #2

Develop a Districtwide Comprehensive RTI (Response to Intervention) Model:

- *Activities toward goal attainment will support student achievement and appropriate behavior goals through the implementation of a multi-tiered model for delivery of service. This goal will be aligned with the Intervention & Referral Services (I&RS) program to support a reduction in the number of referrals made to secure Special Education and other related services.*

Goal #3

Virtual and In-Person Teaching in a COVID-19 Environment: Professional Development and Support for Teachers and Support Staff:

Goal components include, but are not limited to:

- *The provision of focused, specific professional development for teachers and support staff on working in a COVID environment.*
- *The implementation of health and safety procedures in a COVID environment*
- *Strategies for working with families to support efforts to desensitize students on the wearing of face coverings and managing student anxiety and emotional issues.*
- *Strategies to support Google Meets, increasing student engagement in a remote environment, and the development of tools for effective virtual assessment practices.*

4. **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

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

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

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

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

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

9. **OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins CPAs, was selected by the Board Of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related U. S. Uniform Guidance and state Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. **ACKNOWLEDGMENTS:** *We would like to express our appreciation to the members of the Midland Park School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.*

Respectfully submitted,

Marie C. Cirasella, Ed. D.

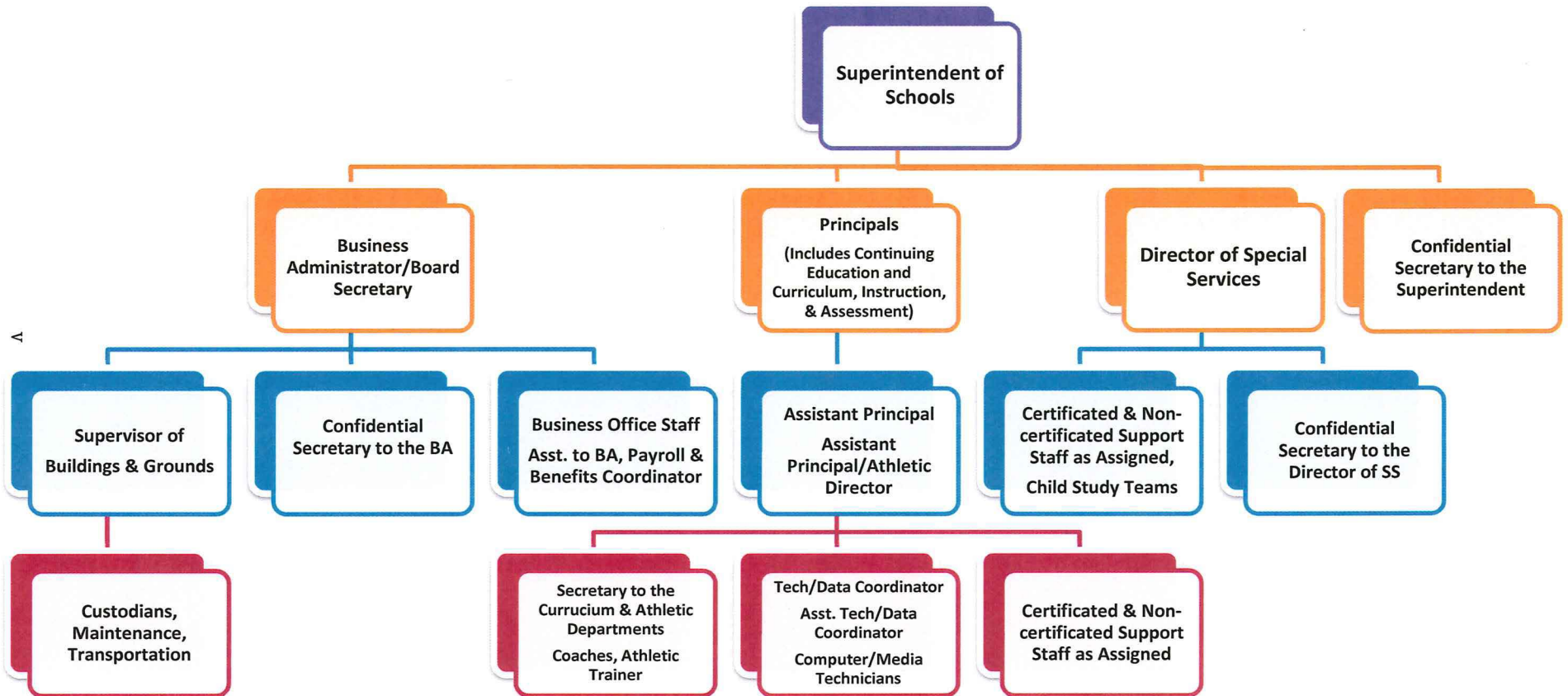
*Marie Cirasella, Ed. D.,
Superintendent of Schools*

Stacy Garvey

*Stacy Garvey,
Board Secretary/
Business Administrator*

**MIDLAND PARK PUBLIC SCHOOLS
2020-2021 DISTRICT ORGANIZATIONAL CHART**

Updated: July 2021



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

ROSTER OF OFFICIALS

JUNE 30, 2021

<u>Members of the Board of Education</u>	<u>Term</u>
<i>James Canellas</i>	2023
<i>Sandra Criscenzo</i>	2022
<i>Christine Dell'Aglio</i>	2021
<i>Nabil Eliya</i>	2021
<i>Patricia Fantulin</i>	2021
<i>Richard Formicola</i>	2022
<i>Brian McCourt – Board Vice President</i>	2022
<i>Dr. MaryAlice Thomas</i>	2023
<i>Peter Triolo – Board President</i>	2023

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
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, 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 and each major fund of the Midland Park Board of Education, as of and for the fiscal year ended June 30, 2021 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 and each major fund of the Midland Park Board of Education as of June 30, 2021, 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.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2021, the Midland Park Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities which provided guidance on identifying fiduciary activities and how they should be reported. The adoption of this standard resulted in a change to how previously reported fiduciary fund activities are currently reported in the financial statements. Our opinion is not modified with respect to this matter.

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

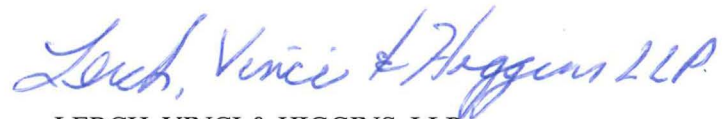
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Midland Park Board of Education's basic financial statements. The introductory section, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) 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 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 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.

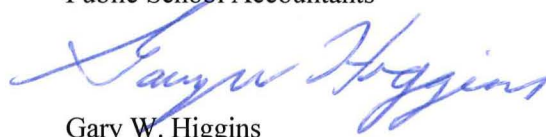
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated February 14, 2022 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 14, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Midland Park Board of Education Midland Park, New Jersey

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

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, 2021. 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 (2020-2021) and the prior year (2019-2020) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-2021 fiscal year are as follows:

- Net position increased by \$955,936 from the June 30, 2020 balance.
- General revenues of \$22,885,406 accounted for 70 percent of all revenues. Program revenues of \$9,988,746 accounted for 30 percent of total revenues of \$32,874,152.
- Among major funds, the General Fund had \$27,371,668 in revenues and other sources and \$26,557,272 in expenditures and other uses. The General Fund's fund balance increased \$814,396 from the prior year.
- In total, fund balance of Governmental Funds increased \$608,840 which represents an 18 percent increase over the prior year's restated fund balance of \$3,337,023 to \$3,945,863 at June 30, 2021. 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, 2021**

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.

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, 2021**

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

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary 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
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
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
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
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.

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021**

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, 2021

The district has two 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.

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, 2021 and 2020.

Net Position. The district's combined net position was \$9,582,637 as of June 30, 2021 and \$8,626,701 as of June 30, 2020 (restated).

Midland Park Board of Education
Midland Park, New Jersey

Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021

Statement of Net Position
As of June 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020 (Restated)	2021	2020	2021	2020 (Restated)
Current and Other Assets	\$ 4,446,234	\$ 3,780,999	\$ 97,001	\$ 76,151	\$ 4,543,235	\$ 3,857,150
Capital Assets - Net	<u>20,648,075</u>	<u>21,085,810</u>	<u>60,256</u>	<u>67,379</u>	<u>20,708,331</u>	<u>21,153,189</u>
Total Assets	<u>25,094,309</u>	<u>24,866,809</u>	<u>157,257</u>	<u>143,530</u>	<u>25,251,566</u>	<u>25,010,339</u>
Deferred Outflows of Resources						
Deferred Amounts on Refunding	39,388	59,081	-	-	39,388	59,081
Deferred Amounts on Net Pension Liability	<u>1,117,877</u>	<u>1,755,385</u>	<u>-</u>	<u>-</u>	<u>1,117,877</u>	<u>1,755,385</u>
Total Deferred Outflows of Resources	<u>1,157,265</u>	<u>1,814,466</u>	<u>-</u>	<u>-</u>	<u>1,157,265</u>	<u>1,814,466</u>
Total Assets and Deferred Outflows of Resources	<u>26,251,574</u>	<u>26,681,275</u>	<u>157,257</u>	<u>143,530</u>	<u>26,408,831</u>	<u>26,824,805</u>
Long-Term Liabilities	13,640,258	15,368,914			13,640,258	15,368,914
Other Liabilities	<u>580,603</u>	<u>531,187</u>	<u>22,054</u>	<u>22,553</u>	<u>602,657</u>	<u>553,740</u>
Total Liabilities	<u>14,220,861</u>	<u>15,900,101</u>	<u>22,054</u>	<u>22,553</u>	<u>14,242,915</u>	<u>15,922,654</u>
Deferred Inflows of Resources						
Deferred Commodities Revenue			1,780	4,092	1,780	4,092
Deferred Amounts on Net Pension Liability	<u>2,581,499</u>	<u>2,271,358</u>	<u>-</u>	<u>-</u>	<u>2,581,499</u>	<u>98,232</u>
Total Deferred Inflows of Resources	<u>2,581,499</u>	<u>2,271,358</u>	<u>1,780</u>	<u>4,092</u>	<u>2,583,279</u>	<u>102,324</u>
Total Liabilities and Deferred Inflows of Resources	<u>16,802,360</u>	<u>18,171,459</u>	<u>23,834</u>	<u>26,645</u>	<u>16,826,194</u>	<u>16,024,978</u>
Net Position:						
Net Investment in Capital Assets	12,780,928	12,487,485	60,256	67,379	12,841,184	12,554,864
Restricted	2,864,280	2,061,015			2,864,280	2,061,015
Unrestricted	<u>(6,195,994)</u>	<u>(6,038,684)</u>	<u>73,167</u>	<u>49,506</u>	<u>(6,122,827)</u>	<u>(5,989,178)</u>
Total Net Position	<u>\$ 9,449,214</u>	<u>\$ 8,509,816</u>	<u>\$ 133,423</u>	<u>\$ 116,885</u>	<u>\$ 9,582,637</u>	<u>\$ 8,626,701</u>

The table on the following page shows changes in net position for fiscal years 2021 and 2020.

Changes in Net Position. The District's total revenues were \$32,874,152 for the fiscal year ended June 30, 2021. Property taxes accounted for 67% of the total revenues for the school year. Operating grants and contributions and unrestricted federal and state aids were 30%. The balance or 3% was obtained from charges for services, investment earnings and other miscellaneous revenue.

The total cost of all programs and services was \$31,918,216. The District's expenses are predominantly related to instruction and student and instruction related services accounting for 77% of total costs. The purely administrative activities of the District accounted for just 10% of total costs. Plant operations and maintenance accounted for 10% of total costs. The remaining 3% 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, 2021**

Total revenues exceeded expenses, which resulted in an increase in net position of \$955,936 from last year.

**Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2020**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Program Revenues						
Charges for Services	\$ 268,127	\$ 611,557	\$ 3,418	\$ 223,782	\$ 271,545	\$ 835,339
Operating Grants and Contributions	9,476,587	6,470,757	240,614	75,762	9,717,201	6,546,519
Capital Grants and Contributions		270,000			-	270,000
General Revenues						
Property Taxes	21,920,951	21,357,200			21,920,951	21,357,200
Unrestricted Federal and State Aid	34,182	33,937			34,182	33,937
Investment Earnings	10,131	33,139	130	1,003	10,261	34,142
Other	920,012	899,834	-	-	920,012	899,834
Total Revenues	<u>32,629,990</u>	<u>29,676,424</u>	<u>244,162</u>	<u>300,547</u>	<u>32,874,152</u>	<u>29,976,971</u>
Expenses						
Instruction						
Regular	12,578,907	10,958,285			12,578,907	10,958,285
Special Education	6,483,701	6,136,491			6,483,701	6,136,491
School Sponsored Activities and Ath.	1,038,226	876,174			1,038,226	876,174
Other	522,084	733,334			522,084	733,334
Support Services						
Student and Instruction Related Serv.	3,905,058	3,933,264			3,905,058	3,933,264
General Administration Services	638,094	671,194			638,094	671,194
School Administration Services	1,904,444	1,703,933			1,904,444	1,703,933
Business / Central Services	787,532	784,985			787,532	784,985
Plant Operations and Maintenance	3,083,847	2,993,439			3,083,847	2,993,439
Pupil Transportation	526,841	639,511			526,841	639,511
Food Services	-	-	227,624	314,026	227,624	314,026
	<u>31,468,734</u>	<u>29,430,610</u>	<u>227,624</u>	<u>314,026</u>	<u>31,696,358</u>	<u>29,744,636</u>
Interest on Long-Term Debt	<u>221,858</u>	<u>234,238</u>	<u>-</u>	<u>-</u>	<u>221,858</u>	<u>234,238</u>
Total Expenses	<u>31,690,592</u>	<u>29,664,848</u>	<u>227,624</u>	<u>314,026</u>	<u>31,918,216</u>	<u>29,978,874</u>
Increase/(Decrease) in Net Position						
Before Transfers	939,398	11,576	16,538	(13,479)	955,936	(1,903)
Transfers	<u>-</u>	<u>42,698</u>	<u>-</u>	<u>(42,698)</u>	<u>-</u>	<u>-</u>
Change in Net Position	939,398	54,274	16,538	(56,177)	955,936	(1,903)
Net Position, Beginning of Year	<u>8,509,816</u>	<u>8,133,313</u>	<u>116,885</u>	<u>173,062</u>	<u>8,626,701</u>	<u>8,306,375</u>
Prior Period Adjustment	<u>-</u>	<u>322,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>322,229</u>
Net Position, End of Year	<u>\$ 9,449,214</u>	<u>\$ 8,509,816</u>	<u>\$ 133,423</u>	<u>\$ 116,885</u>	<u>\$ 9,582,637</u>	<u>\$ 8,626,701</u>

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021**

**Total Cost and Net Cost of Services of Governmental Activities
For the Fiscal Years Ended June 30, 2021 and 2020**

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Governmental Activities				
Instruction				
Regular	\$ 12,578,907	\$ 10,958,285	\$ 8,041,557	\$ 8,063,689
Special Education	6,483,701	6,136,491	3,644,601	3,701,007
School Sponsored Activities and Athletics	1,038,226	876,174	648,478	678,305
Other	522,084	733,334	231,005	127,911
Support Services				
Student and Instruction Related Svcs.	3,905,058	3,933,264	3,321,664	3,481,799
General Administration Services	638,094	671,194	557,890	665,747
School Administration Services	1,904,444	1,703,933	1,378,608	1,401,440
Business / Central Services	787,532	784,985	685,395	777,721
Plant Operations and Maintenance	3,083,847	2,993,439	2,822,566	2,651,183
Pupil Transportation	526,841	639,511	392,256	529,494
Interest on Long-Term Debt	221,858	234,238	221,858	234,238
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Governmental Activities	<u>\$ 31,690,592</u>	<u>\$ 29,664,848</u>	<u>\$ 21,945,878</u>	<u>\$ 22,312,534</u>

The following schedule presents a comparison of General Fund (GAAP basis) revenues for the fiscal years ended June 30, 2021 and 2020.

General Fund Revenues

	<u>Fiscal Year Ended June 30,</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
	<u>2021</u>	<u>2020</u>		
Local Sources:				
Property Taxes	\$ 20,983,476	\$ 20,421,875	\$ 561,601	2.7%
Tuition	19,244	39,204	(19,960)	-50.9%
Restricted Miscellaneous	1,037,267	1,457,154	(419,887)	-28.8%
Interest Earnings	10,131	33,139	(23,008)	-69.4%
Miscellaneous	11,537	15,033	(3,496)	-23.3%
Intergovernmental				
State Sources	5,278,024	4,593,282	684,742	14.9%
Federal Sources	27,148	-	27,148	100.0%
	<u> </u>	<u> </u>	<u> </u>	
Total Revenues	<u>\$ 27,366,827</u>	<u>\$ 26,559,687</u>	<u>\$ 807,140</u>	3.0%

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021**

The following schedule presents a comparison of General Fund (GAAP Basis) expenditures for the fiscal years ended June 30, 2021 and 2020.

General Fund Expenditures

	Fiscal Year Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2021</u>	<u>2020</u>		
Instruction	\$ 17,394,687	\$ 17,227,372	\$ 167,315	1.0%
Undistributed Expenditures	8,606,595	8,810,049	(203,454)	-2.3%
Debt Service	88,430	71,897	16,533	23.0%
Capital Outlay	<u>13,638</u>	<u>172,645</u>	<u>(159,007)</u>	-92.1%
 Total Expenditures	 <u>\$ 26,103,350</u>	 <u>\$ 26,281,963</u>	 <u>\$ (178,613)</u>	 -0.7%

Capital Assets. As of June 30, 2021 and 2020, the school district had invested in land, construction in progress, site improvements, buildings, building improvements, machinery and equipment as follows:

	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 28,714	\$ 28,714			\$ 28,714	\$ 28,714
Site Improvements	2,779,523	2,779,523			2,779,523	2,779,523
Buildings and Building Improvements	29,752,154	29,123,487			29,752,154	29,123,487
Machinery and Equipment	<u>4,903,412</u>	<u>4,889,774</u>	<u>\$ 294,296</u>	<u>\$ 294,296</u>	<u>5,197,708</u>	<u>5,184,070</u>
 Total	 37,463,803	 36,821,498	 294,296	 294,296	 37,758,099	 37,115,794
Less: Accumulated Depreciation	<u>(16,815,728)</u>	<u>(15,735,688)</u>	<u>(234,040)</u>	<u>(226,917)</u>	<u>(17,049,768)</u>	<u>(15,962,605)</u>
 Total Capital Assets, Net	 <u>\$ 20,648,075</u>	 <u>\$ 21,085,810</u>	 <u>\$ 60,256</u>	 <u>\$ 67,379</u>	 <u>\$ 20,708,331</u>	 <u>\$ 21,153,189</u>

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021**

Debt Administration. As of June 30, 2021 and 2020 the school district had long-term liabilities in the amount of \$13,640,258 and \$15,368,914 as follows:

**Long-Term Debt
Outstanding Long-Term Liabilities
As of June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Bonds Payable (Including Unamortized Premium)	\$ 7,890,494	\$ 8,625,743
Capital Leases/Lease Purchase Agreements	153,734	235,246
Compensated Absences Payable	315,384	323,991
Net Pension Liability	<u>5,280,646</u>	<u>6,183,934</u>
Total	<u>\$ 13,640,258</u>	<u>\$ 15,368,914</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, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,133,809	\$ 35,030	\$ 4,168,839
Receivables, net			
Receivables from Other Governments	186,963	51,101	238,064
Other	130,707		130,707
Internal Balances	(6,208)	6,208	-
Inventories		4,662	4,662
Prepaid Items	963		963
Capital Assets, Not Being Depreciated	28,714		28,714
Capital Assets, Being Depreciated, Net	20,619,361	60,256	20,679,617
 Total Assets	 <u>25,094,309</u>	 <u>157,257</u>	 <u>25,251,566</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	39,388		39,388
Deferred Amounts on Net Pension Liability	1,117,877	-	1,117,877
 Total Deferred Outflows of Resources	 <u>1,157,265</u>	 <u>-</u>	 <u>1,157,265</u>
 Total Assets and Deferred Outflows of Resources	 <u>26,251,574</u>	 <u>157,257</u>	 <u>26,408,831</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	289,523	8,786	298,309
Accrued Interest Payable	80,232		80,232
Payable to State Government	134,237		134,237
Unearned Revenue	76,611	13,268	89,879
Long-Term Liabilities			
Due Within One Year	848,877		848,877
Due Beyond One Year	12,791,381	-	12,791,381
 Total Liabilities	 <u>14,220,861</u>	 <u>22,054</u>	 <u>14,242,915</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue		1,780	1,780
Deferred Amounts on Net Pension Liability	2,581,499	-	2,581,499
 Total Deferred Inflows of Resources	 <u>2,581,499</u>	 <u>1,780</u>	 <u>2,583,279</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>16,802,360</u>	 <u>23,834</u>	 <u>16,826,194</u>
NET POSITION			
Net Investment in Capital Assets	12,780,928	60,256	12,841,184
Restricted for:			
Capital Projects	2,488,818		2,488,818
Unemployment Compensation	62,146		62,146
Scholarships	8,007		8,007
Student Activities	201,884		201,884
Other Purposes - Adult Education	103,425		103,425
Unrestricted	(6,195,994)	73,167	(6,122,827)
 Total Net Position	 <u>\$ 9,449,214</u>	 <u>\$ 133,423</u>	 <u>\$ 9,582,637</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, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction:							
Regular	\$ 12,578,907		\$ 4,537,350		\$ (8,041,557)		\$ (8,041,557)
Special Education	6,483,701	\$ 19,244	2,819,856		(3,644,601)		(3,644,601)
School Sponsored Activities and Athletics	1,038,226	103,234	286,514		(648,478)		(648,478)
Other	522,084	128,792	162,287		(231,005)		(231,005)
Support Services							
Student and Instruction- Related Services	3,905,058	16,857	566,537		(3,321,664)		(3,321,664)
General Administration Services	638,094		80,204		(557,890)		(557,890)
School Administration Services	1,904,444		525,836		(1,378,608)		(1,378,608)
Business / Central Services	787,532		102,137		(685,395)		(685,395)
Plant Operations and Maintenance	3,083,847		261,281		(2,822,566)		(2,822,566)
Pupil Transportation	526,841		134,585		(392,256)		(392,256)
Interest on Long-Term Debt	221,858	-	-	-	(221,858)	-	(221,858)
Total Governmental Activities	31,690,592	268,127	9,476,587	-	(21,945,878)	-	(21,945,878)
Business-Type Activities							
Food Service	227,624	3,418	240,614	-	-	\$ 16,408	16,408
Total Business-Type Activities	227,624	3,418	240,614	-	-	16,408	16,408
Total Primary Government	\$ 31,918,216	\$ 271,545	\$ 9,717,201	\$ -	(21,945,878)	16,408	(21,929,470)
General Revenues:							
Property Taxes levied for General Purposes					20,983,476		20,983,476
Property Taxes levied for Debt Service					937,475		937,475
State Aid Not Restricted					34,182		34,182
Investment Earnings					10,131	130	10,261
Miscellaneous Income					920,012	-	920,012
Total General Revenues					22,885,276	130	22,885,406
Change in Net Position					939,398	16,538	955,936
Net Position, Beginning of Year (Restated)					8,509,816	116,885	8,626,701
Net Position, End of Year					\$ 9,449,214	\$ 133,423	\$ 9,582,637

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, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 3,874,187	\$ 259,622			\$ 4,133,809
Due from Other Funds			\$ 55,790		55,790
Receivables from Other Governments	144,222	42,741			186,963
Other Accounts Receivable	57,929		72,778		130,707
Prepaid Items	963	-	-	-	963
Total Assets	<u>\$ 4,077,301</u>	<u>\$ 302,363</u>	<u>\$ 128,568</u>	<u>\$ -</u>	<u>\$ 4,508,232</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 138,605	\$ 32,087	\$ 45,166		215,858
Payroll Deductions and Withholdings Payable	20,304				20,304
Other Liabilities	53,361				53,361
Due to Other Funds	61,998				61,998
Payable to State Government	78,287	55,950			134,237
Unearned Revenue	72,176	4,435	-	-	76,611
Total Liabilities	<u>424,731</u>	<u>92,472</u>	<u>45,166</u>	<u>-</u>	<u>562,369</u>
Fund Balances					
Restricted Fund Balance					
Capital Reserve	2,110,416				2,110,416
Capital Reserve- Designated for Subsequent Year's Budget (2021/22 Budget)	295,000				295,000
Adult Education Programs	65,856				65,856
Adult Education Programs - Designated for Subsequent Year's Budget (2021/22 Budget)	37,569				37,569
Excess Surplus- Designated for Subsequent Year's Budget (2021/22 Budget)	275,000				275,000
Excess Surplus	275,000				275,000
Unemployment Compensation	62,146				62,146
Scholarships		8,007			8,007
Student Activities		201,884			201,884
Capital Projects			83,402		83,402
Assigned Fund Balance					
Year-End Encumbrances	120,767				120,767
Unassigned					
General Fund	410,816	-	-	-	410,816
Total Fund balances	<u>3,652,570</u>	<u>209,891</u>	<u>83,402</u>	<u>-</u>	<u>3,945,863</u>
Total Liabilities and Fund Balances	<u>\$ 4,077,301</u>	<u>\$ 302,363</u>	<u>\$ 128,568</u>	<u>\$ -</u>	<u>\$ 4,508,232</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, 2021

EXHIBIT B-1

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

Total Fund Balances - Governmental Funds (Exhibit B-1)		\$	3,945,863
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$37,463,803 and the accumulated depreciation is \$16,815,728.			20,648,075
The District has financed capital assets through the issuance of bonds and long-term lease obligations. The interest accrual at year end is:			(80,232)
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.			39,388
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.			
	Bonds Payable	\$ (7,850,000)	
	Unamortized Premium on Bond Issuances	(40,494)	
	Lease Purchase Agreements	(153,734)	
	Compensated Absences Payable	(315,384)	
	Net Pension Liability	<u>(5,280,646)</u>	
			<u>(13,640,258)</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	1,117,877	
	Deferred Inflows of Resources	<u>(2,581,499)</u>	
			<u>(1,463,622)</u>
Net Position of Governmental Activities (Exhibit A-1)		\$	<u>9,449,214</u>

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

MIDLAND PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 20,983,476			\$ 937,475	\$ 21,920,951
Tuition	19,244				19,244
Other Restricted Miscellaneous Revenues	1,037,267				1,037,267
Miscellaneous	<u>21,668</u>	<u>\$ 138,536</u>	<u>-</u>	<u>-</u>	<u>160,204</u>
Total - Local Sources	22,061,655	138,536	-	937,475	23,137,666
State Sources	5,278,024	147,281			5,425,305
Federal Sources	<u>27,148</u>	<u>568,495</u>	<u>-</u>	<u>-</u>	<u>595,643</u>
Total Revenues	<u>27,366,827</u>	<u>854,312</u>	<u>-</u>	<u>937,475</u>	<u>29,158,614</u>
EXPENDITURES					
Current					
Regular Instruction	10,629,211	167,200			10,796,411
Special Education Instruction	5,512,019	365,882	\$ 17,914		5,895,815
Other Instruction	457,139				457,139
School-Sponsored Activities and Athletics	796,318	112,047			908,365
Student and Instruction Related Services	3,281,480	217,239			3,498,719
General Administration Services	556,597				556,597
School Administration Services	1,644,692				1,644,692
Central Services & Adm. Info. Technology	679,853				679,853
Plant Operations and Maintenance	1,963,449				1,963,449
Pupil Transportation	480,524				480,524
Debt Service					
Principal	81,512			715,000	796,512
Interest	6,918			222,475	229,393
Capital Outlay	<u>13,638</u>	<u>-</u>	<u>628,667</u>	<u>-</u>	<u>642,305</u>
Total Expenditures	<u>26,103,350</u>	<u>862,368</u>	<u>646,581</u>	<u>937,475</u>	<u>28,549,774</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>1,263,477</u>	<u>(8,056)</u>	<u>(646,581)</u>	<u>-</u>	<u>608,840</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	4,841		453,922		458,763
Transfer Out	<u>(453,922)</u>	<u>-</u>	<u>(4,841)</u>	<u>-</u>	<u>(458,763)</u>
Total Other Financing Sources and Uses	<u>(449,081)</u>	<u>-</u>	<u>449,081</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	814,396	(8,056)	(197,500)	-	608,840
Fund Balance, Beginning of Year, Restated	<u>2,838,174</u>	<u>217,947</u>	<u>280,902</u>	<u>-</u>	<u>3,337,023</u>
Fund Balance, End of Year	<u>\$ 3,652,570</u>	<u>\$ 209,891</u>	<u>\$ 83,402</u>	<u>\$ -</u>	<u>\$ 3,945,863</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, 2021**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 608,840

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	\$ 642,305	
Depreciation Expense	<u>(1,080,040)</u>	(437,735)

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

Decrease in Compensated Absences, Net	8,607	
Increase in Pension Expense	<u>(44,361)</u>	(35,754)

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. 6,979

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

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

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

Capital Leases/ Lease Purchase Agreements Principal Repayment	81,512	
Bonds Principal Repayment	<u>715,000</u>	<u>796,512</u>

Change in Net Position of Governmental Activities (Exhibit A-2) \$ 939,398

**MIDLAND PARK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2021**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 35,030
Accounts Receivable	
Federal	49,617
State	1,484
Due from Other Funds	6,208
Inventories	<u>4,662</u>
 Total Current Assets	 <u>97,001</u>
Capital Assets	
Equipment	294,296
Less: Accumulated Depreciation	<u>(234,040)</u>
 Total Capital Assets, Net	 <u>60,256</u>
 Total Assets	 <u>157,257</u>
 LIABILITIES	
Current Liabilities	
Unearned Revenue	13,268
Accounts Payable	5,248
Other Liabilities	<u>3,538</u>
 Total Current Liabilities	 <u>22,054</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred Commodities Revenue	<u>1,780</u>
 Total Deferred Inflows of Resources	 <u>1,780</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>23,834</u>
 NET POSITION	
Investment in Capital Assets	60,256
Unrestricted	<u>73,167</u>
 Total Net Position	 <u>\$ 133,423</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, 2021**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales- Reimbursable Programs	\$ 3,188
Daily Sales- Non-Reimbursable Programs	<u>230</u>
 Total Operating Revenues	 <u>3,418</u>
OPERATING EXPENSES	
Cost of Sales- Reimbursable Programs	103,634
Cost of Sales- Non-Reimbursable Programs	24
Salaries and Employee Benefits	84,033
Purchased Services-Management Fee	12,819
Purchased Services	2,845
Repairs	1,179
Supplies and Materials	14,954
Miscellaneous Expenditures	1,013
Depreciation	<u>7,123</u>
 Total Operating Expenses	 <u>227,624</u>
 Operating Loss	 <u>(224,206)</u>
NONOPERATING REVENUES	
Local Sources	
Interest on Deposits	130
State Sources	
School Lunch Program	9,037
Federal Sources	
School Breakfast Program	32,391
National School Lunch Program	176,906
Food Distribution Program	<u>22,280</u>
 Total Nonoperating Revenues	 <u>240,744</u>
 Change in Net Position	 16,538
 Total Net Position, Beginning of Year	 <u>116,885</u>
 Total Net Position, End of Year	 <u>\$ 133,423</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, 2021

	Business-Type Activities Enterprise Fund Food Service
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 5,977
Cash Payments for Employees' Salaries and Benefits	(84,033)
Cash Payments to Suppliers for Goods and Services	<u>(109,827)</u>
Net Cash Used by Operating Activities	<u>(187,883)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	<u>162,803</u>
Net Cash Provided by Noncapital Financing Activities	<u>162,803</u>
Cash Flows from Investing Activities	
Interest Received	<u>130</u>
Net Cash Provided by Investing Activities	<u>130</u>
Net Decrease in Cash and Cash Equivalents	(24,950)
Cash and Cash Equivalents, Beginning of Year	<u>59,980</u>
Cash and Cash Equivalents, End of Year	<u>\$ 35,030</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	\$ <u>(224,206)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	7,123
Non-Cash Federal Assistance - National School Lunch (Food Distribution)	22,280
Change in Assets, Liabilities and Deferred Inflows of Resources	
Increase/(Decrease) in Accounts Payable	173
Increase/(Decrease) in Unearned Revenue	(672)
(Increase)/Decrease in Other Accounts Receivable	2,559
(Increase)/Decrease in Inventories	<u>4,860</u>
Total Adjustments	<u>36,323</u>
Net Cash Used by Operating Activities	<u>\$ (187,883)</u>
Non-Cash Financing Activities	
National School Lunch (Food Distribution Program)	\$ 19,968

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, 2021**

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

During fiscal year 2021, the District adopted the following GASB statement:

- GASB No. 84, *Fiduciary Activities*. 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. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- 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, 2021**

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. Currently, the District has no fiduciary funds.

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. 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 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 and proprietary activities. 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, 2021**

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, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

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.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operation are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Prepaid Items

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

5. Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to 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 a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the difference on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to 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.

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. Differences resulting from debt refundings are classified as deferred inflows of resources or as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Differences 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.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2021/2022 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 2021/2022 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, 2020 audited excess surplus that was appropriated in the 2021/2022 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that is required to be appropriated in the 2022/2023 original budget certified for taxes.

Unemployment Compensation – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 4A).

Scholarships – This restriction was created to represent the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

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

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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)

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 (special revenue, 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.

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.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2019-2020 and 2020-2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2020/2021. Also, during 2020/2021 the Board increased the original general fund budget by \$622,808 and the original special revenue fund budget by \$490,320. The increase in the general fund was funded by the additional appropriation of prior year extraordinary aid approved by the Board on October 20, 2020 net of the reduction of budget appropriations for a state aid decrease in the amount of \$46,584 approved by the Board on August 18, 2020 and the reappropriation of prior year general fund encumbrances of \$292,097. The increase in the special revenue fund was funded by additional grant awards and the inclusion of scholarship and student activity transactions.

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

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

B. Capital Reserve

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

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020		\$ 1,234,975
Increased by:		
Interest earnings	\$ 1,623	
Unexpended Capital Reserve Funds Returned	4,841	
Deposits Approved by Board Resolution	<u>1,617,599</u>	
Total Increases		<u>1,624,063</u>
		2,859,038
Decreased by:		
Withdrawals Approved by Board Resolution	153,622	
Withdrawals Approved in District Budget	<u>300,000</u>	
Total Decreases		<u>453,622</u>
Balance, June 30, 2021		<u>\$ 2,405,416</u>
Designated for Subsequent Year's Budget (2021/2022)		\$ 295,000
Capital Reserve Available		<u>2,110,416</u>
		<u>\$ 2,405,416</u>

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

C. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2021 is \$550,000. Of this amount, \$275,000 was designated and appropriated in the 2021/2022 original budget certified for taxes and the remaining amount of \$275,000 will be appropriated in the 2022/2023 original budget certified for taxes.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021, the book value of the Board's deposits were \$4,168,839 and bank and brokerage firm balances of the Board's deposits amounted to \$4,596,243. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 4,259,744
Uninsured or uncollateralized	<u>336,499</u>
	<u>\$ 4,596,243</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2021 the Board's bank balance of \$336,499 was exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>
Uninsured and Collateralized	
Collateral held by pledging financial institution's trust department or agent not in the Board's name	<u>\$ 336,499</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.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2021, the Board had no outstanding investments.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. 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 – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. 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.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

B. Receivables

Receivables as of June 30, 2021 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	\$ 57,929		\$ 72,778		\$ 130,707
Intergovernmental					
Federal		\$ 40,067		\$ 49,617	89,684
State	85,748	2,674		1,484	89,906
Local	58,474	-	-	-	58,474
Gross Receivables	202,151	42,741	72,778	51,101	368,771
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 202,151</u>	<u>\$ 42,741</u>	<u>\$ 72,778</u>	<u>\$ 51,101</u>	<u>\$ 368,771</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	\$ 69,251
Preschool Tuition	2,925
Special Revenue Fund	
Unencumbered Grant Draw Downs	4,435
Total Unearned Revenue of Governmental Funds	<u>\$ 76,611</u>

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance, <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2021</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 28,714	-	-	\$ 28,714
Total Capital Assets, Not Being Depreciated	<u>28,714</u>	<u>-</u>	<u>-</u>	<u>28,714</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	29,123,487	\$ 628,667		29,752,154
Site Improvements	2,779,523			2,779,523
Machinery and Equipment	<u>4,889,774</u>	<u>13,638</u>	<u>-</u>	<u>4,903,412</u>
Total Capital Assets Being Depreciated	<u>36,792,784</u>	<u>642,305</u>	<u>-</u>	<u>37,435,089</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,043,157)	(146,037)		(1,189,194)
Buildings and Building Improvements	(10,839,191)	(794,765)		(11,633,956)
Machinery and Equipment	<u>(3,853,340)</u>	<u>(139,238)</u>	<u>-</u>	<u>(3,992,578)</u>
Total Accumulated Depreciation	<u>(15,735,688)</u>	<u>(1,080,040)</u>	<u>-</u>	<u>(16,815,728)</u>
Total Capital Assets, Being Depreciated, Net	<u>21,057,096</u>	<u>(437,735)</u>	<u>-</u>	<u>20,619,361</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,085,810</u>	<u>\$ (437,735)</u>	<u>\$ -</u>	<u>\$ 20,648,075</u>

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2021</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 294,296	-	-	\$ 294,296
Total Capital Assets Being Depreciated	<u>294,296</u>	<u>-</u>	<u>-</u>	<u>294,296</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(226,917)	\$ (7,123)	-	(234,040)
Total Accumulated Depreciation	<u>(226,917)</u>	<u>(7,123)</u>	<u>-</u>	<u>(234,040)</u>
Total Capital Assets, Being Depreciated, Net	<u>67,379</u>	<u>(7,123)</u>	<u>-</u>	<u>60,256</u>
Business-Type Activities Capital Assets, Net	<u>\$ 67,379</u>	<u>\$ (7,123)</u>	<u>\$ -</u>	<u>\$ 60,256</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 44,505
School-Sponsored Activities and Athletics	15,207
Total Instruction	<u>59,712</u>
Support Services	
Student and Instruction Related Services	41,403
General Administration Services	308
Plant Operations and Maintenance	957,992
Pupil Transportation	17,629
Business / Central Services	2,996
Total Support Services	<u>1,020,328</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,080,040</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 7,123</u>

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
<u>Capital Projects Fund</u>		
Life Skills Classroom Renovation	\$ 290,973	\$ 44,106
Lintel Project at Highland School	120,736	<u>10,264</u>
		<u>\$ 54,370</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects Fund	General Fund	\$ 55,790
Food Service Fund	General Fund	<u>6,208</u>
	Total	<u>\$ 61,998</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 are 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, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund Transfers

	<u>Transfer In:</u>		<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	
Transfer Out:			
General Fund		\$ 453,922	\$ 453,922
Capital Projects Fund	\$ 4,841	-	4,841
	<u>4,841</u>	<u>453,922</u>	<u>458,763</u>
Total	<u>\$ 4,841</u>	<u>\$ 453,922</u>	<u>\$ 458,763</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, 2021 were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2022	\$ 88,430
2023	<u>71,960</u>
Total Minimum Lease Payments	160,390
Less: Amount Representing Interest	<u>(6,656)</u>
Present Value of Minimum Lease Payments	<u>\$ 153,734</u>

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021 are comprised of the following issues:

\$3,695,000, 2012 Refunding Bonds, due in annual installments of \$390,000 to \$395,000 through August 15, 2023, interest at 3.00%	\$1,180,000
\$8,500,000, 2015 School Bonds, due in annual installments of \$345,000 to \$540,000 through August 15, 2035, interest at 2.000% to 3.125%	<u>6,670,000</u>
Total	<u>\$7,850,000</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>Total</u>
	<u>Principal</u>	<u>Interest</u>	
June 30,			
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	400,000	148,825	548,825
2027-2031	2,215,000	592,475	2,807,475
2032-2036	<u>2,595,000</u>	<u>240,825</u>	<u>2,835,825</u>
Total	<u>\$ 7,850,000</u>	<u>\$ 1,704,975</u>	<u>\$ 9,554,975</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2021 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 50,899,014
Less: Net Debt	<u>7,850,000</u>
Remaining Borrowing Power	<u>\$ 43,049,014</u>

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021, was as follows:

	<u>Balance, July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2021</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable	\$ 8,565,000		\$ 715,000	\$ 7,850,000	\$ 735,000
Add:					
Unamortized Premium	60,743	-	20,249	40,494	-
Bonds Payable, Gross	8,625,743	-	735,249	7,890,494	735,000
Capitla Leases/Lease Purchase Agreements	235,246		81,512	153,734	83,877
Compensated Absences Payable	323,991		8,607	315,384	30,000
Net Pension Liability	6,183,934	-	903,288	5,280,646	-
Governmental Activities Long-Term Liabilities	<u>\$ 15,368,914</u>	<u>\$ -</u>	<u>\$ 1,728,656</u>	<u>\$ 13,640,258</u>	<u>\$ 848,877</u>

For the governmental activities, the liabilities for compensated absences, capital leases, 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, 2021**

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 restricted fund balance for unemployment compensation claims in the General 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>
2021	\$ 61,561	\$ 104,101	\$ 62,146
2020	43,867	87,658	104,282
2019	36,315	68,539	146,885

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, 2021, 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, 2021, 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, 2021**

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.

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

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

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

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF 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 or TPAF on or after November 2, 2008 and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32%. The collective net pension liability of the State funded TPAF at June 30, 2020 is \$66.0 billion and the plan fiduciary net position as a percentage of total pension liability is 24.60%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the July 1, 2019 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 2021.

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, 2021 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 local 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 2021, 2020 and 2019 were equal to the required contributions.

During the fiscal years ended June 30, 2021, 2020 and 2019 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>
2021	\$ 354,242	\$ 2,537,399	\$ 3,020
2020	333,834	1,988,922	3,688
2019	313,019	1,687,024	3,861

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2021, 2020 and 2019 the District contributed \$-0-, \$1,301 and \$1,035, respectively for PERS and the State contributed \$1,416, \$1,692 and \$1,841, 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 \$708,412 during the fiscal year ended June 30, 2021 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, 2019 through June 30, 2020. 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, 2020 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2020.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$5,280,646 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. 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, 2020. At June 30, 2020, the District's proportionate share was .03238 percent, which was a decrease of .00194 percent from its proportionate share measured as of June 30, 2019 of .03432 percent.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$398,603 for PERS. The pension contribution made by the District during the current 2020/2021 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, 2021 with a measurement date of the prior fiscal year end of June 30, 2020. 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, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 96,152	\$ 18,675
Changes of Assumptions	171,310	2,211,057
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	180,497	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>669,918</u>	<u>351,767</u>
Total	<u>\$ 1,117,877</u>	<u>\$ 2,581,499</u>

At June 30, 2021, 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:

Year Ending <u>June 30,</u>	<u>Total</u>
2022	\$ (375,817)
2023	(508,945)
2024	(333,494)
2025	(203,434)
2026	(41,932)
Thereafter	<u>-</u>
	<u>\$ (1,463,622)</u>

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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-2020.

The actuarial assumptions used in the July 1, 2019 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, 2021**

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, 2020) 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, 2020 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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

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>
2021	June 30, 2020	7.00%
2020	June 30, 2019	6.28%

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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)

There was no crossover period for the PERS defined benefit plan. Therefore the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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 7.00%, 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 6,647,452</u>	<u>\$ 5,280,646</u>	<u>\$ 4,120,873</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, 2020. 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.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2019 through June 30, 2020. 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, 2020, 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, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,647,677 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, 2021 the State's proportionate share of the net pension liability attributable to the District is \$58,659,173. The net pension liability was measure as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. 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, 2020. At June 30, 2020, the State's share of the net pension liability attributable to the District was .08908 percent, which was an increase of .00507 percent from its proportionate share measured as of June 30, 2019 of .08401 percent.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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-2020.

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, 2019.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020) 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, 2020 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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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:

Fiscal Year	Measurement Date	Discount Rate
2021	June 30, 2020	5.40%
2020	June 30, 2019	5.60%

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, 2062
Municipal Bond Rate *	From July 1, 2062 and Thereafter

* The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. 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 5.40%, 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 (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 68,902,069</u>	<u>\$ 58,659,173</u>	<u>\$ 50,154,167</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, 2020. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2020 was not provided by the pension system.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. In addition, the plan is administered on a pay-as-you-go basis. 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 multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
Total	<u>366,108</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, 2020 is \$67.8 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, 2019 which were rolled forward to June 30, 2020.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2019 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 \$1.18 billion to the OPEB plan in fiscal year 2020.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2021, 2020 and 2019 were \$795,181, \$737,854 and \$765,232, 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, 2019 through June 30, 2020. 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, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$3,156,279. 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, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$57,176,716. 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, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was .08432 percent, which was an increase of .00155 percent from its proportionate share measured as of June 30, 2019 of .08277 percent.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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 4.45%
Rate Thereafter	1.55% to 4.45%
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-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020.

*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, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**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)

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, 2020 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.

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>
2021	June 30, 2020	2.21 %
2020	June 30, 2019	3.50%

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, 2021**

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, 2021 (measurement date June 30, 2020) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2019 Measurement Date	\$ <u>34,538,978</u>
Changes Recognized for the Fiscal Year:	
Service Cost	1,595,156
Interest on the Total OPEB Liability	1,247,948
Differences Between Expected and Actual Experience	10,315,642
Changes of Assumptions	10,444,221
Gross Benefit Payments	(995,400)
Contributions from the Member	<u>30,171</u>
Net Changes	\$ <u>22,637,738</u>
Balance, June 30, 2020 Measurement Date	\$ <u><u>57,176,716</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 % percent in 2019 to 2.21% percent in 2020.

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, 2020.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 2.21%, 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 (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 68,929,482	\$ 57,176,716	\$ 47,987,185

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 46,154,973	\$ 57,176,716	\$ 70,301,162

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 were not provided by the pension system.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

On July 1, 2020, the Midland Park Board of Education implemented GASB Statement No. 84 "Fiduciary Activities". The Midland Park Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2020 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll related activities which were previously reported as fiduciary activities to governmental activities. The effect of this restatement is to increase net position of governmental activities by \$322,229 from \$8,187,587 as previously reported to \$8,509,816 as of June 30, 2020.

Governmental Funds

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll activities previously reported as fiduciary funds to government funds. The effect of this restatement is to increase fund balances of governmental funds by \$322,229 from \$3,014,794 as previously reported to \$3,337,023 as of June 30, 2020. General Fund fund balance increased \$104,282 from \$2,733,892 as previously reported to \$2,838,174 as of June 30, 2020. Special Revenue Fund fund balance increased \$217,947 from \$-0- as previously reported to \$217,947 as of June 30, 2020.

Fiduciary Funds

The financial statements of the fiduciary funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities to governmental funds as noted above. The effect of this restatement is to decrease total fiduciary net position by \$111,532 from \$111,532 as previously reported to \$-0- as of June 30, 2020.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 has been 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.

Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measure, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

Recently, the United States Congress has passed relief and stimulus legislations including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the School District. It is too early to predict if the legislation will have its intended affect.

The largest portion of the School District’s revenues is derived from local tax revenues levied by the Borough. In that regard, under applicable State statutes, the Borough annually is required to pay 100% of the amount levied for operations and debt service to the School District regardless of delinquencies in applicable property tax collections. The ability of the Borough to fully collect property taxes on a timely basis may be affected by the economic impact of the Pandemic; however, the District does not anticipate an interruption in the timely collection of property taxes from the Borough.

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 it 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, 2021**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 20,983,476		\$ 20,983,476	\$ 20,983,476	
Tuition from Individuals (Integrated Preschool)	45,500		45,500	19,244	\$ (26,256)
Other Restricted Miscellaneous Revenues	1,371,760		1,371,760	1,037,267	(334,493)
Unrestricted Miscellaneous Revenues	22,500		22,500	20,045	(2,455)
Interest Earned on Capital Reserve Funds	500	-	500	1,623	1,123
Total Local Sources	<u>22,423,736</u>	<u>-</u>	<u>22,423,736</u>	<u>22,061,655</u>	<u>(362,081)</u>
State Sources					
Special Education Aid	651,797	\$ (46,584)	605,213	605,213	-
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 (2020/2021)				590,416	590,416
Extraordinary Aid (2019/2020)				34,352	34,352
School Security Grant (Alyssa's Law)				50,392	50,392
On-behalf TPAF Normal Cost & Accrued Liab. (Non-Budgeted)				2,490,023	2,490,023
On-behalf TPAF NCGI Premium Contribution (Non-budgeted)				47,376	47,376
On-behalf TPAF Long Term Disability Insurance (Non-budgeted)				1,416	1,416
On-behalf TPAF Post-Retirement Medical Contributions (Non-budgeted)				795,181	795,181
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	708,412	708,412
Total State Sources	<u>850,957</u>	<u>(46,584)</u>	<u>804,373</u>	<u>5,521,941</u>	<u>4,717,568</u>
Federal Sources					
FEMA - Coronavirus Pandemic	-	-	-	27,148	27,148
Total Federal Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,148</u>	<u>27,148</u>
Total Revenues	<u>23,274,693</u>	<u>(46,584)</u>	<u>23,228,109</u>	<u>27,610,744</u>	<u>4,382,635</u>
EXPENDITURES					
CURRENT					
Regular Programs- Instruction					
Salaries of Teachers					
Kindergarten	284,545	(300)	284,245	249,361	34,884
Grades 1-5	2,316,464	(27,365)	2,289,099	2,230,111	58,988
Grades 6-8	1,164,701	21,181	1,185,882	1,153,215	32,667
Grades 9-12	2,268,424	33,485	2,301,909	2,245,641	56,268
Regular Programs - Home Instruction					
Salaries of Teachers	18,000	-	18,000	368	17,632
Purchased Professional/Educational Services	4,000	-	4,000	1,000	3,000
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	48,604	-	48,604	30,714	17,890
Purchased Professional/Educational Services	38,310	1,379	39,689	34,482	5,207
Other Purchased Services	149,773	834	150,607	149,009	1,598
General Supplies	181,380	76,444	257,824	164,385	93,439
Textbooks	157,698	(26,221)	131,477	116,652	14,825
Other Objects	4,797	(2,595)	2,202	1,066	1,136
Total Regular Programs	<u>6,636,696</u>	<u>76,842</u>	<u>6,713,538</u>	<u>6,376,004</u>	<u>337,534</u>
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	116,400	(2,912)	113,488	110,955	2,533
Other Salaries for Instruction	216,828	(1,622)	215,206	214,866	340
General Supplies	1,500	1,442	2,942	2,816	126
Total Learning and/or Language Disabilities	<u>334,728</u>	<u>(3,092)</u>	<u>331,636</u>	<u>328,637</u>	<u>2,999</u>

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Special Education (Continued)					
Resource Room/Resource Center					
Salaries of Teachers	\$ 1,355,676	\$ 23,741	\$ 1,379,417	\$ 1,309,843	\$ 69,574
Other Salaries for Instruction	382,323	(28,576)	353,747	308,216	45,531
General Supplies	4,000	(193)	3,807	3,807	-
	<u>1,741,999</u>	<u>(5,028)</u>	<u>1,736,971</u>	<u>1,621,866</u>	<u>115,105</u>
Total Resource Room Resource Center					
Preschool Disabilities - Part-Time					
Salaries of Teachers	115,620	1,580	117,200	115,583	1,617
Other Salaries for Instruction	85,384	-	85,384	82,000	3,384
General Supplies	1,000	(1,000)	-	-	-
	<u>202,004</u>	<u>580</u>	<u>202,584</u>	<u>197,583</u>	<u>5,001</u>
Total Preschool Disabilities-Part Time					
Preschool Disabilities -Full-Time					
Salaries of Teachers	55,720	242	55,962	55,492	470
Other Salaries for Instruction	118,773	(242)	118,531	110,244	8,287
General Supplies	1,000	-	1,000	110	890
	<u>175,493</u>	<u>-</u>	<u>175,493</u>	<u>165,846</u>	<u>9,647</u>
Total Preschool Disabilities-Full Time					
Home Instruction					
Purchased Professional-Educational Services	5,000	4,376	9,376	6,647	2,729
	<u>5,000</u>	<u>4,376</u>	<u>9,376</u>	<u>6,647</u>	<u>2,729</u>
Total Home Instruction					
Total Special Education	<u>2,459,224</u>	<u>(3,164)</u>	<u>2,456,060</u>	<u>2,320,579</u>	<u>135,481</u>
Bilingual Education					
Salaries of Teachers		54,000	54,000	52,035	1,965
General Supplies	-	1,000	1,000	793	207
Total Bilingual Education	<u>-</u>	<u>55,000</u>	<u>55,000</u>	<u>52,828</u>	<u>2,172</u>
School Spons. Co-Curricular Activities-Instruction					
Salaries	93,000	-	93,000	74,677	18,323
Purchased Services	4,400	(220)	4,180	4,149	31
Supplies and Materials	14,000	(351)	13,649	11,738	1,911
Other Objects	1,630	(9)	1,621	1,300	321
	<u>113,030</u>	<u>(580)</u>	<u>112,450</u>	<u>91,864</u>	<u>20,586</u>
Total School Spons. Co-Curricular Activities-Instr.					
School Sponsored Athletics - Instruction					
Salaries	313,679	8,018	321,697	315,182	6,515
Purchased Services	122,100	(32,850)	89,250	67,520	21,730
Supplies and Materials	47,485	(1,752)	45,733	37,913	7,820
Other Objects	17,215	-	17,215	7,946	9,269
	<u>500,479</u>	<u>(26,584)</u>	<u>473,895</u>	<u>428,561</u>	<u>45,334</u>
Total School Sponsored Athletics - Instruction					
Total Instruction	<u>9,709,429</u>	<u>101,514</u>	<u>9,810,943</u>	<u>9,269,836</u>	<u>541,107</u>

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within the State - Regular	\$ 77,400	\$ 9,322	\$ 86,722	\$ 84,732	\$ 1,990
Tuition to Other LEA's Within the State - Special	213,020	123,405	336,425	336,425	-
Tuition to Vocational School Districts- Regular	101,682	(36,407)	65,275	59,995	5,280
Tuition to Vocational School Districts- Special	90,000	18,000	108,000	108,000	-
Tuition to County Special Services School Districts and Regional Day Schools	452,570	(127,468)	325,102	308,151	16,951
Tuition to Private Schools for the Disabled Within the State	1,343,092	(140,083)	1,203,009	1,024,234	178,775
Total Undistributed Expenditures - Instruction	<u>2,277,764</u>	<u>(153,231)</u>	<u>2,124,533</u>	<u>1,921,537</u>	<u>202,996</u>
Health Services					
Salaries	267,623	(19,863)	247,760	242,810	4,950
Purchased Professional Technical Services	10,000	(6,252)	3,748	3,748	-
Supplies and Materials	6,250	5,073	11,323	6,019	5,304
Total Health Services	<u>283,873</u>	<u>(21,042)</u>	<u>262,831</u>	<u>252,577</u>	<u>10,254</u>
Other Support Services - Speech, OT, PT & Related Svcs					
Salaries	389,241	(1,059)	388,182	387,515	667
Purchased Professional/Educational Services	70,000	35,375	105,375	79,030	26,345
Supplies and Materials	750	(277)	473	473	-
Total Other Support Services - Speech, OT, PT & Related Svcs	<u>459,991</u>	<u>34,039</u>	<u>494,030</u>	<u>467,018</u>	<u>27,012</u>
Other Support Services - Extra. Serv.					
Purchased Professional/Education Services	430,000	152,277	582,277	439,864	142,413
Total Other Support Services - Extra. Serv.	<u>430,000</u>	<u>152,277</u>	<u>582,277</u>	<u>439,864</u>	<u>142,413</u>
Other Support Services - Guidance					
Salaries of Other Professional Staff	280,763	1,379	282,142	282,142	-
Salaries of Secretarial and Clerical Assistants	40,411	2,353	42,764	42,764	-
Purchased Professional- Educational Services	3,680	-	3,680	-	3,680
Supplies and Materials	4,875	(900)	3,975	2,792	1,183
Other Objects	16,050	-	16,050	14,760	1,290
Total Other Support Services - Guidance	<u>345,779</u>	<u>2,832</u>	<u>348,611</u>	<u>342,458</u>	<u>6,153</u>
Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	373,736	4,912	378,648	378,594	54
Salaries of Secretarial and Clerical Assistants	47,243	(7)	47,236	47,043	193
Purchased Professional/Educational Services	23,000	(5,333)	17,667	15,204	2,463
Other Purchased Professional and Tech. Services	1,000	(123)	877	-	877
Misc. Purchased Services	-	94	94	94	-
Supplies and Materials	5,000	(312)	4,688	4,574	114
Other Objects	1,000	409	1,409	1,409	-
Total Other Support Services - Child Study Teams	<u>450,979</u>	<u>(360)</u>	<u>450,619</u>	<u>446,918</u>	<u>3,701</u>

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	\$ 25,000	-	\$ 25,000	\$ 25,000	
Salaries of Other Professional Staff	36,079	-	36,079	36,079	
Salaries of Secretarial and Clerical Assistants	14,296	-	14,296	9,150	\$ 5,146
Other Salaries	42,500	-	42,500	1,900	40,600
Other Purchased Services	24,200	-	24,200	22,944	1,256
Supplies and Materials	500	-	500	194	306
Other Objects	500	-	500	-	500
	<u>143,075</u>	<u>-</u>	<u>143,075</u>	<u>95,267</u>	<u>47,808</u>
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff					
Educational Media Services/School Library					
Salaries	142,326	\$ 1,354	143,680	143,457	223
Salaries of Technology Coordinators	219,088	(1,354)	217,734	217,685	49
Purchased Professional and Technical Services	4,700	-	4,700	4,573	127
Supplies and Materials	13,250	-	13,250	11,993	1,257
Other Objects	375	-	375	319	56
	<u>379,739</u>	<u>-</u>	<u>379,739</u>	<u>378,027</u>	<u>1,712</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	36,079	-	36,079	36,079	-
Salaries of Secretarial and Clerical Assistants	14,296	-	14,296	9,150	5,146
Other Purchased Professional and Technical Serv.	10,000	-	10,000	-	10,000
Supplies and Materials	500	-	500	-	500
Other Objects	12,000	40	12,040	8,167	3,873
	<u>97,875</u>	<u>40</u>	<u>97,915</u>	<u>78,396</u>	<u>19,519</u>
Total Instructional Staff Training Services					
Support Services General Administration					
Salaries	257,847	51,753	309,600	309,600	-
Legal Services	35,000	(14,435)	20,565	19,480	1,085
Audit Fees	27,500	(1,000)	26,500	26,500	-
Architectural/Engineering Services	-	3,135	3,135	3,135	-
Other Purchased Professional Services	5,350	19,091	24,441	4,635	19,806
Purchased Technical Services	1,000	(721)	279	279	-
Communications/Telephone	24,075	-	24,075	21,268	2,807
BOE Other Purchased Services	1,500	(1,200)	300	249	51
Misc. Purchased Services	9,000	(3,623)	5,377	5,215	162
General Supplies	5,700	(687)	5,013	4,136	877
BOE In-House Training/Meeting Supplies	100	-	100	34	66
Miscellaneous Expenditures	3,864	156	4,020	4,020	-
Board of Education Membership Dues and Fees	9,436	-	9,436	9,435	1
	<u>380,372</u>	<u>52,469</u>	<u>432,841</u>	<u>407,986</u>	<u>24,855</u>
Total Support Services General Administration					
Support Services School Administration					
Salaries of Principals/Asst. Principals	525,149	91,594	616,743	614,645	2,098
Salaries of Other Professional Staff	163,403	40,000	203,403	199,062	4,341
Salaries of Secretarial and Clerical Assistants	153,524	62,649	216,173	214,658	1,515
Purchased Professional and Technical Services	2,500	(550)	1,950	225	1,725
Other Purchased Services	10,500	(3,604)	6,896	770	6,126
Supplies and Materials	8,000	(94)	7,906	5,738	2,168
Other Objects	6,000	1,389	7,389	6,470	919
	<u>869,076</u>	<u>191,384</u>	<u>1,060,460</u>	<u>1,041,568</u>	<u>18,892</u>
Total Support Services School Administration					

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	\$ 323,860	\$ 80,181	\$ 404,041	\$ 404,041	
Purchased Professional Services	1,400	(145)	1,255	1,255	
Purchased Technical Services	5,579	75	5,654	5,635	\$ 19
Miscellaneous Purchased Services	1,200	(1,200)			
Supplies and Materials	2,000	3,481	5,481	4,417	1,064
Interest on Current Loans	6,920	(285)	6,635	6,635	-
Miscellaneous Expenditures	1,340	(100)	1,240	1,240	-
Total Central Services	<u>342,299</u>	<u>82,007</u>	<u>424,306</u>	<u>423,223</u>	<u>1,083</u>
Admin. Information Technology					
Salaries	31,867	-	31,867	31,867	-
Purchased Professional Services	8,000	(1,498)	6,502	120	6,382
Purchased Technical Services	23,650	11,000	34,650	32,852	1,798
Other Purchased Services	11,900	1,763	13,663	13,663	-
Supplies and Materials	250	-	250	-	250
Other Objects	1,000	-	1,000	955	45
Total Admin. Information Technology	<u>76,667</u>	<u>11,265</u>	<u>87,932</u>	<u>79,457</u>	<u>8,475</u>
Required Maintenance for School Facilities					
Salaries	312,343	(8,042)	304,301	295,643	8,658
Cleaning, Repair and Maintenance Services	100,000	60,665	160,665	132,758	27,907
General Supplies	30,000	84,103	114,103	113,311	792
Total Required Maintenance for School Facilities	<u>442,343</u>	<u>136,726</u>	<u>579,069</u>	<u>541,712</u>	<u>37,357</u>
Custodial Services					
Salaries	532,504	(24,985)	507,519	457,617	49,902
Salaries of Non-Instructional Aides	130,000	-	130,000	95,359	34,641
Purchased Professional and Technical Services	41,000	(23,431)	17,569	17,569	-
Cleaning, Repair and Maintenance Services	72,770	22,498	95,268	84,438	10,830
Other Purchased Property Services	20,000	5,882	25,882	25,882	-
Insurance	121,500	9,713	131,213	131,213	-
General Supplies	37,000	16,876	53,876	27,038	26,838
Energy (Natural Gas)	115,000	(37,919)	77,081	55,617	21,464
Energy (Electricity)	115,000	38,500	153,500	112,704	40,796
Other Objects	625	-	625	125	500
Total Custodial Services	<u>1,185,399</u>	<u>7,134</u>	<u>1,192,533</u>	<u>1,007,562</u>	<u>184,971</u>
Security					
Salaries	2,000	-	2,000	2,000	-
Purchased Professional and Technical Services	64,650	(2,660)	61,990	61,675	315
General Supplies	-	4,769	4,769	4,769	-
Total Security	<u>66,650</u>	<u>2,109</u>	<u>68,759</u>	<u>68,444</u>	<u>315</u>

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<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		\$ 60,000	\$ 43,981	\$ 16,019
Salaries for Pupil Transportation (Between Home and School)-Special Education	163,000	\$ (15,000)	148,000	106,275	41,725
Cleaning, Repair and Maintenance Services	13,000	-	13,000	3,498	9,502
Lease Purchase Payments - School Buses	15,623	-	15,623	15,623	-
Contracted Services (Other than Between Home and School) - Vendors	15,650	(7,000)	8,650	1,730	6,920
Contracted Services (Between Home and School) - Joint Agreements	45,000	11,155	56,155	56,155	-
Contracted Services (Special Education Students) - Joint Agreements	325,000	(11,155)	313,845	196,885	116,960
Transportation Supplies	3,500	-	3,500	2,127	1,373
Other Objects	20,500	(3,000)	17,500	9,650	7,850
Total Student Transportation Services	<u>661,273</u>	<u>(25,000)</u>	<u>636,273</u>	<u>435,924</u>	<u>200,349</u>
Unallocated Benefits					
Group Insurance	6,000	(75)	5,925	5,850	75
Social Security Contributions	295,000	-	295,000	267,912	27,088
Other Retirement Contributions - PERS	345,000	18,154	363,154	363,154	-
Other Retirement Contributions - Regular	3,000	20	3,020	3,020	-
Unemployment Compensation (Non-Budget)	-	-	-	42,136	(42,136)
Workmen's Compensation	115,000	(8,995)	106,005	106,005	-
Health Benefits	3,427,500	(136,215)	3,291,285	3,158,301	132,984
Tuition Reimbursement	27,500	9,995	37,495	26,286	11,209
Other Employee Benefits	108,075	2,123	110,198	107,553	2,645
Total Unallocated Benefits	<u>4,327,075</u>	<u>(114,993)</u>	<u>4,212,082</u>	<u>4,080,217</u>	<u>131,865</u>
On-Behalf TPAF Normal & Accrued Liab. Contribution (Non-Budgeted)				2,490,023	(2,490,023)
On-behalf TPAF NCGI Premium Contribution (Non-budgeted)				47,376	(47,376)
On-behalf TPAF Long Term Disability Insurance (Non-budgeted)				1,416	(1,416)
On-behalf TPAF Post-Retirement Medical Contributions (Non-budgeted)				795,181	(795,181)
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	708,412	(708,412)
Total On-Behalf Payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,042,408</u>	<u>(4,042,408)</u>
Total Undistributed Expenditures	<u>13,220,229</u>	<u>357,656</u>	<u>13,577,885</u>	<u>16,550,563</u>	<u>(2,972,678)</u>
Total Expenditures-Current Expense	<u>22,929,658</u>	<u>459,170</u>	<u>23,388,828</u>	<u>25,820,399</u>	<u>(2,431,571)</u>

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	\$ 500	-	\$ 500	-	\$ 500
Equipment					
Grades 9-12		\$ 8,421	8,421	\$ 8,421	
School Sponsored and Other Instructional Programs		2,217	2,217	2,217	
School Sponsored Athletics	-	3,000	3,000	1,500	1,500
Total Equipment	-	13,638	13,638	12,138	1,500
Facilities Acq. And Construction Services					
Architectural/Engineering Services	20,000	(20,000)			-
Construction Services	280,000	(280,000)			-
Other Objects-Debt Service Assessment	22,775	-	22,775	22,775	-
Total Facilities Acq. And Contr. Services	322,775	(300,000)	22,775	22,775	-
Total Capital Outlay	323,275	(286,362)	36,913	34,913	2,000
SPECIAL SCHOOLS					
Adult Education - Local - Instruction					
Salaries of Teachers	105,000	-	105,000	44,936	60,064
Purchased Professional and Technical Services	162,000	-	162,000	14,304	147,696
Other Purchased Services	305,000	-	305,000	1,491	303,509
General Supplies	6,000	-	6,000	3,026	2,974
Textbooks	2,000	-	2,000	2,000	2,000
Other Objects	100	-	100	59	41
Total Adult Education - Local - Instruction	580,100	-	580,100	63,816	516,284
Adult Education - Local - Support Services					
Salaries	151,000	-	151,000	123,855	27,145
Personal Services-Employee Benefits	76,000	-	76,000	60,367	15,633
Total Adult Education - Local - Support Services	227,000	-	227,000	184,222	42,778
Total Special Schools	807,100	-	807,100	248,038	559,062
Total Expenditures	24,060,033	172,808	24,232,841	26,103,350	(1,870,509)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(785,340)	(219,392)	(1,004,732)	1,507,394	2,512,126
Other Financing Sources (Uses)					
Transfers In- Capital Reserve Returned from Capital Projects Fund	-	-	-	4,841	4,841
Transfers Out - Capital Reserve to Capital Projects Fund	-	(450,000)	(450,000)	(453,922)	(3,922)
Total Other Financing Sources (Uses)	-	(450,000)	(450,000)	(449,081)	919

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditure and Other Financing Uses	\$ (785,340)	\$ (669,392)	\$ (1,454,732)	\$ 1,058,313	\$ 2,513,045
Fund Balances, Beginning of Year, Restated	<u>3,224,154</u>	<u>-</u>	<u>3,224,154</u>	<u>3,224,154</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 2,438,814</u>	<u>\$ (669,392)</u>	<u>\$ 1,769,422</u>	<u>\$ 4,282,467</u>	<u>\$ 2,513,045</u>
<u>Recapitulation of Fund Balance</u>					
Restricted Fund Balance					
Capital Reserve				\$ 2,110,416	
Capital Reserve - Designated for Subsequent Year's Budget (2021/22 Budget)				295,000	
Adult Education Programs				65,856	
Adult Education Program - Designated for Subsequent Year's Budget (2021/22 Budget)				37,569	
Excess Surplus - Designated for Subsequent Year's Budget (2021/22 Budget)				275,000	
Excess Surplus				275,000	
Unemployment Compensation				62,146	
Assigned Fund Balance					
Year-End Encumbrances				120,767	
Unassigned Fund Balance				<u>1,040,713</u>	
				4,282,467	
Reconciliation to Governmental Fund Statement (GAAP)					
State Aid Payments Not Recognized on GAAP Basis				(39,481)	
Extraordinary Aid Payment Not Recognized on GAAP Basis				<u>(590,416)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 3,652,570</u>	

**MIDLAND PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
Local		\$ 148,160	\$ 148,160	\$ 138,536	\$ (9,624)
State	\$ 188,411	14,820	203,231	147,281	(55,950)
Federal	293,867	327,340	621,207	568,495	(52,712)
	<u>482,278</u>	<u>490,320</u>	<u>972,598</u>	<u>854,312</u>	<u>(118,286)</u>
Total Revenues	<u>482,278</u>	<u>490,320</u>	<u>972,598</u>	<u>854,312</u>	<u>(118,286)</u>
EXPENDITURES					
Instruction					
Salaries		30,211	30,211	17,695	12,516
Purchased Prof. and Technical Services	89,023	(34,364)	54,659	51,645	3,014
Other Purchased Services	174,404	49,690	224,094	224,094	-
General Supplies	5,213	91,129	96,342	92,097	4,245
Co-Curricular - Student Activities		112,047	112,047	112,047	-
Textbooks	7,732	16,511	24,243	24,046	197
Other Objects	-	-	-	-	-
	<u>276,372</u>	<u>265,224</u>	<u>541,596</u>	<u>521,624</u>	<u>19,972</u>
Total Instruction	<u>276,372</u>	<u>265,224</u>	<u>541,596</u>	<u>521,624</u>	<u>19,972</u>
Support Services					
Salaries		26,197	26,197	26,197	-
Employee Benefits		4,755	4,755	3,359	1,396
Purchased Professional/Technical Svcs.	30,440	89,746	120,186	87,074	33,112
Purchased Professional/Educational Svcs.	153,026	9,054	162,080	106,330	55,750
Other Purchased Services		2,000	2,000	2,000	-
Scholarships Awarded		16,100	16,100	16,100	-
General Supplies	22,440	77,244	99,684	99,684	-
Other Objects	-	-	-	-	-
	<u>205,906</u>	<u>225,096</u>	<u>431,002</u>	<u>340,744</u>	<u>90,258</u>
Total Support Services	<u>205,906</u>	<u>225,096</u>	<u>431,002</u>	<u>340,744</u>	<u>90,258</u>
Total Expenditures	<u>482,278</u>	<u>490,320</u>	<u>972,598</u>	<u>862,368</u>	<u>110,230</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ (8,056)	\$ (8,056)
Fund Balances, Beginning of Year, Restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,947</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,891</u>	<u>\$ (8,056)</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**MIDLAND PARK BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 27,610,744	\$ 854,312
Difference-Budget to GAAP:		
State and Extraordinary aid payments recognized for GAAP purpose not recognized for budgetary statements (2019/2020 State aid)	385,980	
State aid and Extraordinary aid payments recognized for budgetary purpose not recognized for GAAP statements (2020/2021 State aid)	<u>(629,897)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 27,366,827</u>	<u>\$ 854,312</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedule (Exhibits C-1 and C-2)	<u>\$ 26,103,350</u>	<u>\$ 862,368</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 26,103,350</u>	<u>\$ 862,368</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 Eight Fiscal Years*

	<u>2021</u>	<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)	0.03238%	0.03432%	0.03147%	0.03055%	0.02777%	0.02722%	0.02596%	0.02324%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 5,280,646</u>	<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>\$ 2,262,518</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>	<u>\$ 1,695,648</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	233%	271%	266%	331%	407%	328%	271%	262%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	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 Eight Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 354,242	\$ 333,834	\$ 313,019	\$ 282,988	\$ 246,665	\$ 233,994	\$ 214,048	\$ 175,135
Contributions in Relation to the Contractually Required Contribution	<u>354,242</u>	<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>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 2,275,015</u>	<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	15.57%	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 Eight Fiscal Years*

	<u>2021</u>	<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%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)						-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	\$ <u>58,659,173</u>	\$ <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>
Total	\$ <u>58,659,173</u>	\$ <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>9,511,614</u>	\$ <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%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	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, 2021**

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 Four Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 1,595,156	\$ 1,398,380	\$ 1,615,963	\$ 1,957,283
Interest on Total OPEB Liability	1,247,948	1,478,534	1,585,359	1,365,742
Differences between Expected and Actual Experiences	10,315,642	(5,140,259)	(3,784,849)	
Changes of Assumptions	10,444,221	514,979	(4,282,216)	(5,700,110)
Gross Benefit Payments	(995,400)	(1,060,244)	(997,821)	(990,155)
Contribution from the Member	<u>30,171</u>	<u>31,429</u>	<u>34,486</u>	<u>36,460</u>
Net Change in Total OPEB Liability	22,637,738	(2,777,181)	(5,829,078)	(3,330,780)
Total OPEB Liability - Beginning	<u>34,538,978</u>	<u>37,316,159</u>	<u>43,145,237</u>	<u>46,476,017</u>
Total OPEB Liability - Ending	<u>\$ 57,176,716</u>	<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>57,176,716</u>	<u>34,538,978</u>	<u>37,316,159</u>	<u>43,145,237</u>
Total OPEB Liability - Ending	<u>\$ 57,176,716</u>	<u>\$ 34,538,978</u>	<u>\$ 37,316,159</u>	<u>\$ 43,145,237</u>
District's Covered Payroll	<u>\$ 11,774,132</u>	<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%	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, 2021**

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, 2021**

	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Security Aid	L.D.E.A.		CARES	CARES Performance Grant	Total Exhibit E-1A	Total Exhibit E-1B	Total 2020/21
				Part B Preschool	Part B Basic					
REVENUES										
Intergovernmental										
Local									\$ 138,536	\$ 138,536
State	\$ 10,127	\$ 17,849	\$ 30,625					\$ 88,680	-	147,281
Federal	-	-	-	\$ 22,788	\$ 254,414	\$ 67,572	\$ 22,007	36,418	165,296	568,495
Total Revenues	\$ 10,127	\$ 17,849	\$ 30,625	\$ 22,788	\$ 254,414	\$ 67,572	\$ 22,007	\$ 125,098	\$ 303,832	\$ 854,312
EXPENDITURES										
Instruction										
Salaries of Teachers									\$ 17,695	\$ 17,695
Purchased Prof. and Technical Services									51,645	51,645
Other Purchased Prof. & Tech. Svcs.									-	-
Other Purchased Services					\$ 224,094				-	224,094
General Supplies				\$ 16,788	1,495	\$ 53,358		\$ 7,352	13,104	92,097
Co-Curricular - Student Activities									112,047	112,047
Textbooks	\$ 10,127								13,919	24,046
Other Objects	-	-	-	-	-	-	-	-	-	-
Total Instruction	10,127	-	-	16,788	225,589	53,358	-	7,352	208,410	521,624
Support Services										
Salaries									26,197	26,197
Employee Benefits									3,359	3,359
Purchased Prof. And Technical Svcs.				6,000	28,825	520			51,729	87,074
Purchased Prof - Educational Svc		\$ 17,650						88,680		106,330
Other Purchased Services						2,000		-		2,000
Scholarships Awarded									16,100	16,100
General Supplies	-	199	\$ 30,625	-	-	11,694	\$ 22,007	29,066	6,093	99,684
Total Support Services	-	17,849	30,625	6,000	28,825	14,214	22,007	117,746	103,478	340,744
Facilities Acquisitions and Construction										
Instructional Equipment	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisitions and Construction	-	-	-	-	-	-	-	-	-	-
Total Expenditures	10,127	17,849	30,625	22,788	254,414	67,572	22,007	125,098	311,888	862,368
Excess(Deficiency) of Revenues										
Over/(Under) Expenditures	-	-	-	-	-	-	-	-	(8,056)	(8,056)
Fund Balance, Beginning of Year, Restated	-	-	-	-	-	-	-	-	217,947	217,947
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 209,891	\$ 209,891

MIDLAND PARK BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Chapter 192 Auxiliary Services</u>			<u>Chapter 193 Handicapped Services</u>			<u>Coronavirus Relief Fund</u>	<u>Nonpublic Digital Divide</u>	<u>Total</u>
	<u>Nonpublic Comp. Ed.</u>	<u>Nonpublic E.S.L.</u>	<u>Nonpublic Transportation</u>	<u>Nonpublic Suppl. Inst.</u>	<u>Nonpublic Exam. and Class</u>	<u>Nonpublic Speech Corr.</u>			
REVENUES									
Intergovernmental									
State	\$ 25,953	\$ 2,398	\$ 17,894	\$ 8,338	\$ 15,231	\$ 18,866			\$ 88,680
Federal	-	-	-	-	-	-	\$ 29,066	\$ 7,352	36,418
Total Revenues	<u>\$ 25,953</u>	<u>\$ 2,398</u>	<u>\$ 17,894</u>	<u>\$ 8,338</u>	<u>\$ 15,231</u>	<u>\$ 18,866</u>	<u>\$ 29,066</u>	<u>\$ 7,352</u>	<u>\$ 125,098</u>
EXPENDITURES									
Instruction									
Salaries of Teachers									
Salaries of Other Professional Staff									
Other Salaries for Instruction									
Purchased Prof. & Tech. Svcs.									
Other Purchased Services									
General Supplies	-	-	-	-	-	-	-	7,352	7,352
Total Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,352</u>	<u>7,352</u>
Support Services									
Salaries									-
Employee Benefits									-
Purchased Prof. - Educational Svc	\$ 25,953	\$ 2,398	\$ 17,894	\$ 8,338	\$ 15,231	\$ 18,866			88,680
Purchased Prof. and Technical Svcs.									-
Other Purchased Services									-
General Supplies							\$ 29,066	-	29,066
Other Objects	-	-	-	-	-	-	-	-	-
Total Support Services	<u>25,953</u>	<u>2,398</u>	<u>17,894</u>	<u>8,338</u>	<u>15,231</u>	<u>18,866</u>	<u>29,066</u>	<u>-</u>	<u>117,746</u>
Total Expenditures	<u>\$ 25,953</u>	<u>\$ 2,398</u>	<u>\$ 17,894</u>	<u>\$ 8,338</u>	<u>\$ 15,231</u>	<u>\$ 18,866</u>	<u>\$ 29,066</u>	<u>\$ 7,352</u>	<u>\$ 125,098</u>
Excess(Deficiency) of Revenues									
Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year, Restated	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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MIDLAND PARK BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Title I</u>	<u>Title IIA</u>	<u>Title III Immigrant</u>	<u>Title IV</u>	<u>Scholarships</u>	<u>Student Activities</u>	<u>Local Donations</u>	<u>Total</u>
REVENUES								
Intergovernmental								
Local					\$ 16,857	\$ 103,234	\$ 18,445	\$ 138,536
Federal	\$ 114,026	\$ 33,102	\$ 1,300	\$ 16,868	-	-	-	165,296
Total Revenues	<u>\$ 114,026</u>	<u>\$ 33,102</u>	<u>\$ 1,300</u>	<u>\$ 16,868</u>	<u>\$ 16,857</u>	<u>\$ 103,234</u>	<u>\$ 18,445</u>	<u>\$ 303,832</u>
EXPENDITURES								
Instruction								
Salaries	\$ 17,695							\$ 17,695
Purchased Prof. and Technical Services	42,825			\$ 8,820				51,645
Other Purchased Services								-
General Supplies	2,350		\$ 1,000	5,228			\$ 4,526	13,104
Co-Curricular - Student Activities						\$ 112,047		112,047
Textbooks	-	-	-	-	-	-	13,919	13,919
Total Instruction	<u>62,870</u>	<u>-</u>	<u>1,000</u>	<u>14,048</u>	<u>-</u>	<u>112,047</u>	<u>18,445</u>	<u>208,410</u>
Support Services								
Salaries	26,197							26,197
Employee Benefits	3,359							3,359
Purchased Prof. and Technical Svcs.	21,600	\$ 27,009	300	2,820				51,729
Purchased Prof. - Educational Svc								-
Other Purchased Services					\$ 16,100			16,100
Scholarships Awarded								-
General Supplies	-	6,093	-	-	-	-	-	6,093
Total Support Services	<u>51,156</u>	<u>33,102</u>	<u>300</u>	<u>2,820</u>	<u>16,100</u>	<u>-</u>	<u>-</u>	<u>103,478</u>
Total Expenditures	<u>114,026</u>	<u>33,102</u>	<u>1,300</u>	<u>16,868</u>	<u>16,100</u>	<u>112,047</u>	<u>18,445</u>	<u>311,888</u>
Excess(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	757	(8,813)	-	(8,056)
Fund Balance, Beginning of Year, Restated	-	-	-	-	7,250	210,697	-	217,947
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,007</u>	<u>\$ 201,884</u>	<u>\$ -</u>	<u>\$ 209,891</u>

**MIDLAND PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021**

<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Expenditures to Date Prior Years</u>	<u>Expenditures</u>	<u>Balance June 30, 2021</u>
Godwin School Entrance Modification	\$ 134,160	\$ 103,599		\$ 30,561
Door Replacement Projects	443,001	246,403	\$ 164,100	32,498
Life Skills Classroom Renovations	460,367	94,855	356,862	8,650
Lintel Renovations at Highland School	<u>142,153</u>	<u>-</u>	<u>130,460</u>	<u>11,693</u>
	<u>\$ 1,179,681</u>	<u>\$ 444,857</u>	<u>\$ 651,422</u>	<u>\$ 83,402</u>

Project Balances \$ 83,402

Reconciliation of Fund Balance

Restricted	
Year-End Encumbrances	\$ 10,264
Available for Capital Projects	<u>73,138</u>
Total Fund Balance- Restricted for Capital Projects	<u>\$ 83,402</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, 2021**

Revenues and Other Financing Sources

Transfer from Capital Reserve	\$ <u>453,922</u>
Total Revenues and Other Financing Sources	<u>453,922</u>

Expenditures and Other Financing Uses

Purchased Professional and Technical Services	16,919
Supplies	17,914
Equipment	2,850
Construction Services	608,898
Transfers Out- General Fund- Return of Unexpended Capital Reserve Funds	<u>4,841</u>
Total Expenditures and Other Financing Uses	<u>651,422</u>

Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(197,500)
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Fund Balance- Beginning of Year	<u>280,902</u>
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Fund Balance - End of Year	<u>\$ <u>83,402</u></u>
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**MIDLAND PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
GODWIN SCHOOL ENTRANCE MODIFICATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Period</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfers from Capital Reserve	\$ 134,160	-	\$ 134,160	\$ 134,160
Total Revenues and Other Financing Sources	<u>134,160</u>	<u>-</u>	<u>134,160</u>	<u>134,160</u>
Expenditures and Other Financing Uses				
Expenditures				
Purchased Professional and Technical Services	12,784		12,784	12,784
Supplies	8,972		8,972	9,021
Construction Services	81,843	-	81,843	112,355
Total Expenditures and Other Financing Uses	<u>103,599</u>	<u>-</u>	<u>103,599</u>	<u>134,160</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 30,561</u>	<u>\$ -</u>	<u>\$ 30,561</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Proceeds Issued	N/A			
Original Authorized Cost	\$ 134,160			
Percentage Increase Over Original				
Authorized Cost	0%			
Percentage Completion	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 REPLACEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Period</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfers from Capital Reserve	\$ 278,901	\$ 164,100	\$ 443,001	\$ 443,001
Total Revenues and Other Financing Sources	<u>278,901</u>	<u>164,100</u>	<u>443,001</u>	<u>443,001</u>
Expenditures and Other Financing Uses				
Expenditures				
Purchased Professional and Technical Services	33,250	3,159	36,409	37,000
Construction Services	213,153	156,100	369,253	406,001
Transfer to Capital Reserve	<u>-</u>	<u>4,841</u>	<u>4,841</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>246,403</u>	<u>164,100</u>	<u>410,503</u>	<u>443,001</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 32,498</u>	<u>\$ -</u>	<u>\$ 32,498</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Proceeds Issued		N/A		
Original Authorized Cost	\$	279,876		
Additional Authorized Cost		163,125		
Revised Authorized Cost		443,001		
Percentage Increase Over Original Authorized Cost		58%		
Percentage Completion		93%		
Revised Target Completion Date		2020/2021		

**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, 2021**

	<u>Prior Period</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Contributions from Other Local Sources	\$ 40,000		\$ 40,000	\$ 40,000
Contributions from Other Governments	230,000		230,000	230,000
Transfers from Capital Reserve		\$ 147,669	147,669	147,669
Transfers from Food Service Enterprise Fund	42,698	-	42,698	42,698
	<u>312,698</u>	<u>147,669</u>	<u>460,367</u>	<u>460,367</u>
Total Revenues and Other Financing Sources				
Expenditures and Other Financing Uses				
Expenditures				
Purchased Professional and Technical Services	15,111	4,036	19,147	30,000
Supplies		17,914	17,914	
Equipment		2,850	2,850	
Construction Services	79,744	332,062	411,806	430,367
	<u>94,855</u>	<u>356,862</u>	<u>451,717</u>	<u>460,367</u>
Total Expenditures and Other Financing Uses				
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 217,843</u>	<u>\$ (209,193)</u>	<u>\$ 8,650</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers	3170-050-20-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Proceeds Issued	N/A			
Original Authorized Cost	\$ 312,698			
Additional Authorized Cost	147,669			
Revised Authorized Cost	460,367			
Percentage Increase Over Original				
Authorized Cost	47%			
Percentage Completion	98%			
Revised Target Completion Date	2021/2022			

**MIDLAND PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
LINTEL RENOVATIONS AT HIGHLAND SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Period</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfers from Capital Reserve	\$ -	\$ 142,153	\$ 142,153	\$ 142,153
Total Revenues and Other Financing Sources	<u>-</u>	<u>142,153</u>	<u>142,153</u>	<u>142,153</u>
Expenditures and Other Financing Uses				
Expenditures				
Purchased Professional and Technical Services	-	9,724	9,724	11,153
Construction Services	<u>-</u>	<u>120,736</u>	<u>120,736</u>	<u>131,000</u>
Total Expenditures and Other Financing Uses	<u>-</u>	<u>130,460</u>	<u>130,460</u>	<u>142,153</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 11,693</u>	<u>\$ 11,693</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Proceeds Issued	N/A			
Original Authorized Cost	\$	142,153		
Revised Authorized Cost		142,153		
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	92%			
Revised Target Completion Date	2021/2022			

PROPRIETARY FUNDS

NOT APPLICABLE

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**MIDLAND PARK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<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, 2020</u>	<u>Retired</u>	<u>Balance, June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>				
2012 Refunding Bonds	3/28/2012	\$ 3,695,000	8/15/2021	\$ 390,000	3.000 %	\$ 1,560,000	\$ 380,000	\$ 1,180,000
			8/15/2022	395,000	3.000			
			8/15/2023	395,000	3.000			
2015 School Bonds	2/5/2015	8,500,000	8/15/2021	345,000	2.000	<u>7,005,000</u>	<u>335,000</u>	<u>6,670,000</u>
			8/15/2022	360,000	2.000			
			8/15/2023	370,000	2.000			
			8/15/2024	385,000	2.000			
			8/15/2025	400,000	2.000			
			8/15/2026	415,000	2.000			
			8/15/2027	425,000	3.000			
			8/15/2028	440,000	3.000			
			8/15/2029	460,000	3.000			
			8/15/2030	475,000	3.000			
			8/15/2031	490,000	3.000			
			8/15/2032	505,000	3.000			
			8/15/2033	525,000	3.000			
			8/15/2034	535,000	3.000			
			8/15/2035	540,000	3.125			
						<u>\$ 8,565,000</u>	<u>\$ 715,000</u>	<u>\$ 7,850,000</u>
Paid by Budget Appropriation							<u>\$ 715,000</u>	

**MIDLAND PARK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2020</u>	<u>Retired</u>	<u>Balance, June 30, 2021</u>
Lease Purchase-School Bus	2.599%	\$ 77,900	\$ 31,663	\$ 15,622	\$ 16,041
Lease Purchase- Chromebooks	3.942%	209,412	153,985	49,357	104,628
Lease Purchase- Technology Supplies and Software Upgrades	0.000%	49,598	<u>49,598</u>	<u>16,533</u>	<u>33,065</u>
			<u>\$ 235,246</u>	<u>\$ 81,512</u>	<u>\$ 153,734</u>
			Paid by Budget Appropriation	<u>\$ 81,512</u>	

**MIDLAND PARK BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 937,475	-	\$ 937,475	\$ 937,475	-
Total Revenues	<u>937,475</u>	<u>-</u>	<u>937,475</u>	<u>937,475</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Principal on Bonds	715,000		715,000	715,000	
Interest on Bonds	<u>222,475</u>	<u>-</u>	<u>222,475</u>	<u>222,475</u>	<u>-</u>
Total Expenditures	<u>937,475</u>	<u>-</u>	<u>937,475</u>	<u>937,475</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,									
	2012	2013	2014 (Restated)	2015	2016	2017 (Restated)	2018	2019 (Restated)	2020 (Restated)	2021
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 12,780,928
Restricted	966,860	1,030,055	1,125,760	1,518,161	943,530	950,806	1,130,708	1,375,697	2,061,015	2,864,280
Unrestricted	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)	(6,195,994)
Total governmental activities net position	<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>\$ 8,509,816</u>	<u>\$ 9,449,214</u>
Business-Type Activities										
Investment in Capital Assets	\$ 61,733	\$ 53,102	\$ 50,501	\$ 39,561	\$ 42,166	\$ 64,508	\$ 64,408	\$ 73,841	\$ 67,379	\$ 60,256
Restricted										
Unrestricted	78,731	79,357	75,320	74,201	69,014	91,244	108,754	99,221	49,506	73,167
Total Business-Type Activities Net Position	<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>	<u>\$ 133,423</u>
District-Wide										
Net Investment in Capital Assets	\$ 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	\$ 12,841,184
Restricted	966,860	1,030,055	1,125,760	1,518,161	943,530	950,806	1,130,708	1,375,697	2,061,015	2,864,280
Unrestricted	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)	(6,122,827)
Total District Net Position	<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>\$ 8,626,701</u>	<u>\$ 9,582,637</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.

Note 3 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 12,578,907
Special education	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	6,483,701
Other instruction										
School Sponsored Activities and Athletics	584,681	670,894	669,528	759,684	839,587	968,669	999,843	969,669	876,174	1,038,226
Other	726,031	633,752	671,286	886,952	858,751	802,493	894,828	976,699	733,334	522,084
Support Services:										
Student & instruction related services	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	3,905,058
General and Business Admin/Central Svcs.	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	1,425,626
School Administration services	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	1,904,444
Plant operations and maintenance	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	3,083,847
Pupil transportation	545,018	560,515	545,022	539,909	589,466	509,474	602,110	753,706	639,511	526,841
Interest on long-term debt	154,502	122,852	107,932	194,909	388,045	197,330	260,275	252,176	234,238	221,858
Total governmental activities expenses	20,988,698	21,612,922	21,578,995	25,234,455	26,981,227	29,689,594	31,548,812	30,519,028	29,664,848	31,690,592
Business-type activities:										
Food service	340,708	339,638	332,467	326,525	372,199	390,965	386,879	425,642	314,026	227,624
Total business-type activities expense	340,708	339,638	332,467	326,525	372,199	390,965	386,879	425,642	314,026	227,624
Total district expenses	\$ 21,329,406	\$ 21,952,560	\$ 21,911,462	\$ 25,560,980	\$ 27,353,426	\$ 30,080,559	\$ 31,935,691	\$ 30,944,670	\$ 29,978,874	\$ 31,918,216
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (Tuition)	\$ 27,700	\$ 26,482	\$ 25,644	\$ 31,195	\$ 29,875	\$ 46,397	\$ 40,750	\$ 63,242	\$ 39,204	\$ 19,244
Adult education	631,163	553,341	529,773	708,635	672,598	637,458	702,619	841,396	572,353	128,792
Scholarships and Student Activities										120,091
Operating grants and contributions	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	9,476,587
Capital grants and contributions	-	-	-	278,254	1,160,454	1,480,801	31,771	25,710	270,000	-
Total governmental activities program revenues	3,213,069	3,469,334	3,209,956	5,853,045	7,738,653	9,711,538	9,550,372	8,089,205	7,352,314	9,744,714
Business-type activities:										
Charges for services										
Food service	277,845	255,620	247,855	239,912	283,963	301,684	314,309	325,257	223,782	3,418
Operating grants and contributions	70,470	75,845	77,687	74,471	85,579	94,894	89,773	99,459	75,762	240,614
Total business type activities program revenues	348,315	331,465	325,542	314,383	369,542	396,578	404,082	424,716	299,544	244,032
Total district program revenues	\$ 3,561,384	\$ 3,800,799	\$ 3,535,498	\$ 6,167,428	\$ 8,108,195	\$ 10,108,116	\$ 9,954,454	\$ 8,513,921	\$ 7,651,858	\$ 9,988,746
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (21,945,878)
Business-type activities	7,607	(8,173)	(6,925)	(12,142)	(2,657)	5,613	17,203	(926)	(14,482)	16,408
Total district-wide net expense	\$ (17,768,022)	\$ (18,151,761)	\$ (18,375,964)	\$ (19,393,552)	\$ (19,245,231)	\$ (19,972,443)	\$ (21,981,237)	\$ (22,430,749)	\$ (22,327,016)	\$ (21,929,470)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 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	\$ 20,983,476
Property Taxes levied for debt service	450,059	423,524	423,472	415,162	910,587	911,236	922,370	918,388	935,325	937,475
Unrestricted grants and contributions		30,576	34,660	34,980	35,320	33,651	33,593	34,612	33,937	34,182
Investment earnings	8,397	8,256	3,511	7,234	4,712	20,329	11,960	28,664	33,139	10,131
Miscellaneous income	799,462	808,830	936,551	755,081	722,452	655,332	750,105	864,436	899,834	920,012
Loss on Disposal of Capital Assets										
Transfers									42,698	
Total governmental activities	18,412,746	18,769,111	20,201,153	19,417,299	20,378,329	20,699,911	21,251,146	21,867,546	22,366,808	22,885,276
Business-type activities:										
Investment Earnings	179	168	287	83	75	76	207	826	1,003	130
Transfers									(42,698)	
Total business-type activities	179	168	287	83	75	76	207	826	(41,695)	130
Total district-wide	\$ 18,412,925	\$ 18,769,279	\$ 20,201,440	\$ 19,417,382	\$ 20,378,404	\$ 20,699,987	\$ 21,251,353	\$ 21,868,372	\$ 22,325,113	\$ 22,885,406
Change in Net Position										
Governmental activities	\$ 637,117	\$ 625,523	\$ 1,832,114	\$ 35,889	\$ 1,135,755	\$ 721,855	\$ (747,294)	\$ (562,277)	\$ 54,274	\$ 939,398
Business-type activities	7,786	(8,005)	(6,638)	(12,059)	(2,582)	5,689	17,410	(100)	(56,177)	16,538
Total district	\$ 644,903	\$ 617,518	\$ 1,825,476	\$ 23,830	\$ 1,133,173	\$ 727,544	\$ (729,884)	\$ (562,377)	\$ (1,903)	\$ 955,936

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021
General Fund										
Reserved										
Unreserved										
Nonspendable	\$ 36,057	\$ 40,349								
Restricted	1,560,054	1,518,044	\$ 1,797,257	\$ 1,860,868	\$ 1,561,986	\$ 1,578,807	\$ 1,687,572	\$ 1,631,058	\$ 2,137,166	\$ 3,120,987
Committed	267,345	493,776	267,213	-	1,099,894	424,924		98,600	226,858	
Assigned	332,789	138,120	255,094	750,726	239,122	143,643	100,839	46,774	65,239	120,767
Unassigned	357,065	371,248	390,357	371,735	381,585	402,424	402,215	419,026	408,911	410,816
Total general fund	<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>\$ 2,838,174</u>	<u>\$ 3,652,570</u>
All Other Governmental Funds										
Reserved										
Unreserved										
Nonspendable										
Restricted	\$ 197	\$ 185,233	\$ 9,088	\$ 7,824,556	\$ 5,184,166	\$ 2,165,687	\$ 2,055,872	\$ 439,924	\$ 498,849	\$ 293,293
Committed										
Assigned										
Unassigned										
Total all other governmental funds	<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>\$ 498,849</u>	<u>\$ 293,293</u>

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Note 1 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Property Tax levy	\$ 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	\$ 21,920,951
Tuition charges				31,195	29,875	46,397	40,750	63,242	39,204	19,244
Miscellaneous	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	1,197,471
State sources	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	5,425,305
Federal sources	368,715	338,589	311,977	289,671	419,750	405,495	396,212	362,148	414,567	595,643
Total revenue	21,625,815	22,238,445	23,411,109	23,387,686	25,521,550	26,588,464	26,374,550	27,589,531	28,402,754	29,158,614
Expenditures										
Instruction										
Regular Instruction	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	10,796,411
Special education instruction	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	5,895,815
Other instruction	708,818	658,391	658,817	831,109	758,385	683,099	766,767	903,717	726,328	457,139
School sponsored activities and athletics	572,551	777,943	657,398	643,844	695,288	765,323	791,643	838,244	809,431	908,365
Support Services:										
Student & inst. related services	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	3,498,719
General Administration Services	497,309	509,185	536,758	501,429	510,788	504,226	560,163	570,329	634,368	556,597
School Administrative services	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	1,644,692
Business / Central Services	614,018	676,271	635,392	616,081	692,515	661,858	672,763	636,052	720,679	679,853
Plant operations and maintenance	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	1,963,449
Pupil transportation	540,975	556,472	540,979	522,680	558,202	462,610	535,513	710,360	598,102	480,524
Capital outlay	234,690	614,394	1,923,905	1,446,206	4,074,043	5,346,153	701,269	1,731,525	608,462	642,305
Debt service:										
Principal	323,066	406,690	447,234	401,725	697,413	702,724	666,204	689,818	765,642	796,512
Interest and other charges	189,473	115,739	113,571	103,994	312,359	291,289	274,741	259,327	241,580	229,393
Cost of Issuance on Refunding Bonds	78,110									
Cost of Issuance Bonds				133,459	-					
Payment to Refunding Escrow Agent	216,625									
Total expenditures	21,354,547	22,221,327	23,553,629	23,933,247	27,862,682	30,339,732	26,921,437	29,200,647	28,325,050	28,549,774
Excess (Deficiency) of revenues over (under) expenditures	271,268	17,118	(142,520)	(545,561)	(2,341,132)	(3,751,268)	(546,887)	(1,611,116)	77,704	608,840
Other Financing sources (uses)										
Serial bonds issued	3,695,000			8,500,000	-					
Payments to Refunding Escrow Agent	(3,623,000)									
Premium on Issuance of Bonds	222,735			134,437	-					
Capital Lease issued	25,500		114,759	-	-					
Lease Purchase Proceeds		176,145	-	-	-		77,900		259,010	
Transfers in		197	211	154,439	2,105	238,947		279,876	44,398	458,763
Transfers out		(197)	(211)	(154,439)	(2,105)	(238,947)		(279,876)	(1,700)	(458,763)
Total other financing sources (uses)	320,235	176,145	114,759	8,634,437	-	-	77,900	-	301,708	-
Net Change in Fund Balances	\$ 591,503	\$ 193,263	\$ (27,761)	\$ 8,088,876	\$ (2,341,132)	\$ (3,751,268)	\$ (468,987)	\$ (1,611,116)	\$ 379,412	\$ 608,840
Debt service as a percentage of noncapital expenditures	2.43%	2.42%	2.59%	2.84%	4.24%	3.98%	3.59%	3.46%	3.63%	3.68%

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)**

66	Fiscal Year Ended June 30,	Facility Charge	Tuition	Interest on Investments	Continuing Education Program Fees	Refunds	Rentals	Miscellaneous	Total
	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
	2021	908,474	19,244	11,754	128,792	3,206	3,087	3,622	1,078,179

Source: District financial statements

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

001	Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
	* 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
	2021	6,554,700	876,542,800	140,230,600	38,262,100	15,436,000	1,077,026,200	-	1,077,026,200	1,303,782,513	2.09

Source: County Abstract of Ratables

N/A - Not Available

^a Tax rates are per \$100

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

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

Calendar Year	<u>Overlapping Rates</u>			Total Direct and Overlapping Tax Rate
	Total Direct School Tax Rate	Municipality	County	
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
2021	2.09	0.81	0.31	3.20

Source: County Abstract of Ratables

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

Taxpayer	2021		Taxpayer	2012	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
UB Midland Park LLC	\$ 20,688,900	1.92%	Mid Park, Hye Partners	\$ 20,374,400	1.92%
Marlow Park LLC	10,781,600	1.00%	Marlow Park, LLC	12,402,100	1.17%
Paradigm Tax G	9,849,500	0.91%	MW Midpark Grocery	9,849,500	0.93%
Mature Environment	7,169,800	0.67%	Mature Environment	7,169,800	0.67%
Godwin Park LLC	4,000,000	0.37%	Oak Trail II LLC	4,651,300	0.44%
Vander Sterre Bros	4,672,700	0.43%	Henpal Realty Co	4,803,600	0.45%
Vander Sterre Bros	3,856,600	0.36%	Vander Sterre Bros	4,672,700	0.44%
Texel Apartments L.P.	3,306,900	0.31%	The Kentshire Land LLC	3,381,900	0.32%
Tenastic Inc.	3,090,600	0.29%	Tenastic Inc	3,090,600	0.29%
ARV at Midland Park LLC	2,875,000	0.27%	Textel Apartments	3,306,900	0.31%
	<u>\$ 70,291,600</u>	<u>6.53%</u>		<u>\$ 73,702,800</u>	<u>6.93%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	
2021	21,920,951	21,920,951	100.00%	

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases/Lease Purchase	Grant Anticipation Notes (GANs)			
2012	\$ 4,265,000	\$ 184,882		\$ 4,449,882	7,206	\$ 618
2013	3,950,000	269,337		4,219,337	7,226	584
2014	3,635,000	251,862		3,886,862	7,245	536
2015	11,810,000	175,137		11,985,137	7,245	1,654
2016	11,210,000	77,724		11,287,724	7,262	1,554
2017	10,585,000			10,585,000	7,255	1,459
2018	9,935,000	61,696		9,996,696	7,279	1,373
2019	9,260,000	46,878		9,306,878	7,249	1,284
2020	8,565,000	235,246		8,800,246	7,218	1,219
2020	7,850,000	153,734		8,003,734	7,177	1,115

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 ^a of Property	Per Capita ^b
	General Obligation Debt	Deductions			
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%	1,629
2016	11,210,000	6,544	11,203,456	1.05%	1,543
2017	10,585,000	16,392	10,568,608	0.99%	1,457
2018	9,935,000	14,287	9,920,713	0.93%	1,363
2019	9,260,000		9,260,000	0.86%	1,277
2020	8,565,000		8,565,000	0.80%	1,187
2021	7,850,000		7,850,000	0.73%	1,094

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, 2020
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Midland Park Board of Education	\$ 7,850,000	\$ 7,850,000	
Borough of Midland Park	<u>1,637,341</u>	<u>-</u>	<u>\$ 1,637,341</u>
	<u>\$ 9,487,341</u>	<u>\$ 7,850,000</u>	<u>1,637,341</u>
 Overlapping Debt Apportioned to the Municipality:			
Bergen County:			
County of Bergen (A)			\$ 10,572,316
Northwest Bergen County Utilities Authority (B)			<u>1,361,056</u>
			<u>11,933,372</u>
 Total Direct and Overlapping Debt			<u>\$ 13,570,713</u>

Source:

(1) Borough's 2020 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough of Midland Park by dividing the municipality's 2020 equalized value by the total 2020 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 2021

Equalized valuation basis	
2020	\$ 1,289,041,857
2019	1,279,247,344
2018	1,249,136,831
	<u>\$ 3,817,426,032</u>
 Average equalized valuation of taxable property	 <u>\$ 1,272,475,344</u>
 Debt limit (4% of average equalization value)	 50,899,014
Total Net Debt Applicable to Limit	<u>7,850,000</u>
Legal debt margin	<u>\$ 43,049,014</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>	<u>2021</u>
Debt limit	\$ 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	\$ 50,899,014
Total net debt applicable to limit	<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>	<u>7,850,000</u>
Legal debt margin	<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>	<u>\$ 43,049,014</u>
Total net debt applicable to the limit as a percentage of debt limit	8.28%	7.91%	7.64%	25.56%	24.27%	22.28%	20.41%	18.68%	17.05%	15.42%

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>
2012	7,206	\$ 72,164	3.50%
2013	7,226	71,699	4.50%
2014	7,245	74,480	4.90%
2015	7,245	77,767	4.60%
2016	7,262	79,407	3.90%
2017	7,255	81,676	3.90%
2018	7,279	86,404	3.30%
2019	7,249	89,456	2.90%
2020	7,218	N/A	8.90%
2021	7,177	N/A	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>2021</u>		<u>2012</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>2021</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>
Instruction										
Regular	83.2	80.0	78.1	80.3	81.5	79.1	73.2	74.6	75.4	71.4
Special education	47.4	50.0	48.5	50.2	44.3	41.9	38.3	35.9	34.5	33.0
Adult/Continuing Education Programs	2.5	2.4	2.7	2.5	2.4	2.5	2.5	2.5	2.5	2.5
Support Services:										
Student and instruction related services	24.8	23.7	24.8	25.0	24.8	25.3	25.2	24.8	26.4	25.1
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	10.5	10.2	10.0	10.3	10.0	9.5	9.5	9.5	9.5	9.5
Other Administrative Services						-				0.5
Central services	4.5	4.0	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.0
Plant operations and maintenance	20.5	18.5	18.5	18.5	17.0	18.0	17.1	16.5	18.5	18.5
Pupil transportation	3.5	4.5	4.5	4.5	4.5	5.5	6.5	5.0	2.5	2.0
Food Service	-	-	-	-	-	-	-	-	-	-
Total	<u>198.9</u>	<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>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)d	Average Daily Attendance (ADA) d	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
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%
2021	858	26,881,564	31,330	4.28%	114	7:01	11:1	7:1	841	823	-5.00%	97.86%

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Building</u>										
<u>Godwin/Highland Elementary School</u>										
Square Feet	50,420	50,420	50,420	50,420	50,420	50,420	50,420	50,420	50,420	50,420
Capacity (students)	518	518	518	518	518	518	518	518	518	518
Enrollment	575	554	510	512	532	494	494	518	520	495
<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	504	501	490	479	485	448	439	396	367	363

Number of Schools at June 30, 2021
 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>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>	<u>2021</u>
SCHOOL FACILITIES	PROJECT #										
Elementary- Godwin/Highland	N/A	\$ 188,358	\$ 138,858	\$ 182,258	\$ 165,580	\$ 109,525	\$ 117,952	\$ 278,714	\$ 196,369	\$ 370,368	\$ 429,407
Midland Park Jr/Sr High School	N/A	<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>	<u>112,305</u>
GRAND TOTAL		<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>	<u>\$ 541,712</u>

Source: District Records

**MIDLAND PARK BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2021
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Great American Insurance Property - Blanket Building & Contents	\$ 41,232,163	\$ 5,000
General Liability-National Union Fire - (Each Occurrence) (General Aggregate)	1,000,000 3,000,000	1,000
Automobile - National Union Fire Liability	1,000,000	10,000
Excess Liability - National Union Fire Umbrella Policy	9,000,000	
Excess 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
Public Employee Dishonesty - Selective Insurance (Per Loss) Company of America (Per Employee)	500,000 100,000	100,000 5,000
Cyber Liability - Indian Harbor (Aggregate)	6,000,000	100,000

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
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
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, 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 and each major fund of the Midland Park Board of Education as of and for the fiscal year ended June 30, 2021 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 14, 2022.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Midland Park Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Midland Park Board of Education's internal control.

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

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

Compliance and Other Matters

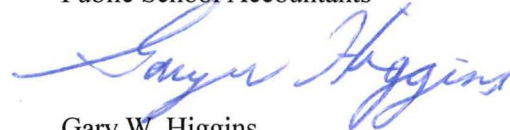
As part of obtaining reasonable assurance about whether the Midland Park Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

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 14, 2022



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
U.S. UNIFORM GUIDANCE AND 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 Federal and State Program

We have audited the Midland Park Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and 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 federal and state programs for the fiscal year ended June 30, 2021. The Midland Park Board of Education's major federal and 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 federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and 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 federal and 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; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or 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 federal and state program. However, our audit does not provide a legal determination of the Midland Park Board of Education's compliance.

Opinion on Each Major Federal and 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 federal and state programs for the fiscal year ended June 30, 2021.

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 federal and 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 federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and 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 federal or 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 federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or 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.

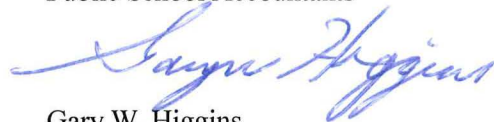
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

Report on Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and 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 and each major fund of the Midland Park Board of Education, as of and for the fiscal year ended June 30, 2021, 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 14, 2022, 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 federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
February 14, 2022

MIDLAND PARK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2020		Unearned Revenue Carryover	Accounts Receivable Carryover	Cash Received	Budgetary Expenditures	(Accounts Receivable) June 30, 2021	Unearned Revenue June 30, 2021	Due to Grantor at June 30, 2021	MEMO GAAP Receivable
						(Account Receivable) Unearned Revenue/	Due to Grantor								
U.S. Department of Agriculture															
Passed-through State Department of Education															
Enterprise Fund:															
National School Lunch Program															
National School Lunch Program-Non-Cash	10.555			7/1/19-6/30/20	\$ 23,421	\$ 4,092				\$ 4,092					
National School Lunch Program-Non-Cash	10.555			7/1/20-6/30/21	19,968				\$ 19,968	18,188		\$ 1,780			
National School Lunch Program-Cash	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	48,950	(832)			832						
National School Lunch Program-Cash	10.555	211NJ304N1099	N/A	7/1/20-6/30/21	176,906				130,026	176,906	\$ (46,880)			\$ (46,880)	
School Breakfast Program	10.553	211NJ304N1099	N/A	7/1/20-6/30/21	32,391	-	-	-	29,654	32,391	(2,737)	-	-	(2,737)	
Total National School Lunch Program Cluster						3,260	-	-	180,480	231,577	(49,617)	1,780	-	(49,617)	
Total Enterprise Fund						3,260	-	-	180,480	231,577	(49,617)	1,780	-	(49,617)	
U.S. Department of Education															
Passed-through State Department of Education															
General Fund:															
FEMA - Coronavirus Pandemic	97.036	N/A	066-1200-100-C50	7/1/20-6/30/21	27,148	-	-	-	27,148	27,148	-	-	-	-	-
Total General Fund						-	-	-	27,148	27,148	-	-	-	-	-
Special Revenue Fund:															
I.D.E.A. Part B, Basic Regular	84.027	H027A190100	IDEA-3170-20	7/1/19-9/30/20	244,041	(18,351)		\$ (11,951)	\$ 11,951	18,351					
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	IDEA-3170-21	7/1/20-9/30/21	260,364			11,951	(11,951)	248,788	254,414	(23,527)	17,901		(5,626)
I.D.E.A. Part B, Preschool	84.173	H173A190114	IDEA-3170-20	7/1/19-9/30/20	21,181			(2,224)	2,224						
I.D.E.A. Part B, Preschool	84.173	H173A200114	IDEA-3170-21	7/1/20-9/30/21	21,248			2,224	(2,224)	21,606	22,788	(1,866)	684		(1,182)
Total Special Education (IDEA) - Cluster						(18,351)	-	-	288,745	277,202	(25,393)	18,585	-	(6,808)	
Title I	84.010A	S010A190030	ESSEA-3170-20	7/1/19-9/30/20	96,929	(13,811)		(34,760)	34,760	13,811					
Title I	84.010A	S010A200030	ESSEA-3170-21	7/1/20-9/30/21	109,095			34,760	(34,760)	88,627	114,026	(55,228)	29,829		(25,399)
Total Title I Cluster						(13,811)	-	-	102,438	114,026	(55,228)	29,829	-	(25,399)	
Title II Part A	84.367A	S367A190029	ESSEA-3170-20	7/1/19-9/30/20	17,921	(1,462)		(13,572)	13,572	1,462					
Title II Part A	84.367A	S367A200029	ESSEA-3170-21	7/1/20-9/30/21	22,440			13,572	(13,572)	28,107	33,102	(7,905)	2,910		(4,995)
Total Title II Cluster						(1,462)	-	-	29,569	33,102	(7,905)	2,910	-	(4,995)	
Title III Immigrant	84.365A	S365A200030	ESSEA-3170-21	7/1/20-9/30/21	1,439					1,300	1,300	(139)	139		-
Total Title III Immigrant Cluster							-	-	1,300	1,300	(139)	139	-	-	
Title IV	84.424A	S424A190031	ESSEA-3170-20	7/1/19-9/30/20	10,000	(107)		(7,889)	7,889	107					
Title IV	84.424A	S424A200031	ESSEA-3170-21	7/1/20-9/30/21	10,000			7,889	(7,889)	14,003	16,868	(3,886)	1,021		(2,865)
Total Title IV Cluster						(107)	-	-	14,110	16,868	(3,886)	1,021	-	(2,865)	
Coronavirus Relief Fund - Nonpublic Digital Divide	21.019	C8220COVID19	N/A	7/1/20-6/30/21	7,352					7,352	7,352				
Coronavirus Relief Fund - School Re-Opening	21.019	N/A	N/A	7/1/20-6/30/21	29,066					29,066	29,066				
Total Coronavirus Relief Fund Cluster							-	-	36,418	36,418					
CRRSA - ESSER II	84.425D	S425D210027	N/A	3/13/20-9/30/23	342,977							(342,977)	342,977		
CRRSA - Learning Acceleration	84.425D	S425D210027	N/A	3/13/20-9/30/23	25,000							(25,000)	25,000		
CRRSA - Mental Health	84.425D	S425D210027	N/A	3/13/20-9/30/23	45,000							(45,000)	45,000		
CARES Performance Grant	84.425D	S425D200027	N/A	7/1/19-6/30/20	22,007					22,007	22,007				
CARES Emergency Relief Grant	84.425D	S425D200027	N/A	3/13/20-9/30/22	96,354	(28,782)				96,354	67,572				
Total CARES Cluster						(28,782)	-	-	118,361	89,579	(412,977)	412,977	-	-	
Total Special Revenue Fund						(62,513)	-	-	590,941	568,495	(505,528)	465,461	-	(40,067)	
Total Federal Awards						\$ (59,253)	\$ -	\$ -	\$ -	\$ 798,569	\$ 827,220	\$ (555,145)	\$ 467,241	\$ -	\$ (89,684)

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, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	June 30, 2021		Due to Grantor June 30, 2021	MEMO		
				Unearned Revenue/ (Accts Rec.)	Due to Grantor				(Accounts Receivable)	Unearned Revenue		GAAP Receivable	Combined Total Expenditures	
State Department of Education														
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	\$ 33,981	\$ (1,869)		\$ 1,869								
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	33,981			32,313	\$ 33,981		\$ (1,668)				\$	33,981
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	58,146	(3,197)		3,197								
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	58,146			55,292	58,146		(2,854)					58,146
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	583,528	(32,086)		32,086								
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	605,223	-	-	575,507	605,213		(29,706)		-	-	-	605,213
Total State Aid Public Cluster				(37,152)	-	700,264	697,340	-	(34,228)	-	-	-	-	697,340
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	107,033	(5,885)		5,885								
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	107,033			101,780	107,033		(5,253)					107,033
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	377,295	(342,943)		377,295								34,352
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	590,416			590,416	590,416		(590,416)				\$	590,416
School Security Grant (Alvessa's Law)	20E00312	7/1/20-6/30/22	50,392			50,392			(50,392)					50,392
On-Behalf TPAF Pension System Contributions (NCGI)	21-495-034-5094-004	7/1/20-6/30/21	47,376			47,376	47,376							47,376
On-Behalf TPAF Pension System Contributions (Normal and Accrued Liability)	21-495-034-5094-002	7/1/20-6/30/21	2,490,023			2,490,023	2,490,023							2,490,023
On-Behalf TPAF Pension System Contributions (Long Term Disability Insurance)	21-495-034-5094-004	7/1/20-6/30/21	1,416			1,416	1,416							1,416
On-Behalf TPAF Post Retirement Medical Contr.	21-495-034-5094-001	7/1/20-6/30/21	795,181	-	-	795,181	795,181	-	-	-	-	-	-	795,181
Total On-Behalf TPAF Contributions Cluster				(348,828)	-	3,818,956	4,116,189	-	(646,061)	-	-	-	(50,392)	4,116,189
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	7/1/19-6/30/20	697,086	(71,109)		71,109								-
Reimbursed TPAF Social Security Contribution	21-495-034-5094-003	7/1/20-6/30/21	708,412	-	-	673,056	708,412	-	(35,356)	-	-	-	(35,356)	708,412
Total General Fund				(457,089)	-	5,263,385	5,521,941	-	(715,645)	-	-	-	(85,748)	5,521,941
New Jersey Nonpublic Aid														
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	9,962		\$ 232			\$ 232						
Textbook Aid	21-100-034-5120-064	7/1/20-6/30/21	10,324			10,324	10,127			\$ 197				10,127
Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	19,109		10			10						
Nursing Services	21-100-034-5120-070	7/1/20-6/30/21	17,850			17,850	17,849			1				17,849
Technology Aid	20-100-034-5120-373	7/1/19-6/30/20	6,804		98			98						
Security Aid	21-100-034-5120-509	7/1/20-6/30/21	30,625			30,625	30,625							30,625
Auxiliary Services														
Transportation	20-100-034-5120-067	7/1/19-6/30/20	16,667	(1,675)	92	1,675		92						
Transportation	21-100-034-5120-067	7/1/20-6/30/21	17,894			17,894	17,894							17,894
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	35,368	(2,701)	3,326	2,701		3,326						
Compensatory Education	21-100-034-5120-067	7/1/20-6/30/21	39,626			39,626	25,953			13,673				25,953
English as a Second Language	20-100-034-5120-067	7/1/19-6/30/20	6,287	(1,734)	3,144	1,734		3,144						
English as a Second Language	21-100-034-5120-067	7/1/20-6/30/21	3,553	-	-	3,553	2,398	-	-	1,155			-	2,398
Total Nonpublic Auxiliary Services (Chap. 192) Cluster				(6,110)	6,562	67,183	46,245	6,562	-	-	14,828		-	46,245
Handicapped Services														
Supplementary Instruction	20-100-034-5120-066	7/1/19-6/30/20	13,681	(1,112)	3,319	1,112		3,319						
Supplementary Instruction	21-100-034-5120-066	7/1/20-6/30/21	14,571			14,571	8,338			6,233				8,338
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	26,935	(3,781)	5,571	3,781		5,571						
Examination and Classification	21-100-034-5120-066	7/1/20-6/30/21	32,332			32,332	15,231			17,101				15,231
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	41,378	(5,290)	8,294	5,290		8,294						
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	36,456	-	-	36,456	18,866	-	-	17,590			-	18,866
Total Nonpublic Handicapped Services (Chap. 193) Cluster				(10,183)	17,184	93,542	42,435	17,184	-	-	40,924		-	42,435
Advanced Computer Science Competitive Grant	19E00144	1/5/19-6/30/20	39,272	-	-	-	-	-	(2,674)	\$ 2,674	-		(2,674)	-
Total Special Revenue Fund				(16,293)	24,086	219,524	147,281	24,086	(2,674)	2,674	55,950		(2,674)	147,281

MIDLAND PARK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	June 30, 2021		Due to Grantor June 30, 2021	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							
Elementary School Improvements	3170-050-14-1003		1,258,501	(62,925)	-	62,925	-	-	-	-	-	-	-
Total SDA Cluster				(127,905)	-	127,905	-	-	-	-	-	-	-
Total Capital Projects Fund				(127,905)	-	127,905	-	-	-	-	-	-	-
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	3,602	(946)		946							
State School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	9,037	-	-	7,553	\$ 9,037	-	\$ (1,484)	-	-	\$ (1,484)	\$ 9,037
Total Food Service Fund				(946)	-	8,499	9,037	-	(1,484)	-	-	(1,484)	9,037
Total State Financial Assistance Subject to Single Audit Determination				(602,233)	\$ 24,086	5,619,313	5,678,259	\$ 24,086	(719,803)	\$ 2,674	\$ 55,950	(89,906)	5,678,259
State Financial Assistance Not Subject to Major Program Determination													
General Fund													
Less: On-Behalf TPAF NCGI Premium	21-495-034-5094-004	7/1/20-6/30/21	47,376			47,376	47,376						47,376
On-Behalf TPAF Pension	21-495-034-5094-002	7/1/20-6/30/21	2,490,023			2,490,023	2,490,023						2,490,023
On-Behalf TPAF Pension- Lone Term Disability	21-495-034-5094-004	7/1/20-6/30/21	1,416			1,416	1,416						1,416
On-Behalf TPAF Post-Retirement Medical	21-495-034-5094-001	7/1/20-6/30/21	795,181			795,181	795,181						795,181
Total State Financial Assistance Subject to Major Program Determination				\$ (602,233)	\$ 24,086	\$ 2,285,317	\$ 2,344,263	\$ 24,086	\$ (719,803)	\$ 2,674	\$ 55,950	\$ (89,906)	\$ 2,344,263

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, 2021**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$243,917 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	\$ 27,148	\$ 5,278,024	\$ 5,305,172
Special Revenue Fund	568,495	147,281	715,776
Food Service Fund	<u>231,577</u>	<u>9,037</u>	<u>240,614</u>
Total Financial Assistance	<u>\$ 827,220</u>	<u>\$ 5,434,342</u>	<u>\$ 6,261,562</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, 2021****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 \$708,412 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, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$2,537,399, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$795,181 and TPAF Long-Term Disability Insurance in the amount of \$1,416, represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

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, 2021

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued on financial statements Unmodified

Internal control over financial reporting:
 1) Material weakness(es) identified? yes X no

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

Noncompliance material to the basic financial statements noted? yes X no

Federal Awards Section

Internal Control over major programs:
 1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified not considered to be material weakness(es)? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 .510(a) of U.S. Uniform Guidance? yes X no

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A200100</u>	<u>IDEA</u>
<u>84.173</u>	<u>H173A200114</u>	<u>IDEA</u>
<u>84.425D</u>	<u>S425D200027</u>	<u>CARES Performance Grant</u>
<u>84.425D</u>	<u>S425D200027</u>	<u>CARES Emergency Relief Grant</u>

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

Auditee qualified as low-risk auditee? X yes no

**MIDLAND PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**MIDLAND PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

There are none.

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, 2021**

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 2020-001

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

Current Status

Corrective action has been taken.