

MIDLAND PARK
BOARD OF EDUCATION

**Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2023**

Midland Park, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Midland Park Board of Education

Midland Park, New Jersey

For The Fiscal Year Ended June 30, 2023

Prepared by

**Midland Park Board of Education
Business Office**

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INTRODUCTORY SECTION



USDOE Blue Ribbon School of Excellence
NJDOE Star School

MIDLAND PARK PUBLIC SCHOOLS

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

Godwin School
Highland School
Midland Park Junior/Senior High School



Home of the Panthers

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

December 21, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Midland Park School District for the fiscal year ended June 30, 2023 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 annual comprehensive 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 2022-23 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

Provide a School Security Training for District Staff—a collaboration between the district and the MPPD.

Goal components include, but are not limited to:

- *Identify training objectives.*
- *Consider input from NJDOE Security Specialist Dr. Thomas Gambino and related school safety providers.*

Goal #2

Develop a fiscally sound plan to ensure the hiring of an SRO or a Class III officer for the Godwin/Highland campus for the 2023-2024 school year.

Goal components include, but are not limited to:

- *Compare and contrast the cost, hiring efficacy, etc., of the two positions.*
- *Collaborate with MPPD Chief and borough officials.*
- *Ensure funding in the development of the 2023-2024 district budget.*

Goal #3

Develop and implement an Action Plan for Improvement—Mathematics, Grades 7-8 (Year 4)

Goal components include, but are not limited to:

- *Development and presentation of the Action Plan/Steps/Timeline.*
- *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.*

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 & Bliss, 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,

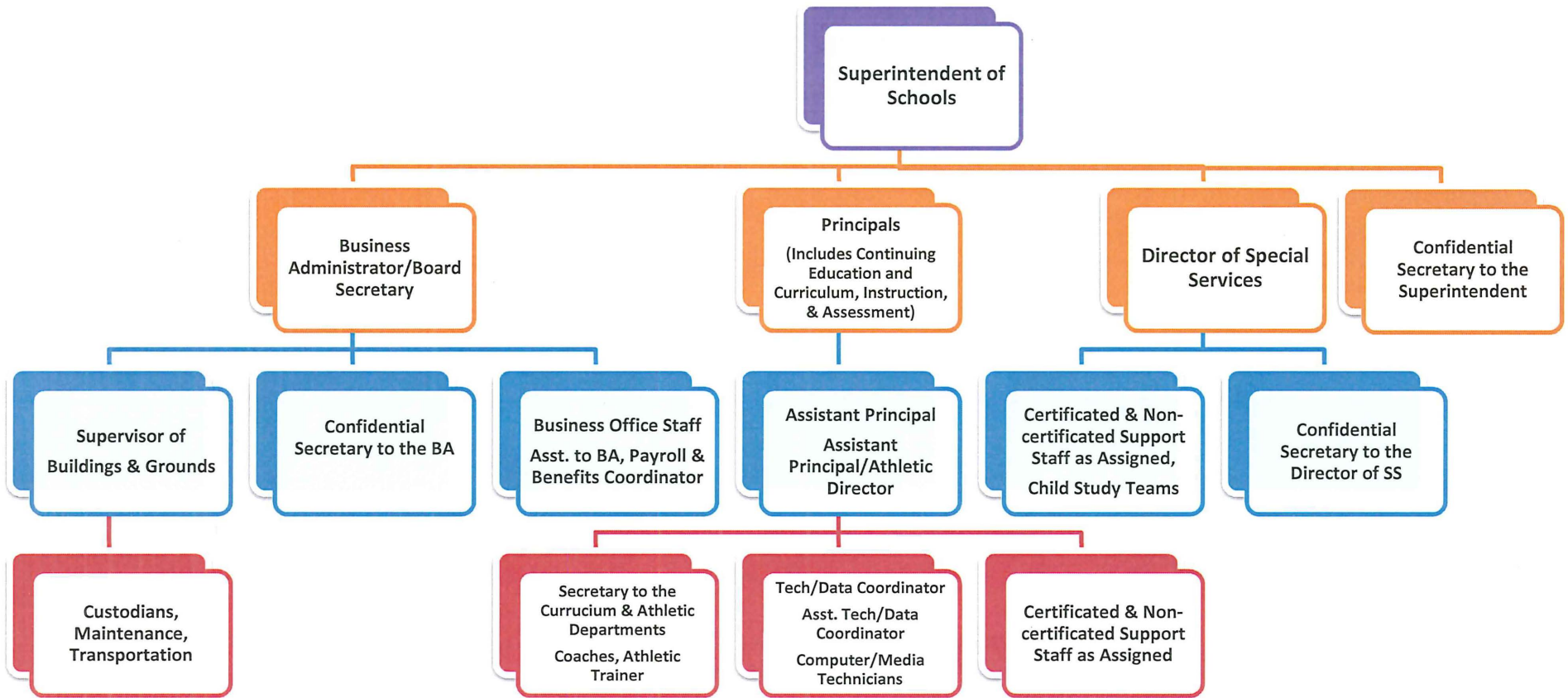


Marie Cirasella, Ed. D.,
Superintendent of Schools



Stacy Garvey,
Board Secretary/
Business Administrator

MIDLAND PARK PUBLIC SCHOOLS 2022-2023 DISTRICT ORGANIZATIONAL CHART



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

**ROSTER OF OFFICIALS
JUNE 30, 2023**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Brian McCourt, President	2025
Patricia Fantulin, Vice-President	2024
James Canellas	2023
Sandra Criscenzo	2025
Christine Dell’Aglia	2024
Nabil Eliya	2024
Richard Formicola	2025
Dr. MaryAlice Thomas	2023
Peter Triolo	2023

OTHER OFFICIALS

Dr. Marie Cirasella, Superintendent of Schools

Stacy Garvey, School Business Administrator/Board Secretary

MIDLAND PARK BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

AUDIT FIRM

Lerch, Vinci & Bliss, LLP
17-17 Route 208 North
Fair Lawn, NJ 07410

ATTORNEY

Fogarty & Hara
21-00 Route 208 South
Fair Lawn, NJ 07410

OFFICIAL DEPOSITORY

Columbia Bank
630 Godwin Avenue
Midland Park, NJ 07432

ARCHITECT OF RECORD

Solutions Architecture
96 Pompton Avenue, 2nd Floor
Verona, NJ 07044

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, 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, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

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, 2023 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.

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, 2023, 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.

Basis for Opinions

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 Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Midland Park Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Midland Park Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Midland Park Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Midland Park Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Midland Park Board of Education's basic financial statements. The accompanying 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. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

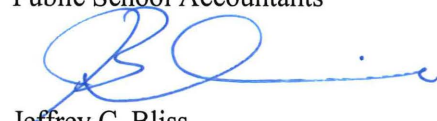
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2023 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 & Bliss, LLP

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


Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 21, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

As management of the Midland Park Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Midland Park Board of Education for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the letter of transmittal, which can be found in the introductory section of this report and the District's financial statements and related notes to the financial statement which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal year include the following:

- The assets and deferred outflows of resources of the Midland Park Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$13,616,277. (Net Position)
- The District's total net position increased by \$1,340,461, or 11%.
- Overall District revenues were \$31,293,574. General revenues accounted for \$23,044,044, or 74%, of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8,249,530 or 26% of total revenues.
- The school district had \$29,446,438 in expenses for governmental activities; only \$7,717,352 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$23,017,355 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$6,618,161. Of this amount, \$4,630,159 is restricted for capital projects, \$297,406 is restricted for the Community School Program, \$550,000 is restricted for excess surplus, \$335,252 is restricted for other purposes, \$369,823 is assigned for year-end encumbrances and the remaining amount is the unassigned fund balance of \$435,521.
- The General Fund fund balance at June 30, 2023 was \$5,811,651, an increase of \$270,271 compared to the ending fund balance at June 30, 2022 of \$5,541,380.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$1,031,902, which represents a decrease of \$40,630 when compared to the ending unassigned budgetary fund balance at June 30, 2022 of \$1,072,532.

MIDLAND PARK BOARD OF EDUCATION

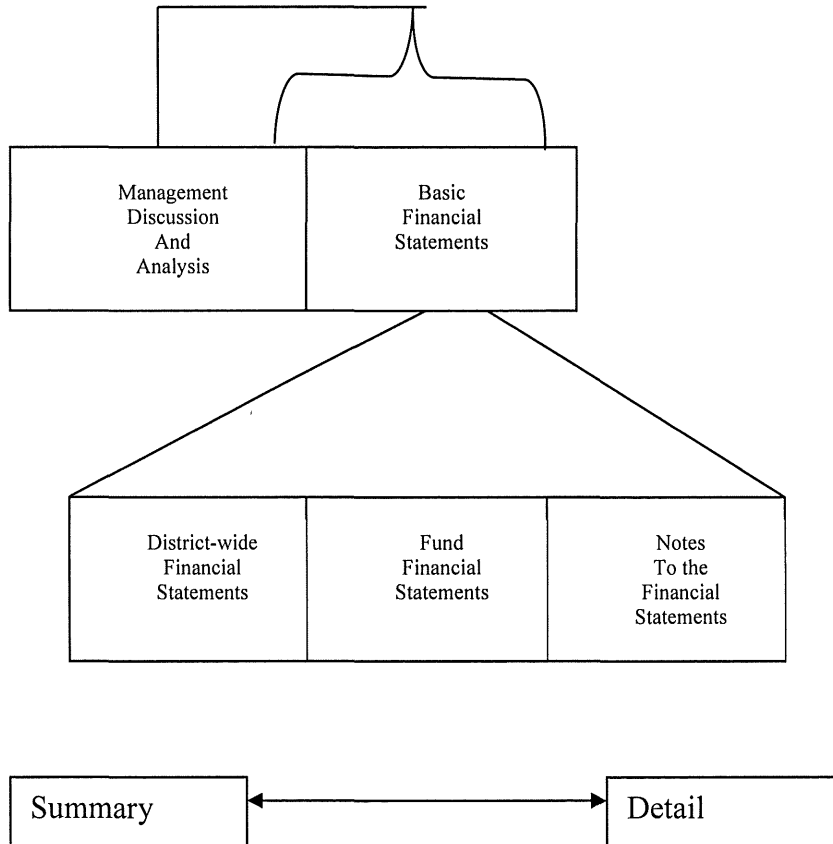
Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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 District:

- The first two statements are *district wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual* parts of the District, reporting the District's operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short-term* and *long-term* financial information about the activities the district operated like *businesses*.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The following shows how the various parts of this Annual Report are arranged and related to one another.



MIDLAND PARK BOARD OF EDUCATION

Management’s Discussion and Analysis Fiscal Year Ended June 30, 2023

The table below summarizes the major features of the District’s financial statements, including the portion of the District’s 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.

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 activities of the district that are not proprietary or fiduciary, such as instruction, building maintenance, transportation, and administration.	Activities the district operates similar to private businesses: Enterprise Funds
Required financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenue, Expenditures and Changes in Fund Balances	Statement of Net position Statement of Revenue, 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 focus	Accrual accounting and economic resources focus
Type of asset, liability and deferred inflows/outflows information	All assets, deferred outflows, liabilities, and deferred inflows, 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 outflows, liabilities and deferred inflows, 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.

District-Wide Statements

The district-wide statements report information about the District 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 of resources, liabilities and deferred inflows of resources. 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 District’s *net position* and how it has changed. Net position – the difference between the District’s assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District’s financial health or *position*.

- Over time, increases or decreases in the District’s net position is an indicator of whether its financial condition 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.

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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 plant operation and maintenance. Property taxes and Federal and State aid finance most of these activities.
- *Business type activities* – These are activities for operations that are financed and operated in a manner similar to private business enterprises. The District's food services (cafeteria) program is included under this category.

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 bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

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 resources* 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 explains 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 the district-wide statements.
 - *Enterprise Funds* – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has one enterprise fund, for its food service (cafeteria) program.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found following the fund financial statements.

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for the general and special revenue funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

Combining and individual financial schedules are presented immediately following the major budgetary comparisons if required.

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$13,616,277 and \$12,275,816 on June 30, 2023 and 2022, respectively as follows:

Statement of Net Position As of June 30, 2023 and 2022						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$ 8,020,866	\$ 6,664,589	\$ 179,398	\$ 135,553	\$ 8,200,264	\$ 6,800,142
Capital Assets - Net	<u>18,878,806</u>	<u>19,661,527</u>	<u>48,368</u>	<u>53,887</u>	<u>18,927,174</u>	<u>19,715,414</u>
Total Assets	<u>26,899,672</u>	<u>26,326,116</u>	<u>227,766</u>	<u>189,440</u>	<u>27,127,438</u>	<u>26,515,556</u>
Deferred Outflows of Resources						
	<u>691,249</u>	<u>881,690</u>	<u>-</u>	<u>-</u>	<u>691,249</u>	<u>881,690</u>
Total Assets and Deferred Outflows of Resources	<u>27,590,921</u>	<u>27,207,806</u>	<u>227,766</u>	<u>189,440</u>	<u>27,818,687</u>	<u>27,397,246</u>
Liabilities						
Long-Term Liabilities	11,461,637	11,077,848			11,461,637	11,077,848
Other Liabilities	<u>1,468,621</u>	<u>1,093,633</u>	<u>18,765</u>	<u>34,542</u>	<u>1,487,386</u>	<u>1,128,175</u>
Total Liabilities	<u>12,930,258</u>	<u>12,171,481</u>	<u>18,765</u>	<u>34,542</u>	<u>12,949,023</u>	<u>12,206,023</u>
Deferred Inflows of Resources						
	<u>1,251,476</u>	<u>2,915,407</u>	<u>1,911</u>	<u>-</u>	<u>1,253,387</u>	<u>2,915,407</u>
Total Liabilities and Deferred Inflows of Resources	<u>14,181,734</u>	<u>15,086,888</u>	<u>20,676</u>	<u>34,542</u>	<u>14,202,410</u>	<u>15,121,430</u>
Net Position:						
Net Investment in Capital Assets	12,518,806	12,476,120	48,368	53,887	12,567,174	12,530,007
Restricted	5,262,817	4,091,749			5,262,817	4,091,749
Unrestricted	<u>(4,372,436)</u>	<u>(4,446,951)</u>	<u>158,722</u>	<u>101,011</u>	<u>(4,213,714)</u>	<u>(4,345,940)</u>
Total Net Position	<u>\$ 13,409,187</u>	<u>\$ 12,120,918</u>	<u>\$ 207,090</u>	<u>\$ 154,898</u>	<u>\$ 13,616,277</u>	<u>\$ 12,275,816</u>

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position represents amounts reserved for specific purposes by outside parties or state laws and regulations. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

The District's total net position of \$13,616,277 at June 30, 2023 represents a \$1,340,461, or 11%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2023 and 2022.

Changes in Net Position For the Fiscal Years Ended June 30, 2023 and 2022

Revenues	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
	Program Revenues					
Charges for Services	\$ 2,186,417	\$ 65,663	\$ 330,093	\$ 57,557	\$ 2,516,510	\$ 123,220
Operating Grants and Contributions	5,400,496	8,092,488	202,085	506,087	5,602,581	8,598,575
Capital Grants and Contributions	130,439				130,439	-
General Revenues						
Property Taxes	22,887,481	22,455,969			22,887,481	22,455,969
Unrestricted State Aid	33,673	33,967			33,673	33,967
Other	96,201	1,502,984	26,689	80	122,890	1,503,064
Total Revenues	30,734,707	32,151,071	558,867	563,724	31,293,574	32,714,795
Expenses						
Instruction						
Regular	10,032,465	10,119,644			10,032,465	10,119,644
Special Education	6,081,073	6,245,391			6,081,073	6,245,391
School Sponsored Activities and Athletics	803,679	693,863			803,679	693,863
Other	957,584	847,032			957,584	847,032
Support Services						
Student and Instruction Related Services	4,105,761	4,335,763			4,105,761	4,335,763
General Administrative Services	637,128	817,077			637,128	817,077
School Administrative Services	1,858,921	1,859,455			1,858,921	1,859,455
Central Services and Admin. Info. Tech.	694,806	757,238			694,806	757,238
Plant Operations and Maintenance	3,183,051	2,730,771			3,183,051	2,730,771
Pupil Transportation	912,261	872,183			912,261	872,183
Interest on Long-Term Debt	179,709	200,950			179,709	200,950
Food Services	-	-	506,675	542,249	506,675	542,249
Total Expenses	29,446,438	29,479,367	506,675	542,249	29,953,113	30,021,616
Increase (Decrease) in Net Position	1,288,269	2,671,704	52,192	21,475	1,340,461	2,693,179
Net Position, Beginning of Year	12,120,918	9,449,214	154,898	133,423	12,275,816	9,582,637
Net Position, End of Year	\$ 13,409,187	\$ 12,120,918	\$ 207,090	\$ 154,898	\$ 13,616,277	\$ 12,275,816

MIDLAND PARK BOARD OF EDUCATION

**Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2023**

Governmental Activities. The District’s total governmental activities’ revenues, which includes State and Federal grants, were \$30,734,707 for the fiscal year ended June 30, 2023, property taxes of \$22,887,481 represented 74% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$5,564,608 or 18% of revenues and charges for services which totaled \$2,186,417 or 7% of revenues.

The total cost of all governmental activities programs and services was \$29,446,438 for the fiscal year ended June 30, 2023. The District’s expenses are predominantly related to educating and caring for students. Instruction costs were \$17,874,801 (61%) of total expenses and support services costs were \$11,391,928 (39%) of total expenses for the fiscal year ended June 30, 2023.

For fiscal year 2023, total governmental activities revenues exceeded expenses increasing net position for governmental activities by \$1,288,269 from the previous year.

Total and Net Cost of Governmental Activities. The District’s total cost of services was \$29,446,438. After applying program revenues, derived from operating and capital grants and contributions of \$5,530,935 and charges for services of \$2,186,417 the net cost of services of the District is \$21,729,086 for the fiscal year ended June 30, 2023.

**Total Cost and Net Cost of Services of Governmental Activities
For the Fiscal Years Ended June 30, 2023 and 2022**

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost (Revenue) of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Governmental Activities				
Instruction				
Regular	\$ 10,032,465	\$ 10,119,644	\$ 7,040,653	\$ 8,269,881
Special Education	6,081,073	6,245,391	4,322,750	3,080,894
School Sponsored Activities and Athletics	803,679	693,863	(210,904)	597,278
Other	957,584	847,032	696,991	702,827
Support Services				
Student and Instruction Related Services	4,105,761	4,335,763	3,206,511	3,278,126
General Administrative Services	637,128	817,077	567,148	585,928
School Administrative Services	1,858,921	1,859,455	1,594,632	1,396,511
Central Services and Admin. Info. Tech.	694,806	757,238	619,951	636,448
Plant Operations and Maintenance	3,183,051	2,730,771	2,919,781	1,945,750
Pupil Transportation	912,261	872,183	791,864	626,623
Interest on Long-Term Debt	179,709	200,950	179,709	200,950
	<u>179,709</u>	<u>200,950</u>	<u>179,709</u>	<u>200,950</u>
Total Governmental Activities	<u>\$ 29,446,438</u>	<u>\$ 29,479,367</u>	<u>\$ 21,729,086</u>	<u>\$ 21,321,216</u>

Business-Type Activities – The District’s total business-type activities revenues were \$558,867 for the fiscal year ended June 30, 2023. Operating grants and contributions accounted for 36% of total revenues and 59% of revenues were from charges for services and sales.

Total cost of all business-type activities programs and services was \$506,675 for the fiscal year ended June 30, 2023. Food service expenses represented 100% of the total expenses.

For fiscal year 2023, total business-type activities revenues exceeded expenses increasing net position by \$52,192, or 34% from the previous year.

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$6,618,161 at June 30, 2023, an increase of \$573,858 from last year's fund balance of \$6,044,303. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

Revenues for the District's governmental funds were \$32,540,880 while total expenditures were \$31,967,022 for the fiscal year ended June 30, 2023.

GENERAL FUND

The General Fund includes the primary operations of the District in providing educational services to students from grades K through 12 including pupil transportation, extra-curricular activities, community school programs and plant operation and maintenance costs.

The following schedule presents a summary of General Fund Revenues.

General Fund Revenues

	<u>Fiscal Year</u> <u>Ended June 30,</u>		<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
	<u>2023</u>	<u>2022</u>		
Local Sources				
Property Taxes	\$ 21,947,181	\$ 21,516,844	\$ 430,337	2%
Tuition	48,950	35,925	13,025	36%
Restricted Miscellaneous Revenue	1,893,470	1,446,522	446,948	31%
Other	96,201	60,550	35,651	59%
State Sources	<u>6,237,921</u>	<u>7,117,071</u>	<u>(879,150)</u>	-12%
 Total Revenues	 <u>\$ 30,223,723</u>	 <u>\$ 30,176,912</u>	 <u>\$ 46,811</u>	 0%

For fiscal year 2023, total General Fund revenues increased \$46,811, or less than 1% from the previous year.

The following schedule presents a summary of General Fund expenditures.

General Fund Expenditures

	<u>Fiscal Year</u> <u>Ended June 30,</u>		<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
	<u>2023</u>	<u>2022</u>		
Instruction	\$ 18,723,553	\$ 17,875,204	\$ 848,349	5%
Support Services	10,735,931	9,995,669	740,262	7%
Debt Service	71,959	88,431	(16,472)	-19%
Capital Outlay	<u>112,009</u>	<u>125,554</u>	<u>(13,545)</u>	-11%
 Total Expenditures	 <u>\$ 29,643,452</u>	 <u>\$ 28,084,858</u>	 <u>\$ 1,558,594</u>	 6%

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

GENERAL FUND (Continued)

For fiscal year 2023, total General Fund expenditures increased \$1,558,594, or 6% from the previous year.

In fiscal year 2023, General Fund revenues exceeded expenditures and other financing uses by \$270,271. Therefore, the total fund balance at June 30, 2022 of \$5,541,380 increased to a fund balance of \$5,811,651 at June 30, 2023.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2023, the District had \$18,878,806 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$48,368 for business type activity. The following is a comparison of the June 30, 2023 and 2022 balances:

Capital Assets as of June 30, 2023 and 2022 (Net of Accumulated Depreciation)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 28,714	\$ 28,714			\$ 28,714	\$ 28,714
Construction in Progress	156,990				156,990	-
Buildings and Building Improvements	16,554,958	17,335,346			16,554,958	17,335,346
Site Improvements	1,306,464	1,447,441			1,306,464	1,447,441
Machinery and Equipment	<u>831,680</u>	<u>850,026</u>	\$ 48,368	\$ 53,887	<u>880,048</u>	<u>903,913</u>
Total Capital Assets, Net	<u>18,878,806</u>	<u>19,661,527</u>	<u>48,368</u>	<u>53,887</u>	<u>18,927,174</u>	<u>19,715,414</u>

Additional information on the District's capital assets is presented in Note 3 of this report.

LONG TERM LIABILITIES

At June 30, 2023 the District had \$11,461,637 of total outstanding long-term liabilities. For fiscal year 2022/2023 total outstanding long-term liabilities increased by \$383,789. The following is a comparison of the June 30, 2023 and 2022 balances:

Long-Term Debt Outstanding Long-Term Liabilities As of June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Bonds Payable (Including Unamortized Premium)	\$ 6,360,000	\$ 7,135,245
Capital Financing Agreements	-	69,857
Compensated Absences Payable	311,259	322,416
Net Pension Liability	<u>4,790,378</u>	<u>3,550,330</u>
Total	<u>\$ 11,461,637</u>	<u>\$ 11,077,848</u>

Additional information of the District's long-term liabilities is presented in Note 3 of this report.

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made through budget transfers to prevent over expenditures in specific line item accounts and the appropriation of unassigned fund balance.

For fiscal year 2023 General Fund budgetary revenues and other financing sources exceeded budgetary expenditures and other financing uses increasing budgetary fund balance \$822,658. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance decreased \$40,630 from an unassigned fund balance of \$1,072,532 at June 30, 2022 to \$1,031,902 at June 30, 2023. In addition at June 30, 2023 the District had balances in its capital reserve of \$4,095,365, community school programs reserve of \$297,406, unemployment compensation reserve of \$63,536 and reserved excess surplus of \$550,000.

FACTORS BEARING ON THE DISTRICT'S FUTURE

While many factors influence the district's future, the availability of funding for increased enrollment, staffing needs special education costs and the economy will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-2024 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2023-2024. Budgeted expenditures in the General Fund increased approximately 5% to \$26,623,342 for fiscal year 2023-2024. Budgeted special education tuition costs, as well as, employee benefit costs were the main factors for the increase.

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 information contact the Business Office, Midland Park Board of Education, 250 Prospect Street, Midland Park, NJ 07432.

FINANCIAL STATEMENTS

MIDLAND PARK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 7,090,089	\$ 159,696	\$ 7,249,785
Receivables, net			
Receivables from Other Governments	876,842	7,950	884,792
Other	9,273	3,287	12,560
Internal Balances			-
Inventories		8,465	8,465
Prepaid Items	44,662		44,662
Capital Assets, Not Being Depreciated	185,704		185,704
Capital Assets, Being Depreciated, Net	<u>18,693,102</u>	<u>48,368</u>	<u>18,741,470</u>
Total Assets	<u>26,899,672</u>	<u>227,766</u>	<u>27,127,438</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>691,249</u>	-	<u>691,249</u>
Total Deferred Outflows of Resources	<u>691,249</u>	-	<u>691,249</u>
Total Assets and Deferred Outflows of Resources	<u>27,590,921</u>	<u>227,766</u>	<u>27,818,687</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	589,646	9,972	599,618
Accrued Interest Payable	65,916		65,916
Payable to Other Governments	66,582		66,582
Unearned Revenue	746,477	8,793	755,270
Long-Term Liabilities			
Due Within One Year	807,744		807,744
Due Beyond One Year	<u>10,653,893</u>	-	<u>10,653,893</u>
Total Liabilities	<u>12,930,258</u>	<u>18,765</u>	<u>12,949,023</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue		1,911	1,911
Deferred Amounts on Net Pension Liability	<u>1,251,476</u>	-	<u>1,251,476</u>
Total Deferred Inflows of Resources	<u>1,251,476</u>	<u>1,911</u>	<u>1,253,387</u>
Total Liabilities and Deferred Inflows of Resources	<u>14,181,734</u>	<u>20,676</u>	<u>14,202,410</u>
NET POSITION			
Net Investment in Capital Assets	12,518,806	48,368	12,567,174
Restricted for:			
Capital Projects	4,630,159		4,630,159
Community School Program	297,406		297,406
Student Activities	258,485		258,485
Other Purposes	76,767		76,767
Unrestricted	<u>(4,372,436)</u>	<u>158,722</u>	<u>(4,213,714)</u>
Total Net Position	<u>\$ 13,409,187</u>	<u>\$ 207,090</u>	<u>\$ 13,616,277</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, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities							
Instruction							
Regular	\$ 10,032,465	\$ 1,088,713	\$ 1,903,099				\$ (7,040,653)
Special Education	6,081,073	48,950	1,709,373				(4,322,750)
Other Instruction	803,679	804,757	209,826				210,904
School Sponsored Activities and Athletics	957,584	243,997	16,596				(696,991)
Support Services							
Student and Instruction-Related Services	4,105,761		899,250				(3,206,511)
General Administrative Services	637,128		69,980				(567,148)
School Administrative Services	1,858,921		264,289				(1,594,632)
Central Services and Admin. Info. Technology	694,806		74,855				(619,951)
Plant Operations and Maintenance	3,183,051		132,831	\$ 130,439			(2,919,781)
Pupil Transportation	912,261		120,397				(791,864)
Interest on Long-Term Debt	179,709	-	-				(179,709)
Total Governmental Activities	29,446,438	2,186,417	5,400,496	130,439	(21,729,086)	-	(21,729,086)
Business-Type Activities							
Food Service	506,675	330,093	202,085	-	-	\$ 25,503	25,503
Total Business-Type Activities	506,675	330,093	202,085	-	-	25,503	25,503
Total Primary Government	\$ 29,953,113	\$ 2,516,510	\$ 5,602,581	\$ 130,439	\$ (21,729,086)	\$ 25,503	\$ (21,703,583)
General Revenues:							
					\$ 21,947,181		\$ 21,947,181
					940,300		940,300
					33,673		33,673
					63,849	962	64,811
					32,352	25,727	58,079
					<u>23,017,355</u>	<u>26,689</u>	<u>23,044,044</u>
					1,288,269	52,192	1,340,461
					<u>12,120,918</u>	<u>154,898</u>	<u>12,275,816</u>
					<u>\$ 13,409,187</u>	<u>\$ 207,090</u>	<u>\$ 13,616,277</u>

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

FUND FINANCIAL STATEMENTS

**MIDLAND PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023**

	<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	\$ 6,239,995	\$ 313,761	\$ 536,333		\$ 7,090,089
Receivables from Other Governments	255,477	621,365			876,842
Other Accounts Receivable	9,273				9,273
Prepaid Items	44,662	-	-	-	44,662
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 6,549,407</u>	<u>\$ 935,126</u>	<u>\$ 536,333</u>	<u>\$ -</u>	<u>\$ 8,020,866</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 228,476	\$ 85,769	\$ 1,539		315,784
Compensated Absences Payable	39,706				39,706
Payroll Deductions and Withholdings	144,540				144,540
Payable to State Government	-	66,582			66,582
Unearned Revenue	235,418	511,059	-	-	746,477
Other Liabilities	89,616	-	-	-	89,616
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>737,756</u>	<u>663,410</u>	<u>1,539</u>	<u>-</u>	<u>1,402,705</u>
Fund Balances					
Restricted Fund Balance					
Capital Reserve	3,675,365				3,675,365
Capital Reserve - Designated for Subsequent Year's Budget	420,000				420,000
Community School Programs	249,796				249,796
Community School Programs - Designated for Subsequent Year's Budget	47,610				47,610
Unemployment Compensation Reserve	63,536				63,536
Excess Surplus	275,000				275,000
Excess Surplus - Designated for Subsequent Year's Budget	275,000				275,000
Student Activities		258,485			258,485
Scholarships		13,231			13,231
Capital Projects			534,794		534,794
Assigned Fund Balance					
Year-End Encumbrances	369,823				369,823
Unassigned Fund Balance	435,521	-	-	-	435,521
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>5,811,651</u>	<u>271,716</u>	<u>534,794</u>	<u>-</u>	<u>6,618,161</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 6,549,407</u>	<u>\$ 935,126</u>	<u>\$ 536,333</u>	<u>\$ -</u>	<u>\$ 8,020,866</u>

**MIDLAND PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023**

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

Total Fund Balances - Governmental Funds (Exhibit B-1)	\$	6,618,161
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$37,837,508 and the accumulated depreciation is \$18,958,702.

18,878,806

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

(65,916)

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	\$	691,249	
Deferred Inflows of Resources		<u>(1,251,476)</u>	
			<u>(560,227)</u>

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

Bonds Payable	(6,360,000)		
Compensated Absences Payable	(311,259)		
Net Pension Liability	<u>(4,790,378)</u>		
			<u>(11,461,637)</u>

Net Position of Governmental Activities (Exhibit A-1)	\$	<u>13,409,187</u>
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MIDLAND PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<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 Taxes	\$ 21,947,181			\$ 940,300	\$ 22,887,481
Tuition	48,950				48,950
Other Restricted Miscellaneous Revenues	1,893,470				1,893,470
Miscellaneous	96,201	\$ 287,784	\$ 24,000	-	407,985
	<u>23,985,802</u>	<u>287,784</u>	<u>24,000</u>	<u>940,300</u>	<u>25,237,886</u>
Total - Local Sources					
State Sources	6,237,921	217,201			6,455,122
Federal Sources	-	847,872	-	-	847,872
	<u>6,237,921</u>	<u>1,065,073</u>	<u>0</u>	<u>0</u>	<u>7,303,094</u>
Total Revenues	<u>30,223,723</u>	<u>1,352,857</u>	<u>24,000</u>	<u>940,300</u>	<u>32,540,880</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	11,181,252	59,411			11,240,663
Special Education Instruction	5,999,672	361,983			6,361,655
Other Instruction	757,749	107,272			865,021
School-Sponsored Activities and Athletics	784,880	213,896			998,776
Support Services					
Student and Instruction Related Services	4,008,904	439,192			4,448,096
General Administrative Services	689,953				689,953
School Administrative Services	2,041,727				2,041,727
Central Services & Adm. Info. Technology	763,400				763,400
Plant Operations and Maintenance	2,278,793	32,577			2,311,370
Pupil Transportation	953,154				953,154
Debt Service					
Principal	69,857			755,000	824,857
Interest	2,102			185,300	187,402
Capital Outlay	112,009	106,439	62,500	-	280,948
	<u>29,643,452</u>	<u>1,320,770</u>	<u>62,500</u>	<u>940,300</u>	<u>31,967,022</u>
Total Expenditures					
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	<u>580,271</u>	<u>32,087</u>	<u>(38,500)</u>	<u>-</u>	<u>573,858</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	-		310,000		310,000
Transfer Out	(310,000)	-	-	-	(310,000)
	<u>(310,000)</u>	<u>0</u>	<u>310,000</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources and Uses					
Net Change in Fund Balances	270,271	32,087	271,500	-	573,858
Fund Balance, Beginning of Year	5,541,380	239,629	263,294	-	6,044,303
Fund Balance, End of Year	<u>\$ 5,811,651</u>	<u>\$ 271,716</u>	<u>\$ 534,794</u>	<u>\$ -</u>	<u>\$ 6,618,161</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, 2023**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 573,858

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	\$ 280,948	
Depreciation Expense	<u>(1,063,669)</u>	(782,721)

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	11,157	
Decrease in Pension Expense	<u>653,425</u>	664,582

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. 7,143

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	20,245	
Deferred Charge on Refunding of Debt	<u>(19,695)</u>	550

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 Financing Agreements Principal Repayment	69,857	
Bond Principal Repayment	<u>755,000</u>	824,857

Change in Net Position of Governmental Activities (Exhibit A-2) \$ 1,288,269

**MIDLAND PARK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2023**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 159,696
Intergovernmental Receivables	7,950
Other Accounts Receivable	3,287
Inventories	<u>8,465</u>
Total Current Assets	<u>179,398</u>
Capital Assets	
Equipment	284,676
Less: Accumulated Depreciation	<u>(236,308)</u>
Total Capital Assets, Net	<u>48,368</u>
Total Assets	<u>227,766</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	6,434
Unearned Revenue	8,793
Other Liabilities	<u>3,538</u>
Total Current Liabilities	<u>18,765</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Commodities Revenue	<u>1,911</u>
Total Deferred Inflows of Resources	<u>1,911</u>
Total Liabilities and Deferred Inflows of Resources	<u>20,676</u>
NET POSITION	
Investment in Capital Assets	48,368
Unrestricted	<u>158,722</u>
Total Net Position	<u>\$ 207,090</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, 2023**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales - Reimbursable Programs	\$ 42,018
Daily Sales - Non-Reimbursable Programs	<u>288,075</u>
 Total Operating Revenues	 <u>330,093</u>
OPERATING EXPENSES	
Cost of Sales - Reimbursable Programs	122,842
Cost of Sales - Non-Reimbursable Programs	89,283
Salaries and Employee Benefits	235,368
Purchased Services - Management Fee	22,125
Purchased Services	9,598
Supplies and Materials	21,040
Miscellaneous Expenditures	900
Depreciation	<u>5,519</u>
 Total Operating Expenses	 <u>506,675</u>
Operating Loss	<u>(176,582)</u>
NON-OPERATING REVENUES	
Local Sources	
Interest on Deposits	962
Paycheck Protection Program Vendor Reimbursement	25,727
State Sources	
School Breakfast Program	197
School Lunch Program	5,769
Federal Sources	
School Breakfast Program	5,306
National School Lunch Program	110,702
Supply Chain Assistance	41,104
Food Distribution Program	<u>39,007</u>
 Total Non-Operating Revenues	 <u>228,774</u>
 Change in Net Position	 52,192
Total Net Position, Beginning of Year	<u>154,898</u>
Total Net Position, End of Year	<u>\$ 207,090</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, 2023**

	Business-Type Activities Enterprise Fund Food Service
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 327,295
Cash Payments for Employees' Salaries and Benefits	(235,368)
Cash Payments to Suppliers for Goods and Services	<u>(244,877)</u>
Net Cash Used by Operating Activities	<u>(152,950)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from PPP Vendor Reimbursement	25,727
Cash Received from State and Federal Subsidy Reimbursements	<u>184,457</u>
Net Cash Provided by Noncapital Financing Activities	<u>210,184</u>
Cash Flows from Investing Activities	
Interest Received	<u>962</u>
Net Cash Provided by Investing Activities	<u>962</u>
Net Increase in Cash and Cash Equivalents	58,196
Cash and Cash Equivalents, Beginning of Year	<u>101,500</u>
Cash and Cash Equivalents, End of Year	<u>\$ 159,696</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	\$ <u>(176,582)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	5,519
Non-Cash Federal Assistance - National School Lunch (Food Distribution)	39,007
Change in Assets, Liabilities and Deferred Inflows of Resources	
(Increase)/Decrease in Other Accounts Receivable	(2,708)
(Increase)/Decrease in Inventories	(4,320)
Increase/(Decrease) in Accounts Payable	(15,340)
Increase/(Decrease) in Unearned Revenue	(90)
Increase/(Decrease) in Deferred Commodities Revenue	<u>1,564</u>
Total Adjustments	<u>23,632</u>
Net Cash Used by Operating Activities	<u>\$ (152,950)</u>
Non-Cash Investing and Noncapital Financing Activities	
Value Received - Food Distribution Program	\$ 40,571

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, 2023**

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 of Schools is appointed by the Board and is responsible for the administrative control of the District. A School 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 of Schools 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 School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools 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, community school program 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 2023, the District adopted the following GASB statements:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*. 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.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

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

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

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

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, 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, financing agreements, grants 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 funds which are 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 and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations 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, 2023**

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, acquisitions under financing agreements, leases payable for intangible right-to-use leased assets and subscription arrangements for intangible right-to-use information technology (IT) software assets are reported as other financing sources.

Property taxes, tuition, transportation fees, 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.

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.

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.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, except for intangible right-to-use leased assets and intangible right-to-use subscription assets. 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 periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has only one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods 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 which qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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. Proprietary funds accumulated vacation and sick leave and salary related payments in the period they are earned. 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. Financing Agreements

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

10. 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 outflows of resources. Bond premiums 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. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums, 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. 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, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. *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 Budget – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

Community School 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 Community School Program.

Community School Programs - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of the community school programs fund balance appropriated in the adopted 2023/2024 district budget certified for taxes.

Unemployment Compensation Reserve – 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).

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2023 audited excess surplus that is required to be appropriated in the 2024/2025 original 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, 2022 audited excess surplus that was appropriated in the 2023/2024 original budget certified for taxes.

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.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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.

12. 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 Board of Education 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 District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district 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. The District has no committed fund balances at year end.

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

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 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 2021-2022 and 2022-2023 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.

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year’s general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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. 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. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$979,587 and the special revenue fund by \$1,489,456. The increases were funded by the additional appropriation of unassigned fund balance, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of unassigned fund balance of \$606,293 from the General Fund.

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, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022		\$ 3,375,429
Increased by:		
Interest Earnings	\$ 18,996	
Deposits Approved by Board Resolution	<u>1,010,940</u>	
Total Increases		<u>1,029,936</u>
		4,405,365
Decreased by:		
Withdrawals Approved in District Budget	<u>310,000</u>	
Total Decreases		<u>310,000</u>
Balance, June 30, 2023		<u>\$ 4,095,365</u>

The June 30, 2023 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$6,685,700. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$420,000 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

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, 2023 is \$550,000. Of this amount, \$275,000 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining amount of \$275,000 will be appropriated in the 2024/2025 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee’s salary or funds which may pass to the local government upon the happening of a future condition.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

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, 2023, the book value of the Board's deposits was \$6,900,269 and bank and brokerage firm balances of the Board's deposits amounted to \$7,061,636. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 6,941,393
Uninsured and Collateralized	<u>120,243</u>
	<u>\$ 7,061,636</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, 2023 the Board's bank balance of \$120,243 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 120,243</u>
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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, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2023, the Board had the following investments:

<u>Investment Type:</u>	<u>Fair Value</u>
N.J. Cash Management Fund	\$ <u>349,516</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk. As of June 30, 2023, \$349,516 of the Board’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
Uninsured and Collateralized:	
Collateral held by pledging financial institutions' trust department or agent but not in the Board's name	\$ <u>349,516</u>

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. More than five (5) percent of the Board’s investments are in the State of New Jersey Cash Management Fund. These investments are 100% of the District’s total investments.

Fair Value of Investments. The Midland Park Board of Education measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Investments are valued based on price data obtained from observed transactions and market price quotations provided by N.J. Cash Management Fund. Since the value is not obtained from a quoted price in an active market the investments held by the District at June 30, 2023 are categorized as Level 2.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2023 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>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 9,273		\$ 3,287	\$ 12,560
Intergovernmental				
Federal		\$ 621,365	7,573	628,938
State	36,763		377	37,140
Local	218,714	-	-	218,714
Gross Receivables	264,750	621,365	11,237	897,352
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 264,750</u>	<u>\$ 621,365</u>	<u>\$ 11,237</u>	<u>\$ 897,352</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	
Prepaid Community School Fees	\$ 226,699
Prepaid Preschool Tuition	8,719
Special Revenue Fund	
Unencumbered Grant Draw Downs	3,602
Grant Draw Downs for Year-End Encumbrances	<u>507,457</u>
Total Unearned Revenue of Governmental Funds	<u>\$ 746,477</u>

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 28,714			\$ 28,714
Construction in Progress	-	\$ 156,990	-	156,990
Total Capital Assets, Not Being Depreciated	<u>28,714</u>	<u>156,990</u>	<u>-</u>	<u>185,704</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	29,771,418	23,762		29,795,180
Site Improvements	2,779,523			2,779,523
Machinery and Equipment	4,976,905	100,196	-	5,077,101
Total Capital Assets Being Depreciated	<u>37,527,846</u>	<u>123,958</u>	<u>-</u>	<u>37,651,804</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(12,436,072)	(804,150)		(13,240,222)
Site Improvements	(1,332,082)	(140,977)		(1,473,059)
Machinery and Equipment	(4,126,879)	(118,542)	-	(4,245,421)
Total Accumulated Depreciation	<u>(17,895,033)</u>	<u>(1,063,669)</u>	<u>-</u>	<u>(18,958,702)</u>
Total Capital Assets, Being Depreciated, Net	<u>19,632,813</u>	<u>(939,711)</u>	<u>-</u>	<u>18,693,102</u>
Governmental Activities Capital Assets, Net	<u>\$ 19,661,527</u>	<u>\$ (782,721)</u>	<u>\$ -</u>	<u>\$ 18,878,806</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 294,296	-	(9,620)	\$ 284,676
Total Capital Assets Being Depreciated	<u>294,296</u>	<u>-</u>	<u>(9,620)</u>	<u>284,676</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(240,409)	\$ (5,519)	9,620	(236,308)
Total Accumulated Depreciation	<u>(240,409)</u>	<u>(5,519)</u>	<u>9,620</u>	<u>(236,308)</u>
Total Capital Assets, Being Depreciated, Net	<u>53,887</u>	<u>(5,519)</u>	<u>-</u>	<u>48,368</u>
Business-Type Activities Capital Assets, Net	<u>\$ 53,887</u>	<u>\$ (5,519)</u>	<u>\$ -</u>	<u>\$ 48,368</u>

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular Instruction	\$ 40,311
School-Sponsored Activities and Athletics	13,464
Total Instruction	<u>53,775</u>
 Support Services	
Student and Instruction Related Services	2,162
Central Services and Admin. Info. Technology	3,155
Plant Operations and Maintenance	998,262
Pupil Transportation	6,315
Total Support Services	<u>1,009,894</u>
 Total Depreciation Expense - Governmental Activities	<u>\$ 1,063,669</u>

Business-Type Activities:

Food Service Fund	<u>\$ 5,519</u>
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Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2023:

<u>Project</u>	<u>Remaining Commitment</u>
Door Replacement Projects	\$ 355,415
High School Art Room Renovations	<u>116,861</u>
	<u>\$ 472,276</u>

E. Interfund Receivables, Payables, and Transfers

Interfund Transfers

	<u>Transfer In:</u>
	Capital Projects
	<u>Fund</u>
<u>Transfer Out:</u>	
General Fund	<u>\$ 310,000</u>

The above transfers are the result of budget appropriations available in one fund to finance expenditures in another fund.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. 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, 2023 are comprised of the following issues:

\$3,695,000, Fiscal year 2012 Refunding Bonds, due in a final principal installment of \$395,000 on August 15, 2023 with interest at 3.00%.	\$ 395,000
\$8,500,000, Fiscal year 2015 School Bonds, due in annual principal installments of \$370,000 to \$540,000 through August 15, 2035 with interest at 2.000% to 3.125%.	<u>5,965,000</u>
	<u>\$ 6,360,000</u>

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

Governmental Activities:

Fiscal Year Ended June 30,	<u>Bonds Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 765,000	\$ 166,150	\$ 931,150
2025	385,000	152,675	537,675
2026	400,000	144,825	544,825
2027	415,000	136,675	551,675
2028	425,000	126,150	551,150
2029-2033	2,370,000	425,925	2,795,925
2034-2036	<u>1,600,000</u>	<u>74,138</u>	<u>1,674,138</u>
Total	<u>\$ 6,360,000</u>	<u>\$ 1,226,538</u>	<u>\$ 7,586,538</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2023 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 53,909,999
Less: Net Debt Issued and Authorized But Not Issued	<u>6,360,000</u>
Remaining Borrowing Power	<u>\$ 47,549,999</u>

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023, was as follows:

	<u>Balance, July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2023</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable	\$ 7,115,000		\$ 755,000	\$ 6,360,000	\$ 765,000
Add:					
Unamortized Premium	20,245	-	20,245	-	-
Bonds Payable, Gross	\$ 7,135,245	\$ -	\$ 775,245	\$ 6,360,000	\$ 765,000
Capital Financing Agreements	69,857		69,857	-	
Compensated Absences Payable	322,416	\$ 28,549	39,706	311,259	42,744
Net Pension Liability	3,550,330	1,640,336	400,288	4,790,378	-
Governmental Activities Long-Term Liabilities	<u>\$ 11,077,848</u>	<u>\$ 1,668,885</u>	<u>\$ 1,285,096</u>	<u>\$ 11,461,637</u>	<u>\$ 807,744</u>

For the governmental activities, the liabilities for compensated absences, capital financing 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 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 Annual Comprehensive 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, 2023**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, interest earnings, 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>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	None	\$ 50,602	\$ 1,174	\$ 57,959	\$ 63,536
2022	None	Not Available	216	Not Available	62,362
2021	None	61,561	404	104,101	62,146

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, 2023, 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, 2023, 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, 2023**

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) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 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 reaching 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) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, 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, 2023**

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 reaching 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 for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments 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, 2023**

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 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, 2023**

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, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91% . The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 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 2023.

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, 2023 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 more 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 2023, 2022 and 2021 were equal to the required contributions.

During the fiscal years ended June 30, 2023, 2022 and 2021 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>
2023	\$ 400,288	\$ 3,566,756	\$ 1,726
2022	350,977	3,483,669	2,536
2021	354,242	2,537,399	3,020

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$1,117, \$1,191 and \$1,416, 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 \$743,212 during the fiscal year ended June 30, 2023 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, 2021 through June 30, 2022. 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, 2022 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$4,790,378 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the District's proportionate share was .03174 percent, which was an increase of .00177 percent from its proportionate share measured as of June 30, 2021 of .02997 percent.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension (benefit) of \$(253,137) for PERS. The pension contribution made by the District during the current 2022/2023 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, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. 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, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, 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	\$ 34,575	\$ 30,490
Changes of Assumptions	14,842	717,309
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	198,269	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>443,563</u>	<u>503,677</u>
Total	<u>\$ 691,249</u>	<u>\$ 1,251,476</u>

At June 30, 2023, 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>
2023	\$ (270,557)
2024	(140,497)
2025	21,004
2026	(160,333)
2027	(9,844)
Thereafter	<u>-</u>
	<u>\$ (560,227)</u>

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

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

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining 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 percent, 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>\$ 6,154,232</u>	<u>\$ 4,790,378</u>	<u>\$ 3,629,683</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, 2022. A sensitivity analysis specific to the District’s net pension liability at June 30, 2022 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
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2021 through June 30, 2022. 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, 2022, the State's pension contribution was more 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,158,695 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, 2023 the State's proportionate share of the net pension liability attributable to the District is \$43,053,703. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was .08345 percent, which was a decrease of .00221 percent from its proportionate share measured as of June 30, 2021 of .08566 percent.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

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, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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)

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 50,481,382</u>	<u>\$ 43,053,703</u>	<u>\$ 36,796,817</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, 2022. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2022 was not provided by the pension system.

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 a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified 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.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. 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.

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, 2021:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>151,669</u>
Total	<u>364,817</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 plan. 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.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2022 is \$50.6 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2021 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 \$1.33 billion to the OPEB plan in fiscal year 2022.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. 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, 2023, 2022 and 2021 were \$936,978, \$813,926 and \$795,181, 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, 2021 through June 30, 2022. 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,538,866. This amount has been included in the district-wide statement of activities (accrual basis) both a revenue and expense in accordance with GASB No. 85.

At June 30, 2023 the State's proportionate share of the OPEB liability attributable to the District is \$41,793,475. 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, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state's share of the OPEB liability attributable to the District was .08252 percent, which was a decrease of .00177 percent from its proportionate share measured as of June 30, 2021 of .08429 percent.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 4.25% Based on Years of Service

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 “General” (PERS) and “Teachers” (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**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)

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, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ <u>50,579,790</u>
Changes Recognized for the Fiscal Year:	
Service Cost	2,379,986
Interest on the Total OPEB Liability	1,107,573
Differences Between Expected and Actual Experience	(510)
Changes of Assumptions	(11,211,475)
Gross Benefit Payments	(1,097,084)
Member Contributions	35,195
Net Changes	\$ <u>(8,786,315)</u>
Balance, June 30, 2022 Measurement Date	\$ <u>41,793,475</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

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, 2022.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.54%, as well as what the State’s proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

	1% Decrease (<u>2.54%</u>)	Current Discount Rate (<u>3.54%</u>)	1% Increase (<u>4.54%</u>)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>49,123,834</u>	\$ <u>41,793,475</u>	\$ <u>35,918,559</u>

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 (Continued)

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:

	<u>1%</u> <u>Decrease</u>	<u>Healthcare</u> <u>Cost Trend</u> <u>Rates</u>	<u>1%</u> <u>Increase</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 34,544,862	\$ 41,793,475	\$ 51,314,969

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022 were not provided by the pension system.

F. Subsequent Events

Appropriation of Fund Balance

On August 22, 2023 the Board approved the appropriation of an additional \$337,794 of General Fund unassigned fund balance to the 2023/2024 budget.

On September 19, 2023 the Board approved the appropriation of an additional \$85,000 of General Fund capital reserve fund balance to the 2023/2024 budget.

G. Tax Abatements

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

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

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, 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 Board.

The Board has been awarded a total of \$1,610,268 in federal aid to address the effects of the COVID-19 pandemic.

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, 2023**

	<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	\$ 21,947,181		\$ 21,947,181	\$ 21,947,181	
Tuition from Individuals	45,500		45,500	48,950	\$ 3,450
Other Restricted Miscellaneous Revenues	1,505,052		1,505,052	1,893,470	388,418
Interest on Investments				43,679	43,679
Interest on Capital Reserve	500		500	18,996	18,496
Interest on Unemployment Compensation Reserve				1,174	1,174
Unrestricted Miscellaneous Revenues	22,500	-	22,500	32,352	9,852
Total Local Sources	<u>23,520,733</u>	<u>-</u>	<u>23,520,733</u>	<u>23,985,802</u>	<u>465,069</u>
State Sources					
Special Education Aid	801,091		801,091	801,091	-
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				537,794	537,794
Lead Testing for Schools Aid				4,200	4,200
On-Behalf TPAF Pension System Contribution (Non-Budgeted)				3,517,948	3,517,948
On-Behalf TPAF Pension System Contribution - NCGI Premium (Non-Budgeted)				48,808	48,808
On-Behalf TPAF Long Term Disability Insurance Premium (Non-Budgeted)				1,117	1,117
On-Behalf TPAF Post-Retirement Medical Benefits Contribution (Non-Budgeted)				936,978	936,978
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	743,212	743,212
Total State Sources	<u>1,000,251</u>	<u>-</u>	<u>1,000,251</u>	<u>6,790,308</u>	<u>5,790,057</u>
Total Revenues	<u>24,520,984</u>	<u>-</u>	<u>24,520,984</u>	<u>30,776,110</u>	<u>6,255,126</u>
EXPENDITURES					
CURRENT					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	300,600	\$ 3,547	304,147	304,147	-
Grades 1-5	2,278,458	45,066	2,323,524	2,323,524	-
Grades 6-8	1,390,694	(128,994)	1,261,700	1,261,700	-
Grades 9-12	2,228,873	11,551	2,240,424	2,237,004	3,420
Regular Programs - Home Instruction					
Salaries of Teachers	18,000	(11,955)	6,045	6,045	-
Purchased Professional/Educational Services	4,000	(4,000)			-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	26,900	(182)	26,718	26,718	-
Purchased Professional/Educational Services	58,392	(9,748)	48,644	48,594	50
Rentals/Lease Payments	132,638	(7,733)	124,905	124,905	-
Other Purchased Services	23,800	(626)	23,174	23,174	-
General Supplies	221,511	152,925	374,436	226,347	148,089
Textbooks	34,636	4,153	38,789	37,257	1,532
Other Objects	4,245	(2,879)	1,366	1,366	-
Total Regular Programs	<u>6,722,747</u>	<u>51,125</u>	<u>6,773,872</u>	<u>6,620,781</u>	<u>153,091</u>
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	123,250	53,003	176,253	176,088	165
Other Salaries for Instruction	280,960	(31,787)	249,173	249,173	-
General Supplies	2,000	10,109	12,109	789	11,320
Total Learning and/or Language Disabilities	<u>406,210</u>	<u>31,325</u>	<u>437,535</u>	<u>426,050</u>	<u>11,485</u>

(Continued)

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	\$ 1,552,200	\$ (61,038)	\$ 1,491,162	\$ 1,490,425	\$ 737
Other Salaries for Instruction	435,710	6,011	441,721	407,261	34,460
General Supplies	4,500	20,619	25,119	4,372	20,747
	<u>1,992,410</u>	<u>(34,408)</u>	<u>1,958,002</u>	<u>1,902,058</u>	<u>55,944</u>
Total Resource Room Resource Center					
Preschool Disabilities - Part-Time					
Salaries of Teachers	53,750	2,416	56,166	56,166	-
Other Salaries for Instruction	59,400	(547)	58,853	58,479	374
General Supplies	1,000	(537)	463	141	322
	<u>114,150</u>	<u>1,332</u>	<u>115,482</u>	<u>114,786</u>	<u>696</u>
Total Preschool Disabilities-Part Time					
Preschool Disabilities -Full-Time					
Salaries of Teachers	56,150	(4,142)	52,008	50,749	1,259
Other Salaries for Instruction	136,310	1,023	137,333	128,384	8,949
General Supplies	1,000	-	1,000	208	792
	<u>193,460</u>	<u>(3,119)</u>	<u>190,341</u>	<u>179,341</u>	<u>11,000</u>
Total Preschool Disabilities-Full Time					
Home Instruction					
Purchased Professional-Educational Services	5,000	-	5,000	2,781	2,219
	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>2,781</u>	<u>2,219</u>
Total Home Instruction					
	<u>2,711,230</u>	<u>(4,870)</u>	<u>2,706,360</u>	<u>2,625,016</u>	<u>81,344</u>
Total Special Education					
Bilingual Education					
Salaries of Teachers	51,500	-	51,500	51,500	-
General Supplies	500	-	500	3	497
	<u>52,000</u>	<u>-</u>	<u>52,000</u>	<u>51,503</u>	<u>497</u>
Total Bilingual Education					
School Spons. Co-Curricular Activities-Instruction					
Salaries	98,000	(11,003)	86,997	86,997	-
Purchased Services	4,400	20,542	24,942	24,942	-
Supplies and Materials	13,550	4,748	18,298	15,119	3,179
Other Objects	1,630	1	1,631	859	772
	<u>117,580</u>	<u>14,288</u>	<u>131,868</u>	<u>127,917</u>	<u>3,951</u>
Total School Spons. Co-Curricular Activities-Instr.					
School Sponsored Athletics - Instruction					
Salaries	332,124	5,172	337,296	323,621	13,675
Purchased Services	67,372	36,628	104,000	102,511	1,489
Supplies and Materials	93,800	(39,794)	54,006	40,351	13,655
Other Objects	17,195	(949)	16,246	10,158	6,088
	<u>510,491</u>	<u>1,057</u>	<u>511,548</u>	<u>476,641</u>	<u>34,907</u>
Total School Sponsored Athletics - Instruction					
	<u>10,114,048</u>	<u>61,600</u>	<u>10,175,648</u>	<u>9,901,858</u>	<u>273,790</u>
Total Instruction					

(Continued)

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	\$ 59,724	-	\$ 59,724	\$ 59,724	-
Tuition to Other LEA's Within the State - Special	263,028	\$ (2,987)	260,041	97,441	\$ 162,600
Tuition to Vocational School Districts - Regular	79,332	(8,000)	71,332	49,500	21,832
Tuition to Vocational School Districts - Special	108,000	(27,000)	81,000	81,000	-
Tuition to County Special Services School Districts and Regional Day Schools	350,135	69,620	419,755	409,587	10,168
Tuition to Private Schools for the Disabled Within the State	1,391,970	(153,438)	1,238,532	1,115,661	122,871
Disabled Out of State	-	19,683	19,683	17,330	2,353
Total Undistributed Expenditures - Instruction	<u>2,252,189</u>	<u>(102,122)</u>	<u>2,150,067</u>	<u>1,830,243</u>	<u>319,824</u>
Health Services					
Salaries	262,000	25,225	287,225	287,225	-
Purchased Professional Technical Services	10,000	540	10,540	10,540	-
Supplies and Materials	6,250	(4,855)	1,395	1,395	-
Total Health Services	<u>278,250</u>	<u>20,910</u>	<u>299,160</u>	<u>299,160</u>	<u>-</u>
Other Support Services - Speech, OT, PT & Related Svcs					
Salaries	497,250	3,182	500,432	498,432	2,000
Purchased Professional/Educational Services	30,000	(9,177)	20,823	7,817	13,006
Supplies and Materials	750	3,520	4,270	4,049	221
Total Other Support Services - Speech, OT, PT & Related Svcs	<u>528,000</u>	<u>(2,475)</u>	<u>525,525</u>	<u>510,298</u>	<u>15,227</u>
Other Support Services - Extra. Serv.					
Purchased Professional/Education Services	625,000	(79,405)	545,595	438,859	106,736
Total Other Support Services - Extra. Serv.	<u>625,000</u>	<u>(79,405)</u>	<u>545,595</u>	<u>438,859</u>	<u>106,736</u>
Other Support Services - Guidance					
Salaries of Other Professional Staff	300,048	3,166	303,214	303,214	-
Salaries of Secretarial and Clerical Assistants	42,500	(850)	41,650	41,650	-
Purchased Professional- Educational Services	4,030	(398)	3,632	3,632	-
Supplies and Materials	4,560	(826)	3,734	3,574	160
Other Objects	9,541	(1,127)	8,414	8,414	-
Total Other Support Services - Guidance	<u>360,679</u>	<u>(35)</u>	<u>360,644</u>	<u>360,484</u>	<u>160</u>
Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	406,280	5,360	411,640	411,640	-
Salaries of Secretarial and Clerical Assistants	49,085	12,816	61,901	61,901	-
Purchased Professional/Educational Services	23,000	(7,957)	15,043	15,043	-
Other Purchased Professional and Tech. Services	1,000	773	1,773	1,773	-
Supplies and Materials	4,500	979	5,479	3,821	1,658
Other Objects	1,500	135	1,635	1,635	-
Total Other Support Services - Child Study Team	<u>485,365</u>	<u>12,106</u>	<u>497,471</u>	<u>495,813</u>	<u>1,658</u>

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	38,276	-	38,276	38,276	-
Salaries of Secretarial and Clerical Assistants	20,163	\$ 19,400	39,563	36,609	\$ 2,954
Other Purchased Services	44,940	-	44,940	34,087	10,853
Supplies and Materials	885	(167)	718	182	536
	<u>129,264</u>	<u>19,233</u>	<u>148,497</u>	<u>134,154</u>	<u>14,343</u>
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff					
Educational Media Services/School Library					
Salaries	148,880	(25,329)	123,551	123,375	176
Salaries of Technology Coordinators	228,657	(4,485)	224,172	206,978	17,194
Purchased Professional and Technical Services	5,960	228	6,188	6,102	86
Supplies and Materials	12,750	2,136	14,886	13,506	1,380
Other Objects	375	-	375	33	342
	<u>396,622</u>	<u>(27,450)</u>	<u>369,172</u>	<u>349,994</u>	<u>19,178</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	38,276	-	38,276	38,276	-
Other Salaries	10,163	(253)	9,910	8,596	1,314
Supplies and Materials	500	420	920	920	-
Other Objects	12,000	-	12,000	7,375	4,625
	<u>85,939</u>	<u>167</u>	<u>86,106</u>	<u>80,167</u>	<u>5,939</u>
Total Instructional Staff Training Services					
Support Services General Administration					
Salaries	248,903	74,412	323,315	323,315	-
Legal Services	25,000	(247)	24,753	23,475	1,278
Audit Fees	19,000	11,630	30,630	30,630	-
Architectural/Engineering Services		33,419	33,419	29,544	3,875
Other Purchased Professional Services	5,700	135	5,835	5,835	-
Purchased Technical Services	500	-	500		500
Communications/Telephone	23,100	(12)	23,088	22,040	1,048
BOE Other Purchased Services	1,500	1,890	3,390	3,271	119
Misc. Purchased Services	9,000	(1,325)	7,675	6,619	1,056
General Supplies	4,700	(861)	3,839	3,011	828
BOE In-House Training/Meeting Supplies	100	60	160	50	110
Miscellaneous Expenditures	4,020	611	4,631	4,631	-
Other Objects	9,436	-	9,436	9,435	1
	<u>350,959</u>	<u>119,712</u>	<u>470,671</u>	<u>461,856</u>	<u>8,815</u>
Total Support Services General Administration					
Support Services School Administration					
Salaries of Principals/Asst. Principals	538,064	107,916	645,980	645,977	3
Salaries of Other Professional Staff	165,790	50,001	215,791	215,791	-
Salaries of Secretarial and Clerical Assistants	176,350	50,588	226,938	226,938	-
Purchased Professional and Technical Services	7,500	(3,824)	3,676	3,676	-
Other Purchased Services	3,500	(881)	2,619	2,619	-
Supplies and Materials	9,000	9,251	18,251	11,589	6,662
Other Objects	6,500	(240)	6,260	6,113	147
	<u>906,704</u>	<u>212,811</u>	<u>1,119,515</u>	<u>1,112,703</u>	<u>6,812</u>
Total Support Services School Administration					

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	\$ 349,612	\$ 83,248	\$ 432,860	\$ 432,860	\$ -
Purchased Professional Services	1,500	315	1,815	1,280	535
Purchased Technical Services	5,579	469	6,048	6,048	-
Miscellaneous Purchased Services	1,200	933	2,133	2,133	-
Supplies and Materials	1,000	4,170	5,170	3,174	1,996
Interest on Current Loans	2,367	(804)	1,563	1,537	26
Miscellaneous Expenditures	1,340	(82)	1,258	1,240	18
Total Central Services	<u>362,598</u>	<u>88,249</u>	<u>450,847</u>	<u>448,272</u>	<u>2,575</u>
Admin. Information Technology					
Salaries	33,808	-	33,808	33,808	-
Purchased Professional Services	8,500	(6,274)	2,226	-	2,226
Purchased Technical Services	19,000	(3,595)	15,405	13,507	1,898
Other Purchased Services	20,500	(4,132)	16,368	16,368	-
Supplies and Materials	250	3,710	3,960	210	3,750
Other Objects	1,000	(485)	515	515	-
Total Admin. Information Technology	<u>83,058</u>	<u>(10,776)</u>	<u>72,282</u>	<u>64,408</u>	<u>7,874</u>
Required Maintenance for School Facilities					
Salaries	329,061	(52,542)	276,519	273,772	2,747
Cleaning, Repair and Maintenance Services	100,000	164,959	264,959	230,862	34,097
General Supplies	30,000	(7,654)	22,346	21,050	1,296
Total Required Maintenance for School Facilities	<u>459,061</u>	<u>104,763</u>	<u>563,824</u>	<u>525,684</u>	<u>38,140</u>
Custodial Services					
Salaries	540,700	1,244	541,944	531,828	10,116
Salaries of Non-Instructional Aides	130,000	13,378	143,378	143,378	-
Purchased Professional and Technical Services	43,190	(6,803)	36,387	36,387	-
Cleaning, Repair and Maintenance Services	84,840	3,229	88,069	87,812	257
Other Purchased Property Services	26,000	(57)	25,943	25,943	-
Insurance	184,000	(560)	183,440	183,440	-
General Supplies	36,000	(6,846)	29,154	24,402	4,752
Energy (Natural Gas)	65,000	36,122	101,122	96,416	4,706
Energy (Electricity)	130,000	19,905	149,905	140,397	9,508
Other Objects	625	(500)	125	125	-
Total Custodial Services	<u>1,240,355</u>	<u>59,112</u>	<u>1,299,467</u>	<u>1,270,128</u>	<u>29,339</u>
Security					
Salaries	2,000	-	2,000	2,000	-
Purchased Professional and Technical Services	65,650	(2,288)	63,362	63,362	-
General Supplies	5,000	5,018	10,018	-	10,018
Total Security	<u>72,650</u>	<u>2,730</u>	<u>75,380</u>	<u>65,362</u>	<u>10,018</u>

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	\$ 80,000	\$ 37,584	\$ 117,584	\$ 117,584	\$ -
Salaries for Pupil Transportation (Between Home and School) - Special Education	145,500	91,576	237,076	237,076	-
Cleaning, Repair and Maintenance Services	13,000	6,177	19,177	19,177	-
Contracted Services (Other than Between Home and School) - Vendors	15,000	(4,515)	10,485	10,485	-
Contracted Services (Between Home and School) - Joint Agreements	75,000	(12,474)	62,526	62,526	-
Contracted Services (Special Education Students) - Joint Agreements	325,000	(2,046)	322,954	322,954	-
Transportation Supplies	3,500	960	4,460	4,460	-
Other Objects	20,500	8,644	29,144	23,144	6,000
Total Student Transportation Services	<u>677,500</u>	<u>125,906</u>	<u>803,406</u>	<u>797,406</u>	<u>6,000</u>
Unallocated Benefits					
Group Insurance	6,300	200	6,500	6,500	-
Social Security Contributions	309,000	(1,500)	307,500	303,581	3,919
Other Retirement Contributions - PERS	370,000	37,288	407,288	405,259	2,029
Other Retirement Contributions - Regular	3,000	-	3,000	1,726	1,274
Workmen's Compensation	120,000	(31,921)	88,079	88,079	-
Health Benefits	3,690,616	217,030	3,907,646	3,518,985	388,661
Tuition Reimbursement	28,500	239	28,739	15,409	13,330
Other Employee Benefits	82,000	1,500	83,500	73,182	10,318
Unused Sick Payment to Terminated/Retired Staff	-	39,706	39,706	39,706	-
Total Unallocated Benefits	<u>4,609,416</u>	<u>262,542</u>	<u>4,871,958</u>	<u>4,452,427</u>	<u>419,531</u>
On-Behalf TPAF Payments					
On-Behalf TPAF Pension System Contribution (Non-Budgeted)				3,517,948	(3,517,948)
On-Behalf TPAF Pension System - NCGI Premium (Non-Budgeted)				48,808	(48,808)
On-Behalf TPAF Long Term Disability Insurance Premium (Non-Budgeted)				1,117	(1,117)
On-Behalf TPAF Post-Retirement Medical Benefits Contribution (Non-Budgeted)				936,978	(936,978)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	743,212	(743,212)
Total On-Behalf Payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,248,063</u>	<u>(5,248,063)</u>
Total Undistributed Expenditures	<u>13,903,609</u>	<u>805,978</u>	<u>14,709,587</u>	<u>18,945,481</u>	<u>(4,235,894)</u>
Total Expenditures - Current Expense	<u>\$ 24,017,657</u>	<u>\$ 867,578</u>	<u>\$ 24,885,235</u>	<u>\$ 28,847,339</u>	<u>\$ (3,962,104)</u>

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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 1-5		\$ 5,855	5,855	\$ 5,855	-
Grades 6-8		5,700	5,700	5,700	-
Grades 9-12		8,550	8,550	8,550	-
Administrative Information Technology		4,994	4,994	4,994	-
Security		23,762	23,762	23,762	-
Transportation - Acq. of School Buses - Special	-	63,148	63,148	63,148	-
Total Equipment	-	112,009	112,009	112,009	-
Facilities Acq. And Construction Services					
Architectural/Engineering Services	30,000	(30,000)			-
Construction Services	280,000	(280,000)			-
Debt Service Assessment	22,775	-	22,775	22,775	-
Total Facilities Acq. And Construction Services	332,775	(310,000)	22,775	22,775	-
Total Capital Outlay	333,275	(197,991)	135,284	134,784	500
SPECIAL SCHOOLS					
Community School - Local - Instruction					
Salaries of Teachers	135,000	43,776	178,776	157,682	21,094
Purchased Professional and Technical Services	159,600	3,000	162,600	123,850	38,750
Cleaning, Repair and Maintenance Services	1,000	-	1,000	1,000	-
Transportation - Contracted Services (Other than Between Home and School) - Vendors	230,000	(15,613)	214,387	152,603	61,784
Communications/Telephone	15,000	-	15,000	9,068	5,932
Other Purchased Services	18,000	(4,000)	14,000	7,157	6,843
General Supplies	5,000	1,000	6,000	5,205	795
Textbooks	2,000	-	2,000	-	2,000
Other Objects	100	-	100	-	100
Total Community School - Local - Instruction	565,700	28,163	593,863	455,565	138,298
Community School - Local - Support Services					
Salaries	173,208	(31,631)	141,577	137,239	4,338
Personal Services - Employee Benefits	82,000	-	82,000	65,057	16,943
Unused Sick Payment to Terminated/Retired Staff	-	3,468	3,468	3,468	-
Total Community School - Local - Support Services	255,208	(28,163)	227,045	205,764	21,281
Total Special Schools	820,908	-	820,908	661,329	159,579
Total Expenditures	25,171,840	669,587	25,841,427	29,643,452	(3,802,025)

MIDLAND PARK BOARD OF EDUCATION
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<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					
Over/(Under) Expenditures	\$ (650,856)	\$ (669,587)	\$ (1,320,443)	\$ 1,132,658	\$ 2,453,101
Other Financing Sources (Uses)					
Transfers Out - Capital Reserve to Capital Projects Fund	-	(310,000)	(310,000)	(310,000)	-
Total Other Financing Sources (Uses)	-	(310,000)	(310,000)	(310,000)	-
Net Change in Fund Balances	\$ (650,856)	\$ (979,587)	\$ (1,630,443)	\$ 822,658	\$ 2,453,101
Fund Balance, Beginning of Year	5,585,374	-	5,585,374	5,585,374	-
Fund Balance, End of Year	\$ 4,934,518	\$ (979,587)	\$ 3,954,931	\$ 6,408,032	\$ 2,453,101
<u>Recapitulation of Fund Balance:</u>					
Restricted Fund Balance					
Capital Reserve				\$ 3,675,365	
Capital Reserve - Designated for Subsequent Year's Budget				420,000	
Community School Programs				249,796	
Community School Programs - Designated for Subsequent Year's Budget				47,610	
Unemployment Compensation Reserve				63,536	
Excess Surplus				275,000	
Excess Surplus - Designated for Subsequent Year's Budget				275,000	
Assigned Fund Balance					
Year-End Encumbrances				369,823	
Unassigned Fund Balance				<u>1,031,902</u>	
				6,408,032	
<u>Reconciliation to Governmental Fund Statement (GAAP):</u>					
State Aid Payments Not Recognized on GAAP Basis				<u>(596,381)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 5,811,651</u>	

**MIDLAND PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 167,799	\$ 157,457	\$ 325,256	\$ 258,674	\$ (66,582)
Federal	334,046	1,166,278	1,500,324	1,311,936	(188,388)
Local	90,000	165,721	255,721	287,784	32,063
Total Revenues	<u>591,845</u>	<u>1,489,456</u>	<u>2,081,301</u>	<u>1,858,394</u>	<u>(222,907)</u>
EXPENDITURES					
Instruction					
Salaries for Instruction		\$ 129,236	\$ 129,236	\$ 57,726	\$ 71,510
Purchased Professional and Technical Services	\$ 69,039	(58,452)	10,587	8,137	2,450
Tuition	241,702	116,925	358,627	356,236	2,391
General Supplies	28,624	84,253	112,877	77,182	35,695
Textbooks	7,601	6,985	14,586	14,060	526
Other Objects		8,363	8,363	4,140	4,223
Co-Curricular/Extra-Curricular Activities	75,000	138,896	213,896	213,896	-
Total Instruction	<u>421,966</u>	<u>426,206</u>	<u>848,172</u>	<u>731,377</u>	<u>116,795</u>
Support Services					
Other Salaries		56,198	56,198	11,005	45,193
Personal Services - Employee Benefits		18,890	18,890	18,550	340
Purchased Professional and Technical Services		240,438	240,438	224,514	15,924
Purchased Professional and Educational Services	131,971	33,648	165,619	156,595	9,024
Cleaning, Repair and Maintenance Services		53,825	53,825	53,825	-
Other Purchased Services		2,220	2,220	-	2,220
Supplies and Materials	22,908	18,912	41,820	41,170	650
Scholarship Awards	15,000	9,325	24,325	24,325	-
Total Support Services	<u>169,879</u>	<u>433,456</u>	<u>603,335</u>	<u>529,984</u>	<u>73,351</u>
Capital Outlay					
Buildings		620,375	620,375	555,527	64,848
Instructional Equipment		-	-	-	-
Non-Instructional Equipment	-	9,419	9,419	9,419	-
Total Capital Outlay	<u>-</u>	<u>629,794</u>	<u>629,794</u>	<u>564,946</u>	<u>64,848</u>
Total Expenditures	<u>591,845</u>	<u>1,489,456</u>	<u>2,081,301</u>	<u>1,826,307</u>	<u>254,994</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	32,087	32,087
Fund Balances, Beginning of Year	-	-	-	239,629	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 271,716</u>	<u>\$ 32,087</u>
Recapitulation of Fund Balances					
Restricted Fund Balance					
Student Activities				\$ 258,485	
Scholarships				13,231	
				<u>\$ 271,716</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, 2023**

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

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 30,776,110	\$ 1,858,394
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2022		1,920
Encumbrances, June 30, 2023		(507,457)
State and Extraordinary aid payments recognized for GAAP purpose not recognized for budgetary statements (2021/2022 State aid)	43,994	
State aid and Extraordinary aid payments recognized for budgetary purpose not recognized for GAAP statements (2022/2023 State aid)	<u>(596,381)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 30,223,723</u>	<u>\$ 1,352,857</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 29,643,452	\$ 1,826,307
Differences-Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the orders is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2022		1,920
Encumbrances, June 30, 2023	<u>-</u>	<u>(507,457)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 29,643,452</u>	<u>\$ 1,320,770</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 Ten Fiscal Years*

	<u>2023</u>	<u>2022</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>
District's Proportion of the Net Position Liability (Asset)	0.03174%	0.02997%	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>\$ 4,790,378</u>	<u>\$ 3,550,330</u>	<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>\$ 2,417,210</u>	<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>	<u>\$ 1,695,648</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	198%	156%	233%	271%	266%	331%	407%	328%	271%	262%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	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.

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

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2023</u>	<u>2022</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>
Contractually Required Contribution	\$ 400,288	\$ 350,977	\$ 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>400,288</u>	<u>350,977</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 2,630,551</u>	<u>\$ 2,417,210</u>	<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	15.22%	14.52%	15.57%	14.75%	13.71%	12.15%	11.49%	11.57%	11.51%	9.77%

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 Ten Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Position Liability (Asset)	0%	0%	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	\$ 43,053,703	\$ 41,181,055	\$ 58,659,173	\$ 51,562,728	\$ 52,341,484	\$ 54,045,652	\$ 62,258,043	\$ 52,884,457	\$ 43,394,304	\$ 41,140,249
Total	\$ 43,053,703	\$ 41,181,055	\$ 58,659,173	\$ 51,562,728	\$ 52,341,484	\$ 54,045,652	\$ 62,258,043	\$ 52,884,457	\$ 43,394,304	\$ 41,140,249
District's Covered Payroll	\$ 10,060,254	\$ 10,064,769	\$ 9,511,614	\$ 9,420,188	\$ 9,517,146	\$ 8,898,145	\$ 8,402,337	\$ 8,106,217	\$ 8,146,793	\$ 8,201,607
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%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	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.

**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, 2023**

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 Six Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 2,379,986	\$ 2,849,788	\$ 1,595,156	\$ 1,398,380	\$ 1,615,963	\$ 1,957,283
Interest on Total OPEB Liability	1,107,573	1,312,093	1,247,948	1,478,534	1,585,359	1,365,742
Differences between Expected and Actual Experiences	(510)	(9,754,854)	10,315,642	(5,140,259)	(3,784,849)	
Changes of Assumptions	(11,211,475)	49,901	10,444,221	514,979	(4,282,216)	(5,700,110)
Changes of Benefit Terms		(53,836)				
Gross Benefit Payments	(1,097,084)	(1,033,562)	(995,400)	(1,060,244)	(997,821)	(990,155)
Member Contributions	35,195	33,544	30,171	31,429	34,486	36,460
Net Change in Total OPEB Liability	<u>(8,786,315)</u>	<u>(6,596,926)</u>	<u>22,637,738</u>	<u>(2,777,181)</u>	<u>(5,829,078)</u>	<u>(3,330,780)</u>
Total OPEB Liability - Beginning	<u>50,579,790</u>	<u>57,176,716</u>	<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>\$ 41,793,475</u>	<u>\$ 50,579,790</u>	<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>41,793,475</u>	<u>50,579,790</u>	<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>\$ 41,793,475</u>	<u>\$ 50,579,790</u>	<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>\$ 12,477,464</u>	<u>\$ 12,339,784</u>	<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%	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, 2023**

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, 2023

	I.D.E.A.		American Rescue Plan - I.D.E.A.		Total	Total	Total	Grand Total
	Part B Basic	Part B Preschool	Part B Basic	Part B Preschool	Exhibit E-1a	Exhibit E-1b	Exhibit E-1c	
REVENUES								
Intergovernmental								
State					\$ 216,436	\$ 42,238	-	\$ 258,674
Federal	\$ 247,317	\$ 19,003	\$ 412	\$ 3,525	-	200,799	\$ 840,880	1,311,936
Local	-	-	-	-	-	287,784	-	287,784
Total Revenues	247,317	19,003	412	3,525	216,436	530,821	840,880	1,858,394
EXPENDITURES								
Instruction								
Salaries for Instruction					-	2,590	55,136	57,726
Purchased Professional and Technical Services					-	-	8,137	8,137
Tuition	223,532				-	132,704	-	356,236
General Supplies		3,827			4,350	28,183	40,822	77,182
Textbooks					14,060	-	-	14,060
Other Objects					-	-	4,140	4,140
Co-Curricular/Extra-Curricular Activities	-	-	-	-	-	213,896	-	213,896
Total Instruction	223,532	3,827	-	-	18,410	377,373	108,235	731,377
Support Services								
Other Salaries					-	2,921	8,084	11,005
Personal Services - Employee Benefits					-	421	18,129	18,550
Purchased Professional and Technical Services	23,785	15,176	412	3,525	-	49,991	131,625	224,514
Purchased Professional and Educational Services					156,595	-	-	156,595
Cleaning, Repair and Maintenance Services					11,587	42,238	-	53,825
Supplies and Materials					20,425	1,465	19,280	41,170
Scholarship Awards	-	-	-	-	-	24,325	-	24,325
Total Support Services	23,785	15,176	412	3,525	188,607	121,361	177,118	529,984
Capital Outlay								
Buildings					-	-	555,527	555,527
Non-Instructional Equipment	-	-	-	-	9,419	-	-	9,419
Total Capital Outlay	-	-	-	-	9,419	-	555,527	564,946
Total Expenditures	247,317	19,003	412	3,525	216,436	498,734	840,880	1,826,307
Excess(Deficiency) of Revenues								
Over/(Under) Expenditures	-	-	-	-	-	32,087	-	32,087
Fund Balance, Beginning of Year	-	-	-	-	-	239,629	-	239,629
Fund Balance, End of Year	-	-	-	-	-	271,716	-	271,716

MIDLAND PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Title I</u>	<u>Title IIA</u>	<u>Title III Immigrant</u>	<u>Title IV</u>	<u>ACSERS</u>	<u>SDA Emergent & Capital Maint. Needs</u>	<u>Student Activities</u>	<u>Scholarship Accounts</u>	<u>Local Donations</u>	<u>Exhibit E-1b Total</u>
REVENUES										
Intergovernmental										
State						\$ 42,238				\$ 42,238
Federal	\$ 47,238	\$ 13,347	\$ 139	\$ 7,371	\$ 132,704					200,799
Local	-	-	-	-	-	-	\$ 243,997	\$ 26,311	\$ 17,476	287,784
Total Revenues	<u>47,238</u>	<u>13,347</u>	<u>139</u>	<u>7,371</u>	<u>132,704</u>	<u>42,238</u>	<u>243,997</u>	<u>26,311</u>	<u>17,476</u>	<u>530,821</u>
EXPENDITURES										
Instruction										
Salaries for Instruction	1,465			1,125						2,590
Tuition					132,704					132,704
General Supplies	3,817	591	139	6,160					17,476	28,183
Co-Curricular/Extra-Curricular Activities	-	-	-	-	-	-	213,896	-	-	213,896
Total Instruction	<u>5,282</u>	<u>591</u>	<u>139</u>	<u>7,285</u>	<u>132,704</u>	<u>-</u>	<u>213,896</u>	<u>-</u>	<u>17,476</u>	<u>377,373</u>
Support Services										
Other Salaries	2,921									2,921
Personal Services - Employee Benefits	335			86						421
Purchased Professional and Technical Services	38,700	11,291								49,991
Cleaning, Repair and Maintenance Services						42,238				42,238
Supplies and Materials		1,465								1,465
Scholarship Awards	-	-	-	-	-	-	-	24,325	-	24,325
Total Support Services	<u>41,956</u>	<u>12,756</u>	<u>-</u>	<u>86</u>	<u>-</u>	<u>42,238</u>	<u>-</u>	<u>24,325</u>	<u>-</u>	<u>121,361</u>
Total Expenditures	<u>47,238</u>	<u>13,347</u>	<u>139</u>	<u>7,371</u>	<u>132,704</u>	<u>42,238</u>	<u>213,896</u>	<u>24,325</u>	<u>17,476</u>	<u>498,734</u>
Excess(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	30,101	1,986	-	32,087
Fund Balance, Beginning of Year	-	-	-	-	-	-	228,384	11,245	-	239,629
Fund Balance, End of Year	-	-	-	-	-	-	258,485	13,231	-	271,716

**MIDLAND PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	American Rescue Plan - ESSER III								Exhibit E-1c <u>Total</u>
	ESSER II			ESSER III	Accelerated	Evidence-Based	Evidence-Based	NJTSS	
	<u>CRRSA Act</u>	<u>Learning Acceleration</u>	<u>Mental Health</u>		Learning Coach and Educator Support	Summer Learning and Enrichment	Comprehensive Beyond the School Day		
REVENUES									
Intergovernmental									
Federal	\$ 219,280	\$ 3,729	\$ 4,500	\$ 563,853	\$ 4,550	\$ 21,088	\$ 10,880	\$ 13,000	840,880
Total Revenues	<u>219,280</u>	<u>3,729</u>	<u>4,500</u>	<u>563,853</u>	<u>4,550</u>	<u>21,088</u>	<u>10,880</u>	<u>13,000</u>	<u>840,880</u>
EXPENDITURES									
Instruction									
Salaries for Instruction				23,168		21,088	10,880		55,136
Purchased Professional and Technical Services		3,337		4,800					8,137
General Supplies		392		40,430					40,822
Other Objects	-	-	-	4,140	-	-	-	-	4,140
Total Instruction	<u>-</u>	<u>3,729</u>	<u>-</u>	<u>72,538</u>	<u>-</u>	<u>21,088</u>	<u>10,880</u>	<u>-</u>	<u>108,235</u>
Support Services									
Other Salaries				8,084					8,084
Personal Services - Employee Benefits				13,579	4,550				18,129
Purchased Professional and Technical Services	20,000		4,500	94,125				13,000	131,625
Supplies and Materials	19,280	-	-	-	-	-	-	-	19,280
Total Support Services	<u>39,280</u>	<u>-</u>	<u>4,500</u>	<u>115,788</u>	<u>4,550</u>	<u>-</u>	<u>-</u>	<u>13,000</u>	<u>177,118</u>
Capital Outlay									
Buildings	180,000	-	-	375,527	-	-	-	-	555,527
Total Capital Outlay	<u>180,000</u>	<u>-</u>	<u>-</u>	<u>375,527</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>555,527</u>
Total Expenditures	<u>219,280</u>	<u>3,729</u>	<u>4,500</u>	<u>563,853</u>	<u>4,550</u>	<u>21,088</u>	<u>10,880</u>	<u>13,000</u>	<u>840,880</u>
Excess(Deficiency) of Revenues									
Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**MIDLAND PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023**

<u>Issue/Project Title</u>	<u>Modified Appropriations</u>	<u>Expenditures to Date Prior Years</u>	<u>Expenditures</u>	<u>Balance, June 30, 2023</u>
Door Replacement Projects	\$ 817,460	\$ 405,662	\$ 16,875	\$ 394,923
Highland School Art Room Renovations	65,096		44,086	21,010
Midland Park High School Art Room #37 Renovations	<u>120,400</u>	<u>-</u>	<u>1,539</u>	<u>118,861</u>
	<u>\$ 1,002,956</u>	<u>\$ 405,662</u>	<u>\$ 62,500</u>	<u>\$ 534,794</u>

Fund Balance, June 30, 2023 - GAAP \$ 534,794

Reconciliation of Fund Balance:

Restricted

Year-End Encumbrances	\$ 476,531
Available for Capital Projects	<u>58,263</u>

Total Fund Balance - Restricted
for Capital Projects \$ 534,794

**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, 2023**

Revenues and Other Financing Sources

Local Sources - Other	\$ 24,000
Transfer from Capital Reserve	<u>310,000</u>

Total Revenues and Other Financing Sources	<u>334,000</u>
--	----------------

Expenditures and Other Financing Uses

Architectural/Engineering Services	19,030
Construction Services	42,479
Supplies and Materials	<u>991</u>

Total Expenditures and Other Financing Uses	<u>62,500</u>
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Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	271,500
--	---------

Fund Balance - Beginning of Year	<u>263,294</u>
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Fund Balance - End of Year	<u>\$ 534,794</u>
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Reconciliation to GAAP

Fund Balance, June 30, 2023 - Budgetary Basis	<u>\$ 534,794</u>
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Fund Balance, June 30, 2023 - GAAP Basis	<u>\$ 534,794</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
DOOR REPLACEMENT PROJECTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Period</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfers from/(to) Capital Reserve	\$ 616,460	\$ 210,000	\$ 826,460	\$ 826,460
Transfers from/(to) Other Projects	(9,000)	-	(9,000)	(9,000)
Total Revenues and Other Financing Sources	<u>607,460</u>	<u>210,000</u>	<u>817,460</u>	<u>817,460</u>
Expenditures and Other Financing Uses				
Expenditures				
Architectural/Engineering Services	36,409	16,875	53,284	55,000
Construction Services	369,253	-	369,253	762,460
Supplies and Materials	-	-	-	-
Total Expenditures and Other Financing Uses	<u>405,662</u>	<u>16,875</u>	<u>422,537</u>	<u>817,460</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 201,798</u>	<u>\$ 193,125</u>	<u>\$ 394,923</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	\$ 875,774			
Additional Authorized Cost	(58,314)			
Revised Authorized Cost	\$ 817,460			
Percentage Increase Over Original				
Authorized Cost	-7%			
Percentage Completion	52%			
Revised Target Completion Date	2023/2024			

**MIDLAND PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
HIGHLAND SCHOOL ART ROOM RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Period</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Local Donations		\$ 24,000	\$ 24,000	\$ 24,000
Transfers from Capital Reserve	\$ 61,496	-	61,496	61,496
Transfers from (to) Other Projects	-	(20,400)	(20,400)	(20,400)
	<u>61,496</u>	<u>3,600</u>	<u>65,096</u>	<u>65,096</u>
Total Revenues and Other Financing Sources				
Expenditures and Other Financing Uses				
Expenditures				
Architectural/Engineering Services		2,155	2,155	2,155
Construction Services	-	40,940	40,940	61,941
Supplies and Materials	-	991	991	1,000
	<u>-</u>	<u>44,086</u>	<u>44,086</u>	<u>65,096</u>
Total Expenditures and Other Financing Uses				
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 61,496</u>	<u>\$ (40,486)</u>	<u>\$ 21,010</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	\$ 61,496			
Additional Authorized Cost	3,600			
Revised Authorized Cost	\$ 65,096			
Percentage Increase Over Original				
Authorized Cost	6%			
Percentage Completion	68%			
Original Target Completion Date	2022/2023			
Revised Target Completion Date	2023/2024			

**MIDLAND PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
MIDLAND PARK HIGH SCHOOL ART ROOM #37 RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	-	\$ 100,000	\$ 100,000	\$ 100,000
Transfers from (to) Other Projects	-	20,400	20,400	20,400
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	-	120,400	120,400	120,400
Expenditures and Other Financing Uses				
Expenditures				
Architectural/Engineering Services			-	2,000
Construction Services	-	1,539	1,539	118,400
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	-	1,539	1,539	120,400
 Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses				
	<u>\$ -</u>	<u>\$ 118,861</u>	<u>\$ 118,861</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	\$	120,400		
Additional Authorized Cost				
Revised Authorized Cost	\$	120,400		
 Percentage Increase Over Original Authorized Cost				
	0%			
Percentage Completion				
	1%			
Revised Target Completion Date				
	2023/2024			

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, 2023

<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, 2022</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>				
2012 Refunding Bonds	3/28/2012	\$ 3,695,000	8/15/2023	\$ 395,000	3.000 %	\$ 790,000	\$ 395,000	\$ 395,000
2015 School Bonds	2/5/2015	8,500,000	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>6,325,000</u>	<u>360,000</u>	<u>5,965,000</u>
						<u>\$ 7,115,000</u>	<u>\$ 755,000</u>	<u>\$ 6,360,000</u>
							<u>\$ 755,000</u>	

Paid by Budget Appropriation \$ 755,000

**MIDLAND PARK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2022</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
Chromebooks	3.942%	\$ 209,412	\$ 53,325	\$ 53,325	
Technology Supplies and Software Upgrades	0.000%	49,598	<u>16,532</u>	<u>16,532</u>	<u>-</u>
			<u>\$ 69,857</u>	<u>\$ 69,857</u>	<u>\$ -</u>
			Paid by Budget Appropriation	<u>\$ 69,857</u>	

**MIDLAND PARK BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	\$ 940,300	-	\$ 940,300	\$ 940,300	-
Total Revenues	<u>940,300</u>	<u>-</u>	<u>940,300</u>	<u>940,300</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Principal on Bonds	755,000		755,000	755,000	
Interest on Bonds	<u>185,300</u>	<u>-</u>	<u>185,300</u>	<u>185,300</u>	<u>-</u>
Total Expenditures	<u>940,300</u>	<u>-</u>	<u>940,300</u>	<u>940,300</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 annual comprehensive 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 district's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the district'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 district'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 district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14 and J-15

Operating Information

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

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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,									
	2014 (Restated)	2015	2016	2017 (Restated)	2018	2019 (Restated)	2020 (Restated)	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 5,850,681	\$ 5,436,490	\$ 6,957,794	\$ 12,872,361	\$ 12,975,747	\$ 12,310,956	\$ 12,487,485	\$ 12,780,928	\$ 12,476,120	\$ 12,518,806
Restricted	1,125,760	1,518,161	943,530	950,806	1,130,708	1,375,697	2,061,015	2,864,280	4,091,749	5,262,817
Unrestricted	<u>(2,983,237)</u>	<u>(2,925,558)</u>	<u>(2,736,476)</u>	<u>(4,216,835)</u>	<u>(5,247,417)</u>	<u>(5,553,340)</u>	<u>(6,038,684)</u>	<u>(6,195,994)</u>	<u>(4,446,951)</u>	<u>(4,372,436)</u>
Total governmental activities net position	<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>	<u>\$ 12,120,918</u>	<u>\$ 13,409,187</u>
Business-Type Activities										
Investment in Capital Assets	\$ 50,501	\$ 39,561	\$ 42,166	\$ 64,508	\$ 64,408	\$ 73,841	\$ 67,379	\$ 60,256	\$ 53,887	\$ 48,368
Unrestricted	75,320	74,201	69,014	91,244	108,754	99,221	49,506	73,167	101,011	158,722
Total Business-Type Activities Net Position	<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>	<u>\$ 154,898</u>	<u>\$ 207,090</u>
District-Wide										
Net Investment in Capital Assets	\$ 5,901,182	\$ 5,476,051	\$ 6,999,960	\$ 12,936,869	\$ 13,040,155	\$ 12,384,797	\$ 12,554,864	\$ 12,841,184	\$ 12,530,007	\$ 12,567,174
Restricted	1,125,760	1,518,161	943,530	950,806	1,130,708	1,375,697	2,061,015	2,864,280	4,091,749	5,262,817
Unrestricted	<u>(2,907,917)</u>	<u>(2,851,357)</u>	<u>(2,667,462)</u>	<u>(4,125,591)</u>	<u>(5,138,663)</u>	<u>(5,454,119)</u>	<u>(5,989,178)</u>	<u>(6,122,827)</u>	<u>(4,345,940)</u>	<u>(4,213,714)</u>
Total District Net Position	<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>	<u>\$ 12,275,816</u>	<u>\$ 13,616,277</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".

10 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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 7,938,421	\$ 9,804,531	\$ 10,844,538	\$ 12,073,475	\$ 12,408,806	\$ 11,480,682	\$ 10,958,285	\$ 12,578,907	\$ 10,119,644	\$ 10,032,465
Special Education	4,501,769	5,193,170	5,290,136	5,921,928	6,400,761	6,334,943	6,136,491	6,483,701	6,245,391	6,081,073
Other Instruction	671,286	886,952	858,751	802,493	894,828	976,699	733,334	522,084	847,032	803,679
School Sponsored Activities and Athletics	669,528	759,684	839,587	968,669	999,843	969,669	876,174	1,038,226	693,863	957,584
Support Services:										
Student & Instruction Related Services	2,887,818	3,310,290	3,554,681	3,767,826	4,370,983	4,187,409	3,933,264	3,905,058	4,335,763	4,105,761
General and Business Administration/Central Svcs.	1,194,263	1,323,919	1,178,620	1,338,159	1,474,254	1,370,557	1,456,179	-	-	-
General Administrative Services								638,094	817,077	637,128
School Administrative Services	1,167,881	1,386,281	1,535,558	1,762,734	1,858,822	1,757,201	1,703,933	1,904,444	1,859,455	1,858,921
Central Services and Admin. Info. Technology								787,532	757,238	694,806
Plant Operations and Maintenance	1,895,075	1,834,810	1,901,845	2,347,506	2,278,130	2,435,986	2,993,439	3,083,847	2,730,771	3,183,051
Pupil Transportation	545,022	539,909	589,466	509,474	602,110	753,706	639,511	526,841	872,183	912,261
Interest on long-term debt	107,932	194,909	388,045	197,330	260,275	252,176	234,238	221,858	200,950	179,709
Total governmental activities expenses	<u>\$ 21,578,995</u>	<u>\$ 25,234,455</u>	<u>\$ 26,981,227</u>	<u>\$ 29,689,594</u>	<u>\$ 31,548,812</u>	<u>\$ 30,519,028</u>	<u>\$ 29,664,848</u>	<u>\$ 31,690,592</u>	<u>\$ 29,479,367</u>	<u>\$ 29,446,438</u>
Business-type activities:										
Food service	332,467	326,525	372,199	390,965	386,879	425,642	314,026	227,624	542,249	506,675
Total business-type activities expense	<u>\$ 332,467</u>	<u>\$ 326,525</u>	<u>\$ 372,199</u>	<u>\$ 390,965</u>	<u>\$ 386,879</u>	<u>\$ 425,642</u>	<u>\$ 314,026</u>	<u>\$ 227,624</u>	<u>\$ 542,249</u>	<u>\$ 506,675</u>
Total district expenses	<u>\$ 21,911,462</u>	<u>\$ 25,560,980</u>	<u>\$ 27,353,426</u>	<u>\$ 30,080,559</u>	<u>\$ 31,935,691</u>	<u>\$ 30,944,670</u>	<u>\$ 29,978,874</u>	<u>\$ 31,918,216</u>	<u>\$ 30,021,616</u>	<u>\$ 29,953,113</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 25,644	\$ 31,195	\$ 29,875	\$ 46,397	\$ 40,750	\$ 63,242	\$ 39,204	\$ 19,244	\$ 35,925	\$ 1,137,663
Community School	529,773	708,635	672,598	637,458	702,619	841,396	572,353	128,792	1,858,921	804,757
Student Activities								120,091	29,738	243,997
Operating Grants and Contributions	2,654,539	4,834,961	5,875,726	7,546,882	8,775,232	7,158,857	6,470,757	9,476,587	8,092,488	5,400,496
Capital Grants and Contributions	-	278,254	1,160,454	1,480,801	31,771	25,710	270,000			130,439
Total Governmental Activities Program Revenues	<u>\$ 3,209,956</u>	<u>\$ 5,853,045</u>	<u>\$ 7,738,653</u>	<u>\$ 9,711,538</u>	<u>\$ 9,550,372</u>	<u>\$ 8,089,205</u>	<u>\$ 7,352,314</u>	<u>\$ 9,744,714</u>	<u>\$ 8,158,151</u>	<u>\$ 7,717,352</u>
Business-type activities:										
Charges for Services:										
Food Service	247,855	239,912	283,963	301,684	314,309	325,257	223,782	3,418	57,557	330,093
Operating grants and contributions	77,687	74,471	85,579	94,894	89,773	99,459	75,762	240,614	506,087	202,085
Total business type activities program revenues	<u>\$ 325,542</u>	<u>\$ 314,383</u>	<u>\$ 369,542</u>	<u>\$ 396,578</u>	<u>\$ 404,082</u>	<u>\$ 424,716</u>	<u>\$ 299,544</u>	<u>\$ 244,032</u>	<u>\$ 563,644</u>	<u>\$ 532,178</u>
Total district program revenues	<u>\$ 3,535,498</u>	<u>\$ 6,167,428</u>	<u>\$ 8,108,195</u>	<u>\$ 10,108,116</u>	<u>\$ 9,954,454</u>	<u>\$ 8,513,921</u>	<u>\$ 7,651,858</u>	<u>\$ 9,988,746</u>	<u>\$ 8,721,795</u>	<u>\$ 8,249,530</u>
Net (Expense)/Revenue										
Governmental activities	\$ (18,369,039)	\$ (19,381,410)	\$ (19,242,574)	\$ (19,978,056)	\$ (21,998,440)	\$ (22,429,823)	\$ (22,312,534)	\$ (21,945,878)	\$ (21,321,216)	\$ (21,729,086)
Business-type activities	(6,925)	(12,142)	(2,657)	5,613	17,203	(926)	(14,482)	16,408	21,395	25,503
Total district-wide net expense	<u>\$ (18,375,964)</u>	<u>\$ (19,393,552)</u>	<u>\$ (19,245,231)</u>	<u>\$ (19,972,443)</u>	<u>\$ (21,981,237)</u>	<u>\$ (22,430,749)</u>	<u>\$ (22,327,016)</u>	<u>\$ (21,929,470)</u>	<u>\$ (21,299,821)</u>	<u>\$ (21,703,583)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 18,802,959	\$ 18,204,842	\$ 18,705,258	\$ 19,079,363	\$ 19,533,118	\$ 20,021,446	\$ 20,421,875	\$ 20,983,476	\$ 21,516,844	\$ 21,947,181
Property Taxes levied for debt service	423,472	415,162	910,587	911,236	922,370	918,388	935,325	937,475	939,125	940,300
Unrestricted grants and contributions	34,660	34,980	35,320	33,651	33,593	34,612	33,937	34,182	33,967	33,673
Investment earnings	3,511	7,234	4,712	20,329	11,960	28,664	33,139	10,131	1,942	63,849
Miscellaneous income	936,551	755,081	722,452	655,332	750,105	864,436	899,834	920,012	1,501,042	32,352
Transfers							42,698			
Total governmental activities	<u>\$ 20,201,153</u>	<u>\$ 19,417,299</u>	<u>\$ 20,378,329</u>	<u>\$ 20,699,911</u>	<u>\$ 21,251,146</u>	<u>\$ 21,867,546</u>	<u>\$ 22,366,808</u>	<u>\$ 22,885,276</u>	<u>\$ 23,992,920</u>	<u>\$ 23,017,355</u>
Business-type activities:										
Investment Earnings	287	83	75	76	207	826	1,003	130	80	962
Miscellaneous										25,727
Transfers							(42,698)			
Total business-type activities	<u>\$ 287</u>	<u>\$ 83</u>	<u>\$ 75</u>	<u>\$ 76</u>	<u>\$ 207</u>	<u>\$ 826</u>	<u>\$ (41,695)</u>	<u>\$ 130</u>	<u>\$ 80</u>	<u>\$ 26,689</u>
Total district-wide	<u>\$ 20,201,440</u>	<u>\$ 19,417,382</u>	<u>\$ 20,378,404</u>	<u>\$ 20,699,987</u>	<u>\$ 21,251,353</u>	<u>\$ 21,868,372</u>	<u>\$ 22,325,113</u>	<u>\$ 22,885,406</u>	<u>\$ 23,993,000</u>	<u>\$ 23,044,044</u>
Change in Net Position										
Governmental activities	\$ 1,832,114	\$ 35,889	\$ 1,135,755	\$ 721,855	\$ (747,294)	\$ (562,277)	\$ 54,274	\$ 939,398	\$ 2,671,704	\$ 1,288,269
Business-type activities	(6,638)	(12,059)	(2,582)	5,689	17,410	(100)	(56,177)	16,538	21,475	52,192
Total district	<u>\$ 1,825,476</u>	<u>\$ 23,830</u>	<u>\$ 1,133,173</u>	<u>\$ 727,544</u>	<u>\$ (729,884)</u>	<u>\$ (562,377)</u>	<u>\$ (1,903)</u>	<u>\$ 955,936</u>	<u>\$ 2,693,179</u>	<u>\$ 1,340,461</u>

Source: District financial statements

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund							(Restated)			
Restricted	\$ 1,797,257	\$ 1,860,868	\$ 1,561,986	\$ 1,578,807	\$ 1,687,572	\$ 1,631,058	\$ 2,137,166	\$ 3,120,987	\$ 4,138,826	\$ 5,006,307
Committed	267,213		1,099,894	424,924		98,600	226,858			
Assigned	255,094	750,726	239,122	143,643	100,839	46,774	65,239	120,767	374,016	369,823
Unassigned	390,357	371,735	381,585	402,424	402,215	419,026	408,911	410,816	1,028,538	435,521
Total general fund	<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>	<u>\$ 5,541,380</u>	<u>\$ 5,811,651</u>
All Other Governmental Funds										
Restricted	9,088	7,824,556	5,184,166	2,165,687	2,055,872	439,924	498,849	293,293	502,923	806,510
Total all other governmental funds	<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>	<u>\$ 502,923</u>	<u>\$ 806,510</u>

Note 1 - 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 FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property Tax levy	\$ 19,226,431	\$ 18,620,004	\$ 19,615,845	\$ 19,990,599	\$ 20,455,488	\$ 20,939,834	\$ 21,357,200	\$ 21,920,951	\$ 22,455,969	\$ 22,887,481
Tuition Charges		31,195	29,875	46,397	40,750	63,242	39,204	19,244	35,925	48,950
Miscellaneous	1,496,862	1,470,950	1,401,021	1,313,245	1,464,684	1,757,308	1,780,248	1,197,471	1,751,723	2,301,455
State Sources	2,375,839	2,975,866	4,055,059	4,832,728	4,017,416	4,466,999	4,811,535	5,425,305	7,300,986	6,455,122
Federal Sources	311,977	289,671	419,750	405,495	396,212	362,148	414,567	595,643	685,574	847,872
Total revenue	23,411,109	23,387,686	25,521,550	26,588,464	26,374,550	27,589,531	28,402,754	29,158,614	32,230,177	32,540,880
Expenditures										
Instruction										
Regular Instruction	7,742,389	8,086,962	8,694,063	9,209,223	9,512,086	9,691,310	10,174,155	10,796,411	11,040,108	11,240,663
Special Education Instruction	4,464,400	4,644,281	4,596,055	4,911,320	5,329,303	5,732,392	5,824,555	5,895,815	5,998,908	6,361,655
Other Instruction	658,817	831,109	758,385	683,099	766,767	903,717	726,328	457,139	782,601	865,021
School Sponsored Activities and Athletics	657,398	643,844	695,288	765,323	791,643	838,244	809,431	908,365	758,284	998,776
Support Services:										
Student and Instruction Related Services	2,818,165	3,051,762	3,207,911	3,252,306	3,651,007	3,692,918	3,672,724	3,498,719	4,354,148	4,448,096
General Administrative Services	536,758	501,429	510,788	504,226	560,163	570,329	634,368	556,597	632,044	689,953
School Administrative Services	1,143,805	1,192,378	1,283,252	1,401,483	1,457,922	1,513,780	1,575,781	1,644,692	1,706,536	2,041,727
Central Services and Admin. Info. Technology	635,392	616,081	692,515	661,858	672,763	636,052	720,679	679,853	802,441	763,400
Plant Operations and Maintenance	1,870,816	1,757,337	1,782,408	2,148,118	2,002,056	2,230,875	1,973,243	1,963,449	2,091,320	2,311,370
Pupil Transportation	540,979	522,680	558,202	462,610	535,513	710,360	598,102	480,524	761,257	953,154
Capital Outlay	1,923,905	1,446,206	4,074,043	5,346,153	701,269	1,731,525	608,462	642,305	172,446	280,948
Debt Service:										
Principal	447,234	401,725	697,413	702,724	666,204	689,818	765,642	796,512	818,877	824,857
Interest and Other Charges	113,571	103,994	312,359	291,289	274,741	259,327	241,580	229,393	208,679	187,402
Cost of Issuance on Refunding Bonds										
Cost of Issuance Bonds		133,459								
Payment to Refunding Escrow Agent										
Total expenditures	23,553,629	23,933,247	27,862,682	30,339,732	26,921,437	29,200,647	28,325,050	28,549,774	30,127,649	31,967,022
Excess (Deficiency) of revenues over (under) expenditures	(142,520)	(545,561)	(2,341,132)	(3,751,268)	(546,887)	(1,611,116)	77,704	608,840	2,102,528	573,858
Other Financing sources (uses)										
Serial bonds issued		8,500,000								
Cancellation of Uncollectible Receivable									(4,088)	
Premium on Issuance of Bonds		134,437								
Capital Lease issued	114,759									
Lease Purchase Proceeds					77,900		259,010			
Transfers in	211	154,439	2,105	238,947		279,876	44,398	458,763	323,344	310,000
Transfers out	(211)	(154,439)	(2,105)	(238,947)		(279,876)	(1,700)	(458,763)	(323,344)	(310,000)
Total other financing sources (uses)	114,759	8,634,437	-	-	77,900	-	301,708	-	(4,088)	-
Net Change in Fund Balances	\$ (27,761)	\$ 8,088,876	\$ (2,341,132)	\$ (3,751,268)	\$ (468,987)	\$ (1,611,116)	\$ 379,412	\$ 608,840	\$ 2,098,440	\$ 573,858
Debt service as a percentage of noncapital expenditures	2.59%	2.25%	4.24%	3.98%	3.59%	3.46%	3.63%	3.68%	3.43%	3.19%

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)**

Fiscal Year Ended June 30,	Facility Charge	Tuition	Interest on Investments	Continuing Education Program Fees	Refunds	Rentals	Miscellaneous	Total
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
2022	947,868	35,925	8,712	498,654	36,059	14,651	1,128	1,542,997
2023	1,088,713	48,950	63,849	804,757	5,455	10,862	16,035	2,038,621

Source: District financial statements

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

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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
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	1.755
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	1.846
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	1.877
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	1.914
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	1.960
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	1.993
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	2.040
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	2.085
2022	6,530,000	879,848,800	142,744,600	38,262,100	15,436,000	1,082,821,500		1,082,821,500	1,347,630,989	2.110
2023	6,740,100	883,314,500	143,808,100	38,291,000	15,436,000	1,087,589,700		1,087,589,700	1,432,093,851	2.185

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	Total Direct School Tax Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
		Municipality	County	
2014	1.755	0.685	0.251	2.691
2015	1.846	0.701	0.264	2.811
2016	1.877	0.701	0.277	2.855
2017	1.914	0.719	0.294	2.927
2018	1.960	0.740	0.290	2.990
2019	1.993	0.762	0.287	3.042
2020	2.040	0.779	0.299	3.118
2021	2.085	0.806	0.305	3.196
2022	2.110	0.830	0.300	3.240
2023	2.185	0.881	0.315	3.381

Source: County Abstract of Ratables

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

Taxpayer	2023		Taxpayer	2014	
	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	\$ 20,372,400	1.92%
Marlow Park LLC	10,781,600	1.00%	Marlow Park, LLC	11,181,600	1.05%
NW Midland Park Gr c/o Paradigm Tax	9,849,500	0.91%	MW Midpark Grocery, LLC	9,849,500	0.93%
Vander Steere Brothers Constr.	8,529,300	0.79%	Mature Environment	7,169,800	0.68%
Mature Environments, Inc.	7,169,800	0.67%	Oak Trail LLC	4,651,300	0.44%
Godwin Park, LLC	6,400,500	0.59%	Henpal Realty Co	4,780,000	0.45%
Greenwood Industrial Park LLC	5,021,500	0.47%	Vander Sterre Bros.	4,672,700	0.44%
Tenastic, Inc.	4,694,800	0.44%	The Kentshire Land LLC	3,381,900	0.32%
Rigs Development 1, LLC	3,482,000	0.32%	Tenastic, Inc.,	3,090,600	0.29%
Texel Apartments, LP	3,306,900	0.31%	Textel Apartments	3,306,900	0.31%
	<u>\$ 79,924,800</u>	<u>7.42%</u>		<u>\$ 72,456,700</u>	<u>6.83%</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	
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%	
2022	22,455,969	22,455,969	100.00%	
2023	22,887,481	22,887,481	100.00%	

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Population	Per Capita
	General Obligation Bonds	Capital Financing Agreements			
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
2021	7,850,000	153,734	8,003,734	7,177	1,115
2022	7,115,000	69,857	7,184,857	6,966	1,031
2023	6,360,000	-	6,360,000	6,958	914

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			
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
2022	7,115,000		7,115,000	0.66%	1,021
2023	6,360,000		6,360,000	0.58%	914

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, 2022
(Unaudited)**

	<u>Net Debt</u>
Municipal Debt: (1)	
Midland Park Board of Education	\$ 6,360,000
Borough of Midland Park	<u>3,612,210</u>
	<u>9,972,210</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	\$ 10,538,401
Northwest Bergen County Utilities Authority (B)	<u>3,267,316</u>
	<u>13,805,717</u>
Total Direct and Overlapping Debt	<u>\$ 23,777,927</u>

Source:

(1) Borough's 2022 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough of Midland Park by dividing the municipality's 2022 equalized value by the total 2022 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 2022

Equalized valuation basis	
2022	\$ 1,413,789,659
2021	1,340,418,419
2020	1,289,041,857
	<u>\$ 4,043,249,935</u>
Average equalized valuation of taxable property	<u>\$ 1,347,749,978</u>
Debt limit (4% of average equalization value)	53,909,999
Total Net Debt Applicable to Limit	<u>6,360,000</u>
Legal debt margin	<u>\$ 47,549,999</u>

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 47,566,471	\$ 46,201,991	\$ 46,198,007	\$ 47,516,051	\$ 48,687,539	\$ 49,564,433	\$ 50,238,040	\$ 35,059,470	\$ 52,116,102	\$ 53,909,999
Total net debt applicable to limit	<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>	<u>7,115,000</u>	<u>6,360,000</u>
Legal debt margin	<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>\$ 27,209,470</u>	<u>\$ 45,001,102</u>	<u>\$ 47,549,999</u>
Total net debt applicable to the limit as a percentage of debt limit	7.64%	25.56%	24.27%	22.28%	20.41%	18.68%	17.05%	22.39%	13.65%	11.80%

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>
2014	7,245	\$ 73,883	4.90%
2015	7,245	77,323	4.60%
2016	7,262	78,836	3.90%
2017	7,255	81,024	3.90%
2018	7,279	85,191	3.30%
2019	7,249	88,241	2.90%
2020	7,218	91,972	8.90%
2021	7,177	97,343	5.10%
2022	6,966	N/A	3.10%
2023	6,958	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 TEN YEARS AGO
(Unaudited)

	<u>2023</u>		<u>2014</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>2023</u>	<u>2022</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>
Instruction										
Regular Education	78.5	76.3	83.2	80.0	78.1	80.3	81.5	79.1	73.2	74.6
Special Education	57.2	56.8	47.4	50.0	48.5	50.2	44.3	41.9	38.3	35.9
Community School Programs	2.5	2.5	2.5	2.4	2.7	2.5	2.4	2.5	2.5	2.5
Support Services:										
Student and Instruction Related Services	22.6	23.5	24.8	23.7	24.8	25.0	24.8	25.3	25.2	24.8
General Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administration	10.5	10.5	10.5	10.2	10.0	10.3	10.0	9.5	9.5	9.5
Central Services	4.5	4.5	4.5	4.0	4.5	4.5	4.5	4.5	4.5	4.5
Plant Operations and Maintenance	25.6	21.1	20.5	18.5	18.5	18.5	17.0	18.0	17.1	16.5
Pupil Transportation	6.0	3.5	3.5	4.5	4.5	4.5	4.5	5.5	6.5	5.0
Food Service										
Total	<u>209.4</u>	<u>200.7</u>	<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>

Source: District Personnel Records

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

Teacher/Pupil Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Teacher/Pupil Ratio			Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2014	1,010	\$ 21,068,919	\$ 20,860	6.46%	119	12:1	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	7:1	9:1	936	907	-1.65%	96.90%
2019	914	26,519,977	29,015	7.89%	119	8:1	6.6:1	7:1	915	876	-2.24%	95.74%
2020	889	26,709,366	30,044	3.55%	105	8:1	9.1:1	9:1	885	863	-3.25%	97.49%
2021	858	26,881,564	31,330	4.28%	114	7:1	11:1	7:1	841	823	-5.00%	97.86%
2022	873	28,927,647	33,136	5.76%	103	8:1	12:1	7:1	901	823	7.13%	91.34%
2023	876	30,673,815	35,016	5.67%	103	8:1	12:1	7:1	858	821	-4.77%	95.69%

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<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	510	512	532	494	494	518	520	495	518	533
<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	490	479	485	448	439	396	367	363	355	333
<u>Number of Schools at June 30, 2023</u>										
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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
SCHOOL FACILITIES										
Elementary- Godwin/Highland	\$ 182,258	\$ 165,580	\$ 109,525	\$ 117,952	\$ 278,714	\$ 196,369	\$ 370,368	\$ 429,407	\$ 167,560	\$ 273,930
Midland Park Jr/Sr High School	<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>	<u>259,768</u>	<u>251,754</u>
GRAND TOTAL	<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>	<u>\$ 427,328</u>	<u>\$ 525,684</u>

**MIDLAND PARK BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2023
(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 5,000,000	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 & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, 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, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of 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, 2023 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 December 21, 2023.

Report on 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.

Report on 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.

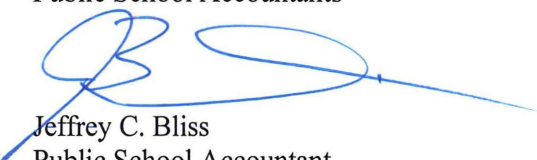
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Midland Park Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 21, 2023.

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 & BLISS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 21, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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JOHN CUIFFO, CPA, PSA

**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

Opinion on Each Major Federal and State Program

We have audited the Midland Park Board of Education's compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

In our opinion, the Midland Park Board of Education complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Midland Park Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Midland Park Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Midland Park Board of Education's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Midland Park Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Midland Park Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Midland Park Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Midland Park Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Midland Park Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

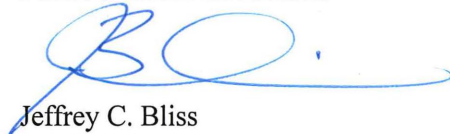
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

Report on Schedule of Expenditures of Federal Awards Required by 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, 2023, 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 December 21, 2023, 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 & Bliss, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 21, 2023

MIDLAND PARK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	July 1, 2022		Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	Funds Released		June 30, 2023		MEMO: GAAP Receivable	
					Accounts Receivable	Unearned Revenue					Accounts Receivable Adjustments	Unearned Revenue Adjustments	Accounts Receivable	Unearned Revenue		
U.S. Dept. of Agriculture Passed-through State Department of Education																
Food Service Fund																
National School Lunch Program	10.555															
Non-Cash Assistance (Food Distribution)		231NJ304N1099	7/1/22-6/30/23	\$ 40,571					\$ 40,571	\$ 38,660				\$ 1,911		
Non-Cash Assistance (Food Distribution)		221NJ304N1099	7/1/21-6/30/22	38,957		\$ 347				347						
Cash Assistance		231NJ304N1099	7/1/22-6/30/23	110,702					103,527	110,702			\$ (7,175)		\$ (7,175)	
Cash Assistance		221NJ304N1099	7/1/21-6/30/22	176,906	\$ (27,617)				27,617							
Supply Chain Assistance Program		231NJ304N1099	7/1/22-6/30/23	41,104					41,104	41,104						
School Breakfast Program	10.553	231NJ304N1099	7/1/22-6/30/23	5,306					4,908	5,306			(398)		(398)	
School Breakfast Program		221NJ304N1099	7/1/21-6/30/22	7,266	(1,076)				1,076							
Total Child Nutrition Cluster/Food Service Fund					(28,693)	347	-	-	218,803	196,119	-	-	(7,573)	1,911	(7,573)	
U.S. Department of Education Passed-through State Dept. of Education Special Revenue Fund																
IDEA Part B, Basic	84.027A	H027A220100	7/1/22-9/30/23	268,643			\$ (12,888)	\$ 12,888	250,529	247,317			(31,002)	34,214	-	
IDEA Part B, Basic	84.027A	H027A210100	7/1/21-9/30/22	261,631	(21,497)	12,888	12,888	(12,888)	8,609						-	
ARP IDEA - Basic	84.027X	H027X210100	7/1/21-9/30/22	45,482	(3,147)	412			3,147	412					-	
IDEA Preschool	84.173A	H173A220114	7/1/22-9/30/23	22,564			(7,845)	7,845	10,831	19,003			(19,578)	11,406	(8,172)	
IDEA Preschool	84.173A	H173A210114	7/1/21-9/30/22	21,899	(7,924)	7,845	7,845	(7,845)	79						-	
ARP IDEA - Preschool	84.173X	H173X210114	7/1/21-9/30/22	3,883	(3,883)	3,883			2,812	3,525			(1,071)	358	(713)	
Total Special Education Cluster (IDEA)					(36,451)	25,028	-	-	276,007	270,257	-	-	(51,651)	45,978	(8,885)	
Title III - Immigrant	84.365	S365A210030	7/1/21-9/30/22		(139)	139			139	139					-	
Title I - Part A	84.010	S010A220030	7/1/22-9/30/23	47,003					19,669	47,003			(27,334)		(27,334)	
Title I - Part A	84.010	S010A210030	7/1/21-9/30/22	51,200	(9,285)	235			9,285	235					-	
Title II - Part A	84.367A	S367A220029	7/1/22-9/30/23	16,211					12,493	12,756	\$ 66	\$ (66)	(3,652)	3,389	(263)	
Title II - Part A	84.367A	S367A210029	7/1/21-9/30/22	13,487	(1,791)	591			1,791	591					-	
Title IV - Part A	84.424	S424A220031	7/1/22-9/30/23	10,000					5,335	6,710			(4,665)	3,290	(1,375)	
Title IV - Part A	84.424	S424A210031	7/1/21-9/30/22	10,000	(988)	661			988	661					-	
Total ESEA Programs					(12,203)	1,626	-	-	49,700	68,095	66	(66)	(35,651)	6,679	(28,972)	
ESSER II - Coronavirus Response and Relief Supplem. Appropriations	84.425D	S425D200027	3/13/20-9/30/23	342,977	(219,280)	219,280			83,380	219,280			(135,900)	-	(135,900)	
ESSER II - Learning Acceleration	84.425D	S425D200027	3/13/20-9/30/23	25,000	(2,834)	3,729			2,834	3,729					-	
ESSER II - Mental Health	84.425D	S425D200027	3/13/20-9/30/23	45,000	(4,500)	4,500			4,500	4,500					-	
American Rescue Plan (ARP) - ESSER III	84.425U	S425U210027	3/13/20-9/30/24	770,819	(748,984)	741,378			175,682	563,853			(573,302)	177,525	(395,777)	
American Rescue Plan (ARP) - Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	70,180	(52,513)	46,513			10,550	4,550			(41,963)	41,963	-	
American Rescue Plan (ARP) - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000			21,454	21,088			(18,546)	18,912	-	
American Rescue Plan (ARP) - Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(32,299)	32,299			10,880	10,880			(21,419)	21,419	-	
American Rescue Plan (ARP) - NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(34,750)	13,000			25,310	13,000			(9,440)		(9,440)	
Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)					(1,135,160)	1,100,699	-	-	334,590	840,880	-	-	(800,570)	259,819	(541,117)	
Additional or Compensatory Special Education and Related Services	21.027	S425D200027	7/1/22-6/30/23	132,704					90,313	132,704			(42,391)		(42,391)	
Total ACSERS					-	-	-	-	90,313	132,704	-	-	(42,391)	-	(42,391)	
Total Special Revenue Fund					(1,183,814)	1,127,353	-	-	750,610	1,311,936	66	(66)	(930,263)	312,476	(621,365)	
Total Federal Financial Assistance					\$ (1,212,507)	\$ 1,127,700	\$ -	\$ -	\$ 969,413	\$ 1,508,055	\$ 66	\$ (66)	\$ (937,836)	\$ 314,387	\$ (628,938)	

MIDLAND PARK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2023		Memo	
								(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education											
General Fund:											
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	\$ 33,981	\$ (1,682)	\$ 1,682						
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	33,981		31,991	\$ 33,981		\$ (1,990)			\$ 33,981
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	605,223	(34,135)	34,135						-
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	801,091		754,169	801,091		(46,922)			801,091
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	58,146	(2,879)	2,879						-
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	58,146	-	54,740	58,146	-	(3,406)	-		58,146
Total State Aid Public Cluster			1,590,568	(38,696)	879,596	893,218	-	(52,318)	-		893,218
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	107,033	(5,299)	5,299						-
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	107,033		100,764	107,033		(6,269)			107,033
Extraordinary Aid	22-495-034-5120-473	7/1/21-6/30/22	606,293	(606,293)	606,293						-
Extraordinary Aid	23-495-034-5120-473	7/1/22-6/30/23	537,794			537,794		(537,794)			537,794
Lead Testing for Schools Aid	23-495-034-5120-104	7/1/22-6/30/23	4,200		4,200	4,200					4,200
On Behalf Payments											
TPAF Social Security	22-495-034-5094-003	7/1/21-6/30/22	737,405	(36,724)	36,724						-
TPAF Social Security	23-495-034-5094-003	7/1/22-6/30/23	743,212		706,449	743,212		(36,763)		\$ (36,763)	743,212
TPAF Pension and OPEB											
Pension - NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23	48,808		48,808	48,808					48,808
Pension Benefit Contribution	23-495-034-5094-002	7/1/22-6/30/23	3,517,948		3,517,948	3,517,948					3,517,948
Post Retirement Medical Benefit Contribution	23-495-034-5094-001	7/1/22-6/30/23	936,978		936,978	936,978					936,978
Long Term Disability Insurance Premium	23-495-034-5094-004	7/1/22-6/30/23	1,117	-	1,117	1,117	-	-	-	-	1,117
Total General Fund				(687,012)	6,844,176	6,790,308	-	(633,144)	-	(36,763)	6,790,308
Special Revenue Fund:											
Auxiliary Services Ch. 192:											
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22	43,069	7,435			\$ 7,435				-
Compensatory Education	23-100-034-5120-067	7/1/22-6/30/23	42,991		42,991	35,183			\$ 7,808		35,183
English as a Second Language	22-100-034-5120-067	7/1/21-6/30/22	3,654	2,466			2,466				-
English as a Second Language	23-100-034-5120-067	7/1/22-6/30/23	7,617		7,617	3,508			4,109		3,508
Transportation	23-100-034-5120-067	7/1/22-6/30/23	21,423	-	21,423	-	-	-	21,423		-
Total Auxiliary Services (Ch. 192) Cluster				9,901	72,031	38,691	9,901	-	33,340	-	38,691
Handicapped Services Ch. 193:											
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	42,654	23,886			23,886				-
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	47,386		47,386	28,051			19,335		28,051
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	46,500	4,669			4,669				-
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	52,080		52,080	44,547			7,533		44,547
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	16,024	4,460			4,460				-
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	15,694	-	15,694	13,299	-	-	2,395		13,299
Total Handicapped Services (Ch. 193) Cluster				33,015	115,160	85,897	33,015	-	29,263	-	85,897
New Jersey Nonpublic Aid:											
Textbook Aid	22-100-034-5120-064	7/1/21-6/30/22	8,943	30			30				-
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	14,586		14,586	14,060			526		14,060
Nursing Services	23-100-034-5120-070	7/1/22-6/30/23	25,424		25,424	24,003			1,421		24,003
Nonpublic Technology	23-100-034-5120-373	7/1/22-6/30/23	9,282		9,282	7,250			2,032		7,250
Nonpublic Security	23-100-034-5120-084	7/1/22-6/30/23	46,535	-	46,535	46,535	-	-	-		46,535
Total New Jersey Nonpublic Aid				30	95,827	91,848	30	-	3,979	-	91,848

MIDLAND PARK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2023		Memo	
								(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
New Jersey Schools Development Authority Emergent and Capital Maintenance Needs	N/A	7/1/21-6/30/23	\$ 42,238	21,575	\$ 20,663	\$ 42,238	-	\$ -	-	\$ -	\$ 42,238
Total Special Revenue Fund				\$ 64,521	303,681	258,674	\$ 42,946	-	\$ 66,582	-	\$ 258,674
State Department of Agriculture											
Food Service Fund:											
National School Lunch Program											
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	\$ 11,154	(636)	636						
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	5,769		5,407	5,769		(362)		(362)	5,769
State School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	197	-	182	197	-	(15)	-	(15)	197
Total Food Service Fund				(636)	6,225	5,966	-	(377)	-	(377)	5,966
Total State Financial Assistance Subject to Single Audit Determination				\$ (623,127)	\$ 7,154,082	\$ 7,054,948	\$ 42,946	\$ (633,521)	\$ 66,582	\$ (37,140)	\$ 7,054,948
State Financial Assistance Not Subject to Major Program Determination											
General Fund											
On-Behalf TPAF Pension System Contribution - NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23	48,808		(48,808)	(48,808)					(48,808)
On-Behalf TPAF Pension System Contribution - Pension Benefit	23-495-034-5094-002	7/1/22-6/30/23	3,517,948		(3,517,948)	(3,517,948)					(3,517,948)
On-Behalf TPAF Post-Retirement Medical Benefit Contribution	23-495-034-5094-001	7/1/22-6/30/23	936,978		(936,978)	(936,978)					(936,978)
On-Behalf TPAF Long Term Disability Insurance Premium	23-495-034-5094-004	7/1/22-6/30/23	1,117	-	(1,117)	(1,117)	-	-	-	-	(1,117)
Total State Financial Assistance Subject to Major Program Determination				\$ (623,127)	\$ 2,649,231	\$ 2,550,097	\$ 42,946	\$ (633,521)	\$ 66,582	\$ (37,140)	\$ 2,550,097

**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, 2023**

NOTE 1 REPORTING ENTITY

The Midland Park Board of Education (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are 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* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board’s financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 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 \$552,387 for the general fund and a decrease of \$505,537 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 6,237,921	\$ 6,237,921
Special Revenue Fund	\$ 847,872	217,201	1,065,073
Food Service Fund	<u>196,119</u>	<u>5,966</u>	<u>202,085</u>
Total Financial Assistance	<u>\$ 1,043,991</u>	<u>\$ 6,461,088</u>	<u>\$ 7,505,079</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, 2023**

NOTE 5 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 6 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 \$743,212 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, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$3,566,756, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$936,978 and TPAF Long-Term Disability Insurance in the amount of \$1,117 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

NOTE 7 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 8 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, 2023**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on financial statements	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ yes <u> X </u> no
2) Significant deficiencies identified that are not considered to be material weakness(es)?	_____ yes <u> X </u> no
Noncompliance material to the basic financial statements noted?	_____ yes <u> X </u> no

Federal Awards Section

Internal Control over major programs:	
1) Material weakness(es) identified?	_____ yes <u> X </u> no
2) Significant deficiencies identified not considered to be material weakness(es)?	_____ yes <u> X </u> none reported
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 .510(a) of U.S. Uniform Guidance?	_____ yes <u> X </u> no

AL Number(s): _____

84.425D

84.425U

Name of Federal Program or Cluster: _____

Coronavirus Response and Relief Supplemental Act (CRRSA) ESSER II Program Cluster

American Rescue Plan - (ARP) ESSER III Program Cluster

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, 2023**

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over compliance:

(1) Material weaknesses identified? _____ yes X no

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

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

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

Identification of major state programs:

GMIS Number:

23-495-034-5120-473

Name of State Program or Cluster:

Extraordinary Aid

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, 2023**

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, 2023

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, 2023**

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

STATUS OF PRIOR YEAR FINDINGS

There are none.