

MIDLAND PARK
BOARD OF EDUCATION

**Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2025**

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, 2025**

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

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INTRODUCTORY SECTION



USDOE Blue Ribbon School of Excellence
NJDOE Star School

MIDLAND PARK PUBLIC SCHOOLS

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

Godwin School

Highland School

Midland Park Junior/Senior High School



Home of the Panthers

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

November 11, 2025

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, 2025 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 2024-25 fiscal year with an enrollment of 889 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

Evaluate communication procedures and establish and refine communication platforms and protocols to ensure timely, proactive communication at the district, school, and classroom level.

Goal #2

Evaluate district curriculum to ensure that a cohesive instructional program that promotes high student achievement exists at all grade levels.

Goal #3

Evaluate and refine current practices and develop new programs to support the social emotional needs of our students.

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,

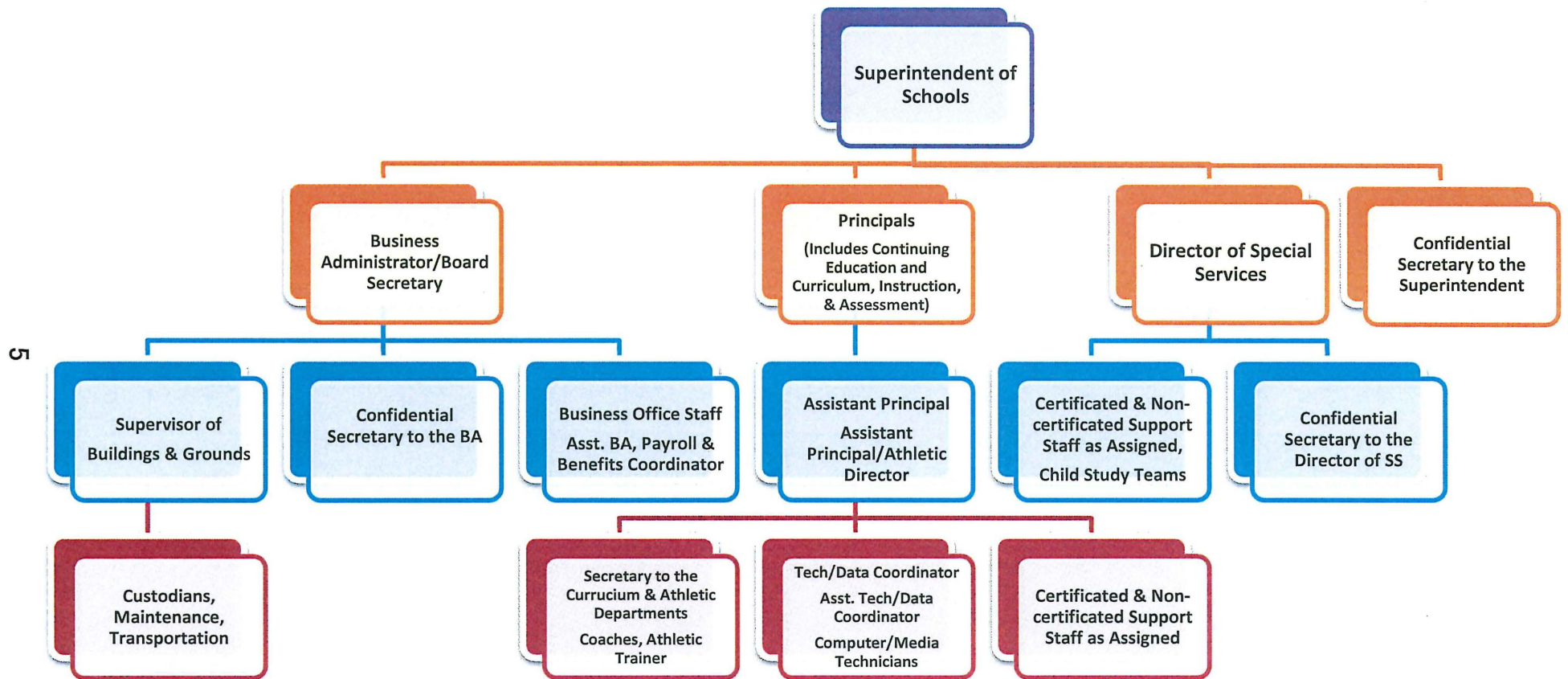


*Kevin Ulmer
Superintendent of Schools*



*Stacy Garvey,
Board Secretary/
Business Administrator*

**MIDLAND PARK PUBLIC SCHOOLS
2024-2025 DISTRICT ORGANIZATIONAL CHART**



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

ROSTER OF OFFICIALS

JUNE 30, 2025

<u>Members of the Board of Education</u>	<u>Term</u>
<i>Sandra Criscenzo</i>	2025
<i>Christine Dell’Aglia</i>	2027
<i>Nabil Eliya</i>	2027
<i>Patricia Fantulin – Board President</i>	2027
<i>Richard Formicola</i>	2025
<i>Daniel McCarthy</i>	2026
<i>Brian McCourt</i>	2025
<i>Dr. MaryAlice Thomas</i>	2026
<i>Peter Triolo</i>	2026

Other Officials

Kevin Ulmer, Superintendent of Schools

Stacy Garvey, 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, LaPira & Cherry, LLC
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 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, 2025 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 accompanying 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, 2025, 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 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.

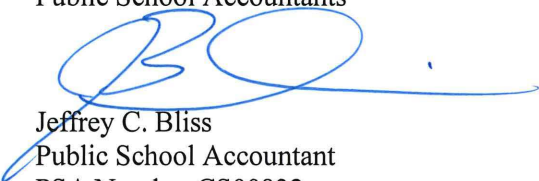
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, 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 November 11, 2025 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
November 11, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2025

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, 2025. 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 2024-2025 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 \$15,572,080. (Net Position)
- The District's total net position increased by \$239,963, or 2%.
- Overall District revenues were \$32,561,431. General revenues accounted for \$24,530,940, or 75%, of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8,030,491, or 25% of total revenues.
- The school district had \$31,777,413 in expenses for governmental activities; only \$7,501,881 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$24,527,781 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 \$7,326,797. Of this amount, \$5,119,399 is restricted for capital projects, \$614,189 is restricted for the Community School Program, \$550,000 is restricted for excess surplus, \$384,167 is restricted for other purposes, \$168,602 is committed or assigned for year-end encumbrances and the remaining amount is the unassigned fund balance of \$490,440.
- The General Fund fund balance at June 30, 2025 was \$6,790,920, an increase of \$250,329 compared to the ending fund balance at June 30, 2024 of \$6,540,591.
- The General Fund unassigned budgetary fund balance at June 30, 2025 was \$1,238,554, which represents an increase of \$323,404 when compared to the ending unassigned budgetary fund balance at June 30, 2024 of \$915,150.

MIDLAND PARK BOARD OF EDUCATION

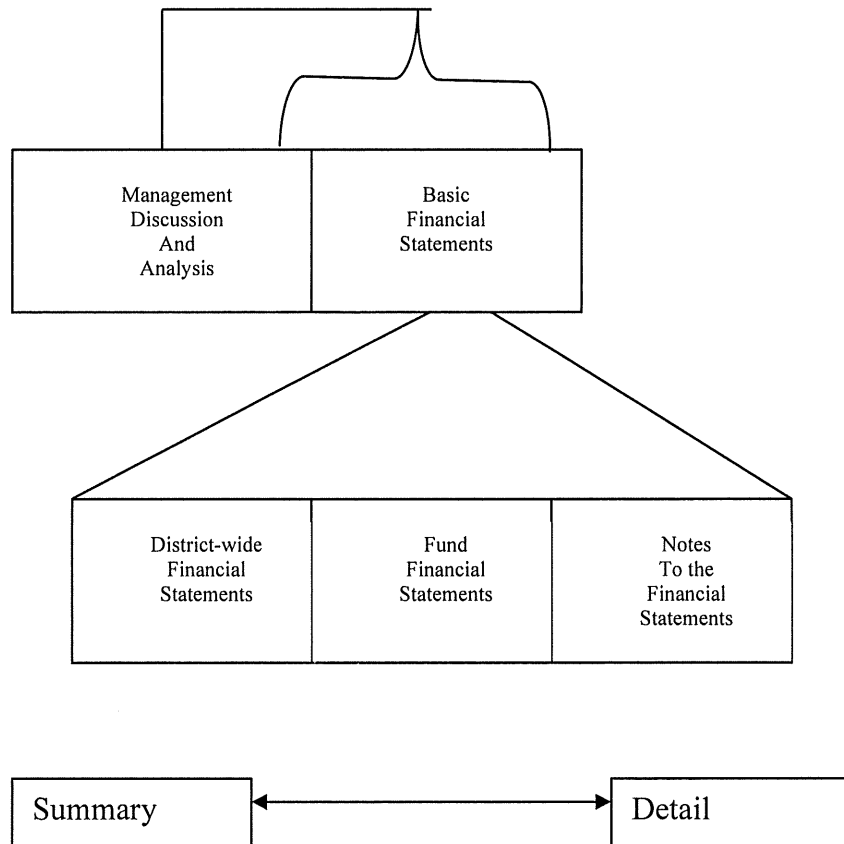
Management's Discussion and Analysis Fiscal Year Ended June 30, 2025

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, 2025

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 there after; 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, 2025

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, 2025

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 required supplementary schedules if required.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$15,572,080 and \$15,332,117 on June 30, 2025 and 2024, respectively as follows:

Statement of Net Position As of June 30, 2025 and 2024						
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and Other Assets	\$ 8,219,847	\$ 7,854,828	\$ 162,798	\$ 177,508	\$ 8,382,645	\$ 8,032,336
Capital Assets - Net	18,490,045	19,217,134	60,072	60,349	18,550,117	19,277,483
Total Assets	<u>26,709,892</u>	<u>27,071,962</u>	<u>222,870</u>	<u>237,857</u>	<u>26,932,762</u>	<u>27,309,819</u>
Deferred Outflows of Resources	<u>620,850</u>	<u>537,555</u>	<u>-</u>	<u>-</u>	<u>620,850</u>	<u>537,555</u>
Total Assets and Deferred Outflows of Resources	<u>27,330,742</u>	<u>27,609,517</u>	<u>222,870</u>	<u>237,857</u>	<u>27,553,612</u>	<u>27,847,374</u>
Liabilities						
Long-Term Liabilities	10,582,008	10,975,472			10,582,008	10,975,472
Other Liabilities	948,859	874,551	31,367	34,309	980,226	908,860
Total Liabilities	<u>11,530,867</u>	<u>11,850,023</u>	<u>31,367</u>	<u>34,309</u>	<u>11,562,234</u>	<u>11,884,332</u>
Deferred Inflows of Resources	<u>418,137</u>	<u>630,005</u>	<u>1,161</u>	<u>920</u>	<u>419,298</u>	<u>630,925</u>
Total Liabilities and Deferred Inflows of Resources	<u>11,949,004</u>	<u>12,480,028</u>	<u>32,528</u>	<u>35,229</u>	<u>11,981,532</u>	<u>12,515,257</u>
Net Position:						
Net Investment in Capital Assets	13,280,045	13,622,134	60,072	60,349	13,340,117	13,682,483
Restricted	6,117,755	5,653,857			6,117,755	5,653,857
Unrestricted	(4,016,062)	(4,146,502)	130,270	142,279	(3,885,792)	(4,004,223)
Total Net Position	<u>\$ 15,381,738</u>	<u>\$ 15,129,489</u>	<u>\$ 190,342</u>	<u>\$ 202,628</u>	<u>\$ 15,572,080</u>	<u>\$ 15,332,117</u>

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2025

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

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.

The District's total net position of \$15,572,080 at June 30, 2025 represents a \$239,963, or 2%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2025 and 2024.

Changes in Net Position For the Fiscal Years Ended June 30, 2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for Services	\$ 2,694,406	\$ 2,638,333	\$ 372,715	\$ 363,396	\$ 3,067,121	\$ 3,001,729
Operating Grants and Contributions	4,771,178	5,877,722	155,895	180,253	4,927,073	6,057,975
Capital Grants and Contributions	36,297	458,507			36,297	458,507
General Revenues						
Property Taxes	24,257,340	23,765,376			24,257,340	23,765,376
Unrestricted State Aid	34,541	33,450			34,541	33,450
Other	235,900	179,089	3,159	-	239,059	179,089
Total Revenues	32,029,662	32,952,477	531,769	543,649	32,561,431	33,496,126
Expenses						
Instruction						
Regular	10,434,234	10,347,490			10,434,234	10,347,490
Special Education	6,493,662	6,222,052			6,493,662	6,222,052
Other Instruction	647,093	772,092			647,093	772,092
School Sponsored Activities and Athletics	1,085,330	1,047,453			1,085,330	1,047,453
Support Services						
Student and Instruction Related Services	4,283,707	4,361,621			4,283,707	4,361,621
General Administrative Services	614,484	609,972			614,484	609,972
School Administrative Services	1,990,468	1,930,485			1,990,468	1,930,485
Central Services and Admin. Info. Tech.	809,220	780,318			809,220	780,318
Plant Operations and Maintenance	3,562,970	3,315,391			3,562,970	3,315,391
Pupil Transportation	1,706,458	1,501,219			1,706,458	1,501,219
Interest on Long-Term Debt	149,787	158,931			149,787	158,931
Food Services	-	-	544,055	548,111	544,055	548,111
Total Expenses	31,777,413	31,047,024	544,055	548,111	32,321,468	31,595,135
Increase (Decrease) in Net Position	252,249	1,905,453	(12,286)	(4,462)	239,963	1,900,991
Net Position, Beginning of Year	15,129,489	13,409,187	202,628	207,090	15,332,117	13,616,277
Prior Period Adjustment	-	(185,151)	-	-	-	(185,151)
Net Position, End of Year	<u>\$ 15,381,738</u>	<u>\$ 15,129,489</u>	<u>\$ 190,342</u>	<u>\$ 202,628</u>	<u>\$ 15,572,080</u>	<u>\$ 15,332,117</u>

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2025

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$32,029,662 for the fiscal year ended June 30, 2025, property taxes of \$24,257,340 represented 76% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$4,842,016, or 15% of revenues and charges for services which totaled \$2,694,406, or 8% of revenues.

The total cost of all governmental activities programs and services was \$31,777,413 for the fiscal year ended June 30, 2025. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$18,660,319 (59%) of total expenses and support services costs were \$12,967,307 (41%) of total expenses for the fiscal year ended June 30, 2025.

For fiscal year 2025, total governmental activities revenues exceeded expenses increasing net position for governmental activities by \$252,249 from the previous year.

Total and Net Cost of Governmental Activities. The District's total cost of services was \$31,777,413. After applying program revenues, derived from operating and capital grants and contributions of \$4,807,475 and charges for services of \$2,694,406 the net cost of services of the District is \$24,275,532 for the fiscal year ended June 30, 2025.

Total Cost and Net Cost of Services of Governmental Activities For the Fiscal Years Ended June 30, 2025 and 2024

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost (Revenue) of Services</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Governmental Activities				
Instruction				
Regular	\$ 10,434,234	\$ 10,347,490	\$ 8,212,573	\$ 7,426,182
Special Education	6,493,662	6,222,052	4,164,342	3,894,190
Other Instruction	647,093	772,092	(260,194)	(193,739)
School Sponsored Activities and Athletics	1,085,330	1,047,453	853,453	794,679
Support Services				
Student and Instruction Related Services	4,283,707	4,361,621	3,602,300	3,362,708
General Administrative Services	614,484	609,972	571,623	546,251
School Administrative Services	1,990,468	1,930,485	1,819,902	1,684,995
Central Services and Admin. Info. Tech.	809,220	780,318	756,774	710,965
Plant Operations and Maintenance	3,562,970	3,315,391	3,360,130	2,727,841
Pupil Transportation	1,706,458	1,501,219	1,044,842	959,459
Interest on Long-Term Debt	149,787	158,931	149,787	158,931
Total Governmental Activities	<u>\$ 31,777,413</u>	<u>\$ 31,047,024</u>	<u>\$ 24,275,532</u>	<u>\$ 22,072,462</u>

Business-Type Activities – The District's total business-type activities revenues were \$531,769 for the fiscal year ended June 30, 2025. Operating grants and contributions accounted for 29% of total revenues and 70% of revenues were from charges for services and sales.

Total cost of all business-type activities programs and services was \$544,055 for the fiscal year ended June 30, 2025. Food service expenses represented 100% of the total expenses.

For fiscal year 2025, total business-type activities expenses exceeded revenues decreasing net position by \$12,286, or 6%, from the previous year.

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2025

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 \$7,326,797 at June 30, 2025, an increase of \$287,823 from last year's fund balance of \$7,038,974. 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 \$35,130,137 while total expenditures were \$34,842,314 for the fiscal year ended June 30, 2025.

GENERAL FUND

The General Fund includes the primary operations of the District in providing educational services to students from grades Pre-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

	Fiscal Year Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
Local Sources				
Property Taxes	\$ 23,719,665	\$ 22,834,226	\$ 885,439	4%
Tuition	45,650	42,775	2,875	7%
Restricted Miscellaneous Revenue	2,360,024	2,356,127	3,897	0%
Other	310,736	179,089	131,647	74%
State Sources	<u>7,288,039</u>	<u>7,136,708</u>	<u>151,331</u>	2%
Total Revenues	<u>\$ 33,724,114</u>	<u>\$ 32,548,925</u>	<u>\$ 1,175,189</u>	4%

For fiscal year 2025, total General Fund revenues increased \$1,175,189, or 4% from the previous year.

The following schedule presents a summary of General Fund expenditures.

General Fund Expenditures

	Fiscal Year Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
Instruction	\$ 20,432,381	\$ 19,360,842	\$ 1,071,539	6%
Support Services	12,653,120	11,888,622	764,498	6%
Capital Outlay	<u>157,655</u>	<u>105,166</u>	<u>52,489</u>	50%
Total Expenditures	<u>\$ 33,243,156</u>	<u>\$ 31,354,630</u>	<u>\$ 1,888,526</u>	6%

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2025

GENERAL FUND (Continued)

For fiscal year 2025, total General Fund expenditures increased \$1,888,526, or 6% from the previous year.

In fiscal year 2025, General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$250,329. Therefore, the total fund balance at June 30, 2024 of \$6,540,591 increased to a fund balance of \$6,790,920 at June 30, 2025.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2025, the District had \$18,490,045 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$60,072 for business type activity. For fiscal year 2024-2025 depreciation expense for governmental activities was \$1,077,475 and for business-type activities was \$9,037. The following is a comparison of the June 30, 2025 and 2024 balances:

Capital Assets as of June 30, 2025 and 2024 (Net of Accumulated Depreciation)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land	\$ 28,714	\$ 28,714			\$ 28,714	\$ 28,714
Construction in Progress	460,943	838,053			460,943	838,053
Buildings and Building Improvements	16,018,635	16,311,517			16,018,635	16,311,517
Site Improvements	1,027,697	1,167,403			1,027,697	1,167,403
Machinery and Equipment	954,056	871,447	\$ 60,072	\$ 60,349	1,014,128	931,796
Total Capital Assets, Net	\$ 18,490,045	\$ 19,217,134	\$ 60,072	\$ 60,349	\$ 18,550,117	\$ 19,277,483

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

LONG TERM LIABILITIES

At June 30, 2025 the District had \$10,582,008 of total outstanding long-term liabilities. For fiscal year 2024/2025 total outstanding long-term liabilities decreased by \$208,313. The following is a comparison of the June 30, 2025 and 2024 balances:

Long-Term Debt Outstanding Long-Term Liabilities As of June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Bonds Payable	\$ 5,210,000	\$ 5,595,000
Compensated Absences Payable	592,647	350,020
Net Pension Liability	4,779,361	4,845,301
Total	\$ 10,582,008	\$ 10,790,321

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, 2025

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to New Jersey Law, and is based on accounting for certain transactions on the budgetary basis of accounting for revenues, expenditures and encumbrances. The most significant budget fund is the General Fund.

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 and restricted fund balances.

For fiscal year 2025 General Fund budgetary revenues and other financing sources exceeded budgetary expenditures and other financing uses increasing budgetary fund balance \$325,389. After deducting fund balances restricted, committed and assigned, the unassigned budgetary fund balance increased \$323,404 from an unassigned fund balance of \$915,150 at June 30, 2024 to \$1,238,554 at June 30, 2025. In addition at June 30, 2025 the District had balances in its capital reserve of \$4,897,171, community school programs reserve of \$614,189, unemployment compensation reserve of \$70,518, 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 2025/2026 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 2025/2026. Budgeted expenditures in the General Fund increased approximately 16% to \$31,916,693 for fiscal year 2025/2026. Increases in budgeted capital outlay projects funded by capital reserve was the main reason for the increase in the 2025/2026 budget.

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.

DISTRICT-WIDE FINANCIAL STATEMENTS

**MIDLAND PARK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 7,965,097	\$ 123,760	\$ 8,088,857
Receivables, net			
Receivables from Other Governments	95,270	8,826	104,096
Other	72,646	10,477	83,123
Internal Balances	(12,967)	12,967	-
Inventories		6,768	6,768
Prepaid Items	99,801		99,801
Capital Assets, Not Being Depreciated	489,657		489,657
Capital Assets, Being Depreciated, Net	<u>18,000,388</u>	<u>60,072</u>	<u>18,060,460</u>
Total Assets	<u>26,709,892</u>	<u>222,870</u>	<u>26,932,762</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>620,850</u>	<u>-</u>	<u>620,850</u>
Total Deferred Outflows of Resources	<u>620,850</u>	<u>-</u>	<u>620,850</u>
Total Assets and Deferred Outflows of Resources	<u>27,330,742</u>	<u>222,870</u>	<u>27,553,612</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	466,545	20,591	487,136
Accrued Interest Payable	55,809		55,809
Payable to Other Governments	51,384		51,384
Unearned Revenue	375,121	10,776	385,897
Long-Term Liabilities			
Due Within One Year	430,000		430,000
Due Beyond One Year	<u>10,152,008</u>	<u>-</u>	<u>10,152,008</u>
Total Liabilities	<u>11,530,867</u>	<u>31,367</u>	<u>11,562,234</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue		1,161	1,161
Deferred Amounts on Net Pension Liability	<u>418,137</u>	<u>-</u>	<u>418,137</u>
Total Deferred Inflows of Resources	<u>418,137</u>	<u>1,161</u>	<u>419,298</u>
Total Liabilities and Deferred Inflows of Resources	<u>11,949,004</u>	<u>32,528</u>	<u>11,981,532</u>
NET POSITION			
Net Investment in Capital Assets	13,280,045	60,072	13,340,117
Restricted for:			
Capital Projects	5,119,399		5,119,399
Community School Program	614,189		614,189
Student Activities	299,345		299,345
Unemployment Compensation	70,518		70,518
Scholarships	14,304		14,304
Unrestricted	<u>(4,016,062)</u>	<u>130,270</u>	<u>(3,885,792)</u>
Total Net Position	<u>\$ 15,381,738</u>	<u>\$ 190,342</u>	<u>\$ 15,572,080</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, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 10,434,234	\$ 981,856	\$ 1,203,508	\$ 36,297	\$ (8,212,573)		\$ (8,212,573)
Special Education	6,493,662	45,650	2,283,670		(4,164,342)		(4,164,342)
Other Instruction	647,093	839,857	67,430		260,194		260,194
School Sponsored Activities and Athletics	1,085,330	213,896	17,981		(853,453)		(853,453)
Support Services							
Student and Instruction-Related Services	4,283,707		681,407		(3,602,300)		(3,602,300)
General Administrative Services	614,484		42,861		(571,623)		(571,623)
School Administrative Services	1,990,468		170,566		(1,819,902)		(1,819,902)
Central Services and Admin. Info. Technology	809,220		52,446		(756,774)		(756,774)
Plant Operations and Maintenance	3,562,970	74,836	128,004		(3,360,130)		(3,360,130)
Pupil Transportation	1,706,458	538,311	123,305		(1,044,842)		(1,044,842)
Interest on Long-Term Debt	149,787	-	-	-	(149,787)	-	(149,787)
Total Governmental Activities	31,777,413	2,694,406	4,771,178	36,297	(24,275,532)	-	(24,275,532)
Business-Type Activities							
Food Service	544,055	372,715	155,895	-	-	\$ (15,445)	(15,445)
Total Business-Type Activities	544,055	372,715	155,895	-	-	(15,445)	(15,445)
Total Primary Government	\$ 32,321,468	\$ 3,067,121	\$ 4,927,073	\$ 36,297	\$ (24,275,532)	\$ (15,445)	\$ (24,290,977)
General Revenues:							
Property Taxes, Levied for General Purposes					\$ 23,719,665		\$ 23,719,665
Property Taxes, Levied for Debt Service					537,675		537,675
Unrestricted State Aid					34,541		34,541
Investment Earnings					207,585	\$ 3,159	210,744
Miscellaneous Income					28,315	-	28,315
Total General Revenues					24,527,781	3,159	24,530,940
Change in Net Position					252,249	(12,286)	239,963
Net Position, Beginning of Year (Restated)					15,129,489	202,628	15,332,117
Net Position, End of Year					\$ 15,381,738	\$ 190,342	\$ 15,572,080

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, 2025**

	<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	\$ 7,355,288	\$ 380,080	\$ 229,729		\$ 7,965,097
Receivables from Other Governments	48,922	46,348			95,270
Other Accounts Receivable	71,310	1,336			72,646
Prepaid Items	99,801	-	-	-	99,801
Total Assets	<u>\$ 7,575,321</u>	<u>\$ 427,764</u>	<u>\$ 229,729</u>	<u>\$ -</u>	<u>\$ 8,232,814</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 187,044	\$ 32,087	\$ 7,501		\$ 226,632
Accrued Salaries and Wages	13,622				13,622
Compensated Absences Payable	17,324				17,324
Payroll Deductions and Withholdings	84,963				84,963
Payable to State Government		51,384			51,384
Due to Other Funds	12,967				12,967
Unearned Revenue	344,477	30,644			375,121
Other Liabilities	124,004	-	-	-	124,004
Total Liabilities	<u>784,401</u>	<u>114,115</u>	<u>7,501</u>	<u>-</u>	<u>906,017</u>
Fund Balances					
Restricted Fund Balance					
Capital Reserve	1,842,171				1,842,171
Capital Reserve - Designated for Subsequent Year's Budget	3,055,000				3,055,000
Community School Programs	420,201				420,201
Community School Programs - Designated for Subsequent Year's Budget	193,988				193,988
Unemployment Compensation Reserve	70,518				70,518
Excess Surplus	275,000				275,000
Excess Surplus - Designated for Subsequent Year's Budget	275,000				275,000
Student Activities		299,345			299,345
Scholarships		14,304			14,304
Capital Projects			222,228		222,228
Committed Fund Balance					
Year-End Encumbrances	115,926				115,926
Assigned Fund Balance					
Year-End Encumbrances	52,676				52,676
Unassigned Fund Balance	490,440	-	-	-	490,440
Total Fund Balances	<u>6,790,920</u>	<u>313,649</u>	<u>222,228</u>	<u>-</u>	<u>7,326,797</u>
Total Liabilities and Fund Balances	<u>\$ 7,575,321</u>	<u>\$ 427,764</u>	<u>\$ 229,729</u>	<u>\$ -</u>	<u>\$ 8,232,814</u>

**MIDLAND PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2025**

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

Total Fund Balances - Governmental Funds (Exhibit B-1)	\$	7,326,797
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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 \$39,448,859 and the accumulated depreciation is \$20,958,814.

18,490,045

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

(55,809)

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	\$	620,850	
Deferred Inflows of Resources		<u>(418,137)</u>	
			202,713

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

Bonds Payable	(5,210,000)	
Compensated Absences Payable	(592,647)	
Net Pension Liability	<u>(4,779,361)</u>	
		<u>(10,582,008)</u>

Net Position of Governmental Activities (Exhibit A-1)	\$	<u>15,381,738</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, 2025**

	<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	\$ 23,719,665			\$ 537,675	\$ 24,257,340
Tuition	45,650				45,650
Other Restricted Miscellaneous Revenues	2,360,024				2,360,024
Miscellaneous	<u>310,736</u>	<u>\$ 283,297</u>	<u>-</u>	<u>-</u>	<u>594,033</u>
Total - Local Sources	26,436,075	283,297	-	537,675	27,257,047
State Sources	7,288,039	180,178			7,468,217
Federal Sources	<u>-</u>	<u>404,873</u>	<u>-</u>	<u>-</u>	<u>404,873</u>
Total Revenues	<u>33,724,114</u>	<u>868,348</u>	<u>-</u>	<u>537,675</u>	<u>35,130,137</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	12,105,700	27,649			12,133,349
Special Education Instruction	6,783,617	269,268			7,052,885
Other Instruction	694,689	20,801			715,490
School-Sponsored Activities and Athletics	848,375	249,366			1,097,741
Support Services					
Student and Instruction Related Services	4,531,427	301,668			4,833,095
General Administrative Services	676,891				676,891
School Administrative Services	2,240,096				2,240,096
Central Services & Adm. Info. Technology	882,572				882,572
Plant Operations and Maintenance	2,617,195				2,617,195
Pupil Transportation	1,704,939				1,704,939
Debt Service					
Principal				152,675	152,675
Interest				385,000	385,000
Capital Outlay	<u>157,655</u>	<u>36,297</u>	<u>\$ 156,434</u>	<u>-</u>	<u>350,386</u>
Total Expenditures	<u>33,243,156</u>	<u>905,049</u>	<u>156,434</u>	<u>537,675</u>	<u>34,842,314</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>480,958</u>	<u>(36,701)</u>	<u>(156,434)</u>	<u>-</u>	<u>287,823</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	84,980	28,678	286,931		400,589
Transfer Out	<u>(315,609)</u>	<u>-</u>	<u>(84,980)</u>	<u>-</u>	<u>(400,589)</u>
Total Other Financing Sources and Uses	<u>(230,629)</u>	<u>28,678</u>	<u>201,951</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	250,329	(8,023)	45,517	-	287,823
Fund Balance, Beginning of Year	<u>6,540,591</u>	<u>321,672</u>	<u>176,711</u>	<u>-</u>	<u>7,038,974</u>
Fund Balance, End of Year	<u>\$ 6,790,920</u>	<u>\$ 313,649</u>	<u>\$ 222,228</u>	<u>\$ -</u>	<u>\$ 7,326,797</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, 2025**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 287,823

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	\$ 350,386	
Depreciation Expense	<u>(1,077,475)</u>	(727,089)

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

Increase in Compensated Absences, Net	(57,476)	
Decrease in Pension Expense	<u>361,103</u>	303,627

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. 2,888

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:

Bond Principal Repayment	<u>385,000</u>	
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Change in Net Position of Governmental Activities (Exhibit A-2) \$ 252,249

**MIDLAND PARK BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 123,760
Accounts Receivable	
Intergovernmental Receivables	8,826
Other Accounts Receivable	10,477
Due from Other Funds	12,967
Inventories	<u>6,768</u>
Total Current Assets	<u>162,798</u>
Capital Assets	
Equipment	312,461
Less: Accumulated Depreciation	<u>(252,389)</u>
Total Capital Assets, Net	<u>60,072</u>
Total Assets	<u>222,870</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	17,053
Unearned Revenue	10,776
Other Liabilities	<u>3,538</u>
Total Current Liabilities	<u>31,367</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Commodities Revenue	<u>1,161</u>
Total Deferred Inflows of Resources	<u>1,161</u>
Total Liabilities and Deferred Inflows of Resources	<u>32,528</u>
NET POSITION	
Investment in Capital Assets	60,072
Unrestricted	<u>130,270</u>
Total Net Position	<u><u>\$ 190,342</u></u>

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

**MIDLAND PARK BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales - Reimbursable Programs	\$ 212,408
Daily Sales - Non-Reimbursable Programs	<u>160,307</u>
Total Operating Revenues	<u>372,715</u>
OPERATING EXPENSES	
Cost of Sales - Reimbursable Programs	152,186
Cost of Sales - Non-Reimbursable Programs	75,194
Salaries and Employee Benefits	240,301
Purchased Services - Management Fee	29,857
Other Purchased Services	2,747
Supplies and Materials	33,706
Miscellaneous Expenditures	1,027
Depreciation	<u>9,037</u>
Total Operating Expenses	<u>544,055</u>
Operating Loss	<u>(171,340)</u>
NON-OPERATING REVENUES	
Local Sources	
Interest on Deposits	3,159
State Sources	
School Breakfast Program	36
School Lunch Program	6,198
Administrative Cost Program for Summer EBT	321
Federal Sources	
School Breakfast Program	3,923
National School Lunch Program	100,473
Administrative Cost Program for Summer EBT	322
Local Food for Schools Cooperative Program	7,618
Food Distribution Program	<u>37,004</u>
Total Non-Operating Revenues	<u>159,054</u>
Change in Net Position	(12,286)
Total Net Position, Beginning of Year	<u>202,628</u>
Total Net Position, End of Year	<u><u>\$ 190,342</u></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, 2025**

	Business-Type Activities Enterprise Fund Food Service
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 369,822
Cash Payments for Employees' Salaries and Benefits	(240,301)
Cash Payments to Suppliers for Goods and Services	<u>(262,999)</u>
Net Cash Used by Operating Activities	<u>(133,478)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from (Paid to) Other Funds	(12,967)
Cash Received from State and Federal Subsidy Reimbursements	<u>118,750</u>
Net Cash Provided by Noncapital Financing Activities	<u>105,783</u>
Cash Flows from Capital Financing Activities	
Purchase of Capital Assets	<u>(8,760)</u>
Net Cash Used by Capital Financing Activities	<u>(8,760)</u>
Cash Flows from Investing Activities	
Interest Received	<u>3,159</u>
Net Cash Provided by Investing Activities	<u>3,159</u>
Net Decrease in Cash and Cash Equivalents	(33,296)
Cash and Cash Equivalents, Beginning of Year	<u>157,056</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 123,760</u></u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	\$ <u>(171,340)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	9,037
Non-Cash Federal Assistance - National School Lunch (Food Distribution)	37,004
Change in Assets, Liabilities and Deferred Inflows of Resources	
(Increase)/Decrease in Other Accounts Receivable	(4,051)
(Increase)/Decrease in Inventories	(1,427)
Increase/(Decrease) in Accounts Payable	(4,100)
Increase/(Decrease) in Unearned Revenue	1,158
Increase/(Decrease) in Deferred Commodities Revenue	<u>241</u>
Total Adjustments	<u>37,862</u>
Net Cash Used by Operating Activities	<u><u>\$ (133,478)</u></u>
Non-Cash Investing and Noncapital Financing Activities	
Value Received - Food Distribution Program	\$ 37,245

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, 2025**

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 Pre-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 2025, the District adopted the following GASB statements:

- GASB Statement No. 101, *Compensated Absences*, was 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.
- GASB Statement No. 102, *Certain Risk Disclosures*, was effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective beginning with the fiscal year ending June 30, 2026. The objective of this Statement is to provide user of governmental financial statements with essential information about certain types of capital assets. The requirements of this Statement will improve financial reporting by provided users of the financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

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, 2025**

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 fund which is organized to be self-supporting through user charges:

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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, 2025**

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, program fees, 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.

Use of Estimates

The preparation of financial statements requires management of the District to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Prepaid Items*

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

5. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost, 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 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.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types 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.

7. *Compensated Absences*

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated 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 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. *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. Debt issuance costs (other than prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types, the face amount of debt issued is 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, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

Capital Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the 2025/2026 original 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 2025/2026 original 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, 2025 audited excess surplus that is required to be appropriated in the 2026/2027 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, 2024 audited excess surplus that was appropriated in the 2025/2026 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, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Scholarships – 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.

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

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

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

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

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

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.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The 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.

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.

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 2023-2024 and 2024-2025 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey on-behalf of the District for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for District employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system, including on-behalf payments for post-retirement medical contributions for District employees enrolled in the Public Employees Retirement System (PERS).

Revenues and expenses of governmental activities, business-type activities and proprietary funds include the State's proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the District for District employees enrolled in the TPAF retirement system, including the on-behalf actuarial determined post-retirement medical benefit amounts attributable to the District for District employees enrolled in the PERS retirement system.

5. 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.

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. Effective for the 2025/2026 school year budget, voter approval is not required for budgets that meet levy cap requirements regardless of when the school board member elections are held.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2024/2025. Also, during 2024/2025 the Board increased the original budget of the general fund by \$1,266,458 and the special revenue fund by \$368,712. The increases were funded by the additional appropriation of unassigned fund balance, capital reserve, community school fees, 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 \$388,437 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, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024		\$ 4,644,927
Increased by:		
Interest Earnings	\$ 31,894	
Return of Unencumbered Budget Withdrawals	98,069	
Return of Unencumbered Withdrawals from		
Capital Projects Fund	84,980	
Deposits Approved by Board Resolution	<u>422,301</u>	
Total Increases		<u>637,244</u>
		5,282,171
Decreased by:		
Withdrawals Approved in District Budget		<u>385,000</u>
Balance, June 30, 2025		<u>\$ 4,897,171</u>

The June 30, 2025 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$7,070,700. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the District's Long Range Facilities Plan. \$3,055,000 of the capital reserve balance at June 30, 2025 was designated and appropriated for use in the 2025/2026 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, 2025 is \$550,000. Of this amount, \$275,000 was designated and appropriated in the 2025/2026 original budget certified for taxes and the remaining amount of \$275,000 will be appropriated in the 2026/2027 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, 2025**

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, 2025, the book value of the Board's deposits was \$7,702,986 and bank and brokerage firm balances of the Board's deposits amounted to \$8,082,386. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 7,982,554
Uninsured and Collateralized	<u>99,832</u>
	<u>\$ 8,082,386</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, 2025 the Board's bank balance of \$99,832 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>\$ 99,832</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, 2025

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2025, the Board had the following investments:

<u>Investment Type:</u>	<u>Fair Value</u>
N.J. Cash Management Fund (cash equivalents)	\$ <u>385,871</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, 2025, \$385,871 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>385,871</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, 2025 are categorized as Level 2.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2025 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:				
Intergovernmental				
Federal		\$ 46,348	\$ 8,332	\$ 54,680
State	\$ 48,172		494	48,666
Local	750	-	-	750
Accounts	<u>71,310</u>	<u>1,336</u>	<u>10,477</u>	<u>83,123</u>
Gross Receivables	120,232	47,684	19,303	187,219
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 120,232</u>	<u>\$ 47,684</u>	<u>\$ 19,303</u>	<u>\$ 187,219</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	\$ 328,752
Prepaid Preschool Tuition	15,725
Special Revenue Fund	
Unencumbered Grant Draw Downs	5,500
Grant Draw Downs for Year-End Encumbrances	<u>25,144</u>
Total Unearned Revenue of Governmental Funds	<u>\$ 375,121</u>

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	Balance, July 1, 2024	Increases	Decreases	Balance, June 30, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 28,714			\$ 28,714
Construction in Progress	838,053	\$ 154,834	\$ (531,944)	460,943
Total Capital Assets, Not Being Depreciated	<u>866,767</u>	<u>154,834</u>	<u>(531,944)</u>	<u>489,657</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	30,350,707	533,544		30,884,251
Site Improvements	2,779,523			2,779,523
Machinery and Equipment	5,101,476	193,952	-	5,295,428
Total Capital Assets Being Depreciated	<u>38,231,706</u>	<u>727,496</u>	<u>-</u>	<u>38,959,202</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(14,039,190)	(826,426)		(14,865,616)
Site Improvements	(1,612,120)	(139,706)		(1,751,826)
Machinery and Equipment	(4,230,029)	(111,343)	-	(4,341,372)
Total Accumulated Depreciation	<u>(19,881,339)</u>	<u>(1,077,475)</u>	<u>-</u>	<u>(20,958,814)</u>
Total Capital Assets, Being Depreciated, Net	<u>18,350,367</u>	<u>(349,979)</u>	<u>-</u>	<u>18,000,388</u>
Governmental Activities Capital Assets, Net	<u>\$ 19,217,134</u>	<u>\$ (195,145)</u>	<u>\$ (531,944)</u>	<u>\$ 18,490,045</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 303,701	\$ 8,760	-	\$ 312,461
Total Capital Assets Being Depreciated	<u>303,701</u>	<u>8,760</u>	<u>-</u>	<u>312,461</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(243,352)	(9,037)	-	(252,389)
Total Accumulated Depreciation	<u>(243,352)</u>	<u>(9,037)</u>	<u>-</u>	<u>(252,389)</u>
Total Capital Assets, Being Depreciated, Net	<u>60,349</u>	<u>(277)</u>	<u>-</u>	<u>60,072</u>
Business-Type Activities Capital Assets, Net	<u>\$ 60,349</u>	<u>\$ (277)</u>	<u>\$ -</u>	<u>\$ 60,072</u>

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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	\$ 25,648
School-Sponsored Activities and Athletics	<u>12,837</u>
Total Instruction	<u>38,485</u>

Support Services

Student and Instruction Related Services	8,620
General Administration Services	246
Central Services and Admin. Info. Technology	2,931
Plant Operations and Maintenance	1,005,302
Pupil Transportation	<u>21,891</u>
Total Support Services	<u>1,038,990</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 1,077,475</u>
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Business-Type Activities:

Food Service Fund	<u>\$ 9,037</u>
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Construction and Other Significant Commitments

The District has the following significant capital commitment as of June 30, 2025:

<u>Project</u>	<u>Remaining Commitment</u>
Acquisition of a School Bus	\$ 115,926
Highland School Nurse's Office Conversion	<u>129,700</u>
	<u>\$ 245,626</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2025, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Food Service Fund	General Fund	<u>\$ 12,967</u>

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund Transfers

	<u>General Fund</u>	<u>Transfer In:</u> <u>Special Revenue</u> <u>Fund</u>	<u>Capital Projects</u> <u>Fund</u>	<u>Total</u>
<u>Transfer Out:</u>				
General Fund		\$ 28,678	\$ 286,931	\$ 315,609
Capital Projects Fund	\$ 84,980	-	-	84,980
Total	\$ 84,980	\$ 28,678	\$ 286,931	\$ 400,589

The above transfers are the result of budget appropriations available in one fund to finance expenditures in another fund or unexpended balances in one fund being returned to the originating funding source.

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, 2025 are comprised of the following issues:

\$8,500,000, Fiscal year 2015 School Bonds,
due in annual principal installments of \$400,000 to \$540,000
through August 15, 2035 with interest at 2.000% to 3.125%. \$ 5,210,000

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

Governmental Activities:

Fiscal Year Ended	<u>Bonds Payable</u>		
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 400,000	\$ 144,825	\$ 544,825
2027	415,000	136,675	551,675
2028	425,000	126,150	551,150
2029	440,000	113,175	553,175
2030	460,000	99,675	559,675
2031-2035	2,530,000	278,776	2,808,776
2036	<u>540,000</u>	<u>8,437</u>	<u>548,437</u>
Total	<u>\$ 5,210,000</u>	<u>\$ 907,713</u>	<u>\$ 6,117,713</u>

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2025 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 61,606,632
Less: Net Debt Issued and Authorized But Not Issued	<u>5,210,000</u>
Remaining Borrowing Power	<u><u>\$ 56,396,632</u></u>

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2025, was as follows:

	Balance, <u>July 1, 2024</u> (Restated)	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2025</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 5,595,000		\$ 385,000	\$ 5,210,000	\$ 400,000
Compensated Absences Payable	535,171	\$ 91,169	33,693	592,647	30,000
Net Pension Liability	<u>4,845,301</u>	<u>412,675</u>	<u>478,615</u>	<u>4,779,361</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u><u>\$ 10,975,472</u></u>	<u><u>\$ 503,844</u></u>	<u><u>\$ 897,308</u></u>	<u><u>\$ 10,582,008</u></u>	<u><u>\$ 430,000</u></u>

For the governmental activities, the liabilities for compensated absences 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. NESBIG also provides insured coverage (multi-peril) to its member school districts.

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, 2025**

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:

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2025	None	\$ 76,984	\$ 3,756	\$ 71,614	\$ 70,518
2024	None	53,572	3,226	24,553	66,763
2023	None	50,602	1,174	57,959	63,536

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, 2025, 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, 2025, 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, 2025**

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.nj.gov/treasury/pensions/annual-reports.

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

The following represents the membership tiers for PERS:

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

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

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, by 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.nj.gov/treasury/pensions/annual-reports.

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, 2025**

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 age for their 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, 2025**

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. Empower Retirement (formerly Prudential) 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, 2025**

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, 2024 is \$13.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 68.22%. The collective net pension liability of the State funded TPAF at June 30, 2024 is \$49.5 billion and the plan fiduciary net position as a percentage of total pension liability is 37.99%.

The total pension liabilities for the June 30, 2024 measurement date were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the July 1, 2023 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 2025.

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, 2024 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 2025, 2024 and 2023 were equal to the required contributions.

During the fiscal years ended June 30, 2025, 2024 and 2023 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>
2025	\$	478,615	\$	3,586,113	\$ 2,853
2024		447,094		3,727,055	2,130
2023		400,288		3,566,756	1,726

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2025, 2024 and 2023 the State contributed \$1,392, \$1,245, and \$1,117, 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 \$792,035 during the fiscal year ended June 30, 2025 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 based on a measurement date no earlier than the end of the employer's prior fiscal year. 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, 2023 through June 30, 2024. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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/(benefit) 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, 2024 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2024.

At June 30, 2025, the District reported in the statement of net position (accrual basis) a liability of \$4,779,361 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. 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, 2024. At June 30, 2024, the District's proportionate share was .03517 percent, which was an increase of .00172 percent from its proportionate share measured as of June 30, 2023 of .03345 percent.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$117,512 for PERS. The pension contribution made by the District during the current 2024/2025 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, 2025 with a measurement date of the prior fiscal year end of June 30, 2024. 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, 2025 for contributions made subsequent to the measurement date. At June 30, 2025, 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	\$ 95,739	\$ 12,724
Changes of Assumptions	5,937	54,378
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		221,606
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>519,174</u>	<u>129,429</u>
Total	<u>\$ 620,850</u>	<u>\$ 418,137</u>

At June 30, 2025, 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:

<u>Year Ending June 30,</u>	<u>Total</u>
2026	\$ 117,475
2027	(63,861)
2028	86,628
2029	54,646
2030	7,825
Thereafter	<u>-</u>
	<u>\$ 202,713</u>

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2023 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, 2025**

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, 2024) 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, 2024 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%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%
International Small Cap Equity	1.25%	8.85%

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

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, 2024. 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 as of the June 30, 2024 measurement date calculated using the discount rate of 7.00, as well as what the District’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the PERS Net Pension Liability	\$ 6,350,596	\$ 4,779,361	\$ 3,442,249

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2024. A sensitivity analysis specific to the District’s net pension liability at June 30, 2024 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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 based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2023 through June 30, 2024. 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, 2024, 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, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension expense/(benefit) of (\$155,912) 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, 2025 the State's proportionate share of the net pension liability attributable to the District is \$42,740,833. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. 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, 2024. At June 30, 2024, the State's share of the net pension liability attributable to the District was .08648 percent, which was an increase of .00043 percent from its proportionate share measured as of June 30, 2023 of .08605 percent.

MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2023 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, 2025**

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, 2024) 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, 2024 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%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%
International Small Cap Equity	1.25%	8.85%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2024. 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
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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)

Sensitivity of Net Pension Liability

The following presents the State’s proportionate share of the TPAF net pension liability attributable to the District as of the June 30, 2024 measurement date 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	\$ 50,803,531	\$ 42,740,833	\$ 35,950,517

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, 2024. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2024 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, 2024. 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, 2025

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, 2023:

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>153,556</u>
Total	<u>372,741</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, 2024 is \$59.7 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, 2024 were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the July 1, 2023 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 \$1.50 billion to the OPEB plan in fiscal year 2024.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2025, 2024 and 2023 were \$1,047,865, \$1,014,368 and \$936,978, 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 based on a measurement date no earlier than the end of the employer's prior fiscal year. 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, 2023 through June 30, 2024. 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, 2025, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,649,415. 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, 2025 the State's proportionate share of the OPEB liability attributable to the District is \$47,458,179. The State's proportionate share of the OPEB liability attributable to the District was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. 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, 2024 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2024. At June 30, 2024, the state's share of the OPEB liability attributable to the District was .07956 percent, which was a decrease of .00524 percent from its proportionate share measured as of June 30, 2023 of .08480 percent.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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 5.65% Based on Years of Service

Mortality Rates

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 July 1, 2023 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 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is, increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**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)

Discount Rate

The discount rate for June 30, 2024 was 3.93%. 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.

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, 2025 (measurement date June 30, 2024) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2023 Measurement Date	\$ 44,404,821
Changes Recognized for the Fiscal Year:	
Service Cost	1,849,415
Interest on the Total OPEB Liability	1,562,211
Differences Between Expected and Actual Experience	(2,756,537)
Changes of Assumptions	3,550,503
Gross Benefit Payments	(1,193,086)
Contributions from the Member	40,852
Net Changes	\$ 3,053,358
Balance, June 30, 2024 Measurement Date	\$ 47,458,179

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024.

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, 2024.

**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)

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 as of the June 30, 2024 measurement date calculated using the discount rate of 3.93%, 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 (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 55,583,692</u>	<u>\$ 47,458,179</u>	<u>\$ 40,923,580</u>

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 as of the June 30, 2024 measurement date calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 39,533,009</u>	<u>\$ 47,458,179</u>	<u>\$ 57,781,236</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024 were not provided by the pension system.

F. Subsequent Events

Appropriation of Fund Balance

On September 16, 2025 the Board approved the appropriation of an additional \$550,927 of General Fund unassigned fund balance to the 2025/2026 budget.

MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 4 OTHER INFORMATION (Continued)

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.

NOTE 5 RESTATEMENT

During fiscal year 2025, the Midland Park Board of Education determined that the compensated absences liability resulting from the implementation of the new GASB Statement No. 101, *Compensated Absences*, has an effect on the financial statements previously reported as of and for the fiscal year ended June 30, 2024 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2024 have been restated to reflect certain activities related to compensated absences. The effect of this restatement is to decrease net position of governmental activities by \$185,151 from \$15,314,640 as previously reported to \$15,129,489 as of June 30, 2024.

	<u>District-wide Net Position</u>	
	<u>Governmental</u>	
	<u>Activities</u>	
Balance July 1, 2024 - As Reported	\$	15,314,640
Change in Accounting Principle (Adoption of GASB No. 101)		<u>(185,151)</u>
	\$	<u>15,129,489</u>

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, 2025**

	<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	\$ 23,719,665		\$ 23,719,665	\$ 23,719,665	
Tuition from Individuals	45,500		45,500	45,650	\$ 150
Other Restricted Miscellaneous Revenues	1,586,704	\$ 285,000	1,871,704	2,360,024	488,320
Interest on Investments				171,935	171,935
Interest on Capital Reserve	500		500	31,894	31,394
Interest on Unemployment Compensation Reserve				3,756	3,756
Unrestricted Miscellaneous Revenues	27,000	-	27,000	103,151	76,151
Total Local Sources	25,379,369	285,000	25,664,369	26,436,075	771,706
State Sources					
Special Education Aid	1,033,038		1,033,038	1,033,038	-
Equalization Aid	33,981		33,981	33,981	-
Security Aid	76,606		76,606	76,606	-
Transportation Aid	107,033		107,033	107,033	-
Extraordinary Aid				675,927	675,927
Menstrual Product Reimbursement				9,109	9,109
On-Behalf TPAF Pension System Contribution (Non-Budgeted)				3,542,234	3,542,234
On-Behalf TPAF Pension System Contribution - NCGI Premium (Non-Budgeted)				43,879	43,879
On-Behalf TPAF Long Term Disability Insurance Premium (Non-Budgeted)				1,392	1,392
On-Behalf TPAF Post-Retirement Medical Benefits Contribution (Non-Budgeted)				1,047,865	1,047,865
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	792,035	792,035
Total State Sources	1,250,658	-	1,250,658	7,363,099	6,112,441
Total Revenues	26,630,027	285,000	26,915,027	33,799,174	6,884,147
EXPENDITURES					
CURRENT					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	322,175	17,817	339,992	339,992	-
Grades 1-5	2,413,868	180,098	2,593,966	2,574,351	19,615
Grades 6-8	1,345,940	(1,047)	1,344,893	1,325,950	18,943
Grades 9-12	2,108,937	136,361	2,245,298	2,220,121	25,177
Regular Programs - Home Instruction					
Salaries of Teachers	18,000	-	18,000	1,592	16,408
Purchased Professional/Educational Services	4,000	(1,752)	2,248	1,760	488
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	27,290	(265)	27,025	27,025	-
Purchased Professional/Educational Services	174,457	(116,937)	57,520	56,337	1,183
Rentals/Lease Payments	54,020	-	54,020	53,462	558
Other Purchased Services	32,100	(4,223)	27,877	27,556	321
General Supplies	236,205	222,425	458,630	453,589	5,041
Textbooks	13,632	65,472	79,104	79,058	46
Other Objects	4,410	(2,243)	2,167	2,167	-
Total Regular Programs	6,755,034	495,706	7,250,740	7,162,960	87,780
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	155,900	13,466	169,366	168,366	1,000
Other Salaries for Instruction	305,900	(31,948)	273,952	273,281	671
Purchased Professional/Educational Services	5,000	10,703	15,703	15,508	195
General Supplies	2,250	2,378	4,628	4,625	3
Total Learning and/or Language Disabilities	469,050	(5,401)	463,649	461,780	1,869

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Resource Room/Resource Center					
Salaries of Teachers	\$ 1,653,672	\$ (16,877)	\$ 1,636,795	\$ 1,635,603	\$ 1,192
Other Salaries for Instruction	482,365	(41,249)	441,116	431,952	9,164
Purchased Professional Educational Services	35,000	20,235	55,235	55,235	-
General Supplies	4,500	(720)	3,780	3,716	64
Total Resource Room Resource Center	2,175,537	(38,611)	2,136,926	2,126,506	10,420
Preschool Disabilities - Part-Time					
Salaries of Teachers	69,650	(3,450)	66,200	66,200	-
Other Salaries for Instruction	63,875	605	64,480	63,035	1,445
Purchased Professional/Educational Services	1,500	4,645	6,145	6,145	-
General Supplies	1,000	(1,000)	-	-	-
Total Preschool Disabilities-Part Time	136,025	800	136,825	135,380	1,445
Preschool Disabilities - Full-Time					
Salaries of Teachers	55,500	2,488	57,988	57,988	-
Other Salaries for Instruction	134,545	(1,454)	133,091	133,090	1
Purchased Professional/Educational Services	1,500	38,645	40,145	40,096	49
General Supplies	1,000	(1,000)	-	-	-
Total Preschool Disabilities-Full Time	192,545	38,679	231,224	231,174	50
Home Instruction					
Purchased Professional-Educational Services	5,000	(80)	4,920	3,334	1,586
Total Home Instruction	5,000	(80)	4,920	3,334	1,586
Total Special Education	2,978,157	(4,613)	2,973,544	2,958,174	15,370
Bilingual Education					
Salaries of Teachers	52,750	(7,913)	44,837	44,837	-
Other Purchased Services		20,748	20,748	19,099	1,649
General Supplies	500	(76)	424	424	-
Total Bilingual Education	53,250	12,759	66,009	64,360	1,649
School Spons. Co-Curricular Activities-Instruction					
Salaries	102,000	10,629	112,629	108,301	4,328
Purchased Professional/Educational Services	20,000	(6,823)	13,177	12,950	227
Purchased Services	4,400	(1,087)	3,313	2,986	327
Supplies and Materials	14,350	(13)	14,337	12,797	1,540
Other Objects	1,630	-	1,630	1,620	10
Total School Spons. Co-Curricular Activities-Instr.	142,380	2,706	145,086	138,654	6,432
School Sponsored Athletics - Instruction					
Salaries	373,900	-	373,900	366,610	7,290
Purchased Professional/Educational Services	63,150	(38,678)	24,472	13,549	10,923
Purchased Services	51,600	(1,341)	50,259	50,000	259
Supplies and Materials	41,816	(3,606)	38,210	25,359	12,851
Other Objects	20,125	(2,730)	17,395	14,375	3,020
Total School Sponsored Athletics - Instruction	550,591	(46,355)	504,236	469,893	34,343
Total Instruction	10,479,412	460,203	10,939,615	10,794,041	145,574

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<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	\$ 75,348	\$ (32,292)	\$ 43,056	\$ 43,056	-
Tuition to Other LEA's Within the State - Special	355,909	57,521	413,430	413,430	-
Tuition to Vocational School Districts - Regular	85,662	(7,736)	77,926	74,898	\$ 3,028
Tuition to Vocational School Districts - Special	112,984	(83,500)	29,484	29,484	-
Tuition to County Special Services School Districts and Regional Day Schools	280,553	163,463	444,016	444,016	-
Tuition to Private Schools for the Disabled Within the State	<u>1,362,037</u>	<u>(270,518)</u>	<u>1,091,519</u>	<u>1,053,026</u>	<u>38,493</u>
Total Undistributed Expenditures - Instruction	<u>2,272,493</u>	<u>(173,062)</u>	<u>2,099,431</u>	<u>2,057,910</u>	<u>41,521</u>
Health Services					
Salaries	280,675	(22,682)	257,993	257,993	-
Professional Educational Services		9,670	9,670	9,670	-
Other Professional Services	15,000	(12,230)	2,770	2,320	450
Supplies and Materials	4,000	60	4,060	4,060	-
Menstrual Products	<u>-</u>	<u>9,109</u>	<u>9,109</u>	<u>9,109</u>	<u>-</u>
Total Health Services	<u>299,675</u>	<u>(16,073)</u>	<u>283,602</u>	<u>283,152</u>	<u>450</u>
Other Support Services - Speech, OT, PT & Related Svcs					
Salaries	521,930	(39,192)	482,738	482,738	-
Purchased Professional/Educational Services	17,000	(5,085)	11,915	10,076	1,839
Supplies and Materials	<u>750</u>	<u>192</u>	<u>942</u>	<u>901</u>	<u>41</u>
Total Other Support Services - Speech, OT, PT & Related Svcs	<u>539,680</u>	<u>(44,085)</u>	<u>495,595</u>	<u>493,715</u>	<u>1,880</u>
Other Support Services - Extra. Serv.					
Purchased Professional/Education Services	<u>610,000</u>	<u>(48,931)</u>	<u>561,069</u>	<u>526,153</u>	<u>34,916</u>
Total Other Support Services - Extra. Serv.	<u>610,000</u>	<u>(48,931)</u>	<u>561,069</u>	<u>526,153</u>	<u>34,916</u>
Other Support Services - Guidance					
Salaries of Other Professional Staff	372,875	4,131	377,006	377,006	-
Salaries of Secretarial and Clerical Assistants	44,250	-	44,250	44,250	-
Purchased Professional- Educational Services	5,680	(1,207)	4,473	4,092	381
Supplies and Materials	5,162	491	5,653	4,001	1,652
Other Objects	<u>11,700</u>	<u>-</u>	<u>11,700</u>	<u>11,046</u>	<u>654</u>
Total Other Support Services - Guidance	<u>439,667</u>	<u>3,415</u>	<u>443,082</u>	<u>440,395</u>	<u>2,687</u>
Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	433,380	66	433,446	433,446	-
Salaries of Secretarial and Clerical Assistants	61,800	1,111	62,911	62,911	-
Purchased Professional/Educational Services	19,500	1,941	21,441	20,935	506
Other Purchased Professional and Tech. Services	2,000	(1,890)	110	63	47
Supplies and Materials	5,500	2,782	8,282	8,282	-
Other Objects	<u>2,000</u>	<u>(173)</u>	<u>1,827</u>	<u>1,826</u>	<u>1</u>
Total Other Support Services - Child Study Team	<u>524,180</u>	<u>3,837</u>	<u>528,017</u>	<u>527,463</u>	<u>554</u>

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<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	\$ 24,219	\$ 781
Salaries of Other Professional Staff	40,883	\$ (119)	40,764	40,764	-
Other Salaries	20,800	(900)	19,900	12,659	7,241
Other Purchased Services	40,350	(2,800)	37,550	36,058	1,492
Supplies and Materials	500	-	500	477	23
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff	127,533	(3,819)	123,714	114,177	9,537
Educational Media Services/School Library					
Salaries	141,155	(3,991)	137,164	137,164	-
Salaries of Technology Coordinators	237,802	(19,546)	218,256	218,256	-
Purchased Professional and Technical Services	5,386	(221)	5,165	5,165	-
Supplies and Materials	11,750	(890)	10,860	10,860	-
Other Objects	375	(310)	65	65	-
Total Educational Media Services/School Library	396,468	(24,958)	371,510	371,510	-
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	25,000	-	25,000	24,219	781
Salaries of Other Professional Staff	40,883	(119)	40,764	40,764	-
Other Salaries	10,800	-	10,800	9,900	900
Other Purchased Professional and Technical Serv.	1,500	12,700	14,200	12,700	1,500
Supplies and Materials	1,000	-	1,000	616	384
Other Objects	12,000	(3,500)	8,500	5,380	3,120
Total Instructional Staff Training Services	91,183	9,081	100,264	93,579	6,685
Support Services General Administration					
Salaries	263,318	45,808	309,126	309,126	-
Legal Services	35,000	(10,656)	24,344	16,082	8,262
Audit Fees	28,500	12,100	40,600	40,600	-
Architectural/Engineering Services		3,640	3,640	3,640	-
Other Purchased Professional Services	5,700	21,130	26,830	21,018	5,812
Purchased Technical Services	500	(76)	424		424
Communications/Telephone	22,900	(1,040)	21,860	18,664	3,196
BOE Other Purchased Services	4,000	9	4,009	4,009	-
Misc. Purchased Services	10,000	234	10,234	9,683	551
General Supplies	4,700	5,083	9,783	9,434	349
BOE In-House Training/Meeting Supplies	100	26	126	126	-
Miscellaneous Expenditures	3,945	(238)	3,707	3,391	316
Other Objects	10,614	-	10,614	10,613	1
Total Support Services General Administration	389,277	76,020	465,297	446,386	18,911
Support Services School Administration					
Salaries of Principals/Asst. Principals	579,336	91,294	670,630	670,630	-
Salaries of Other Professional Staff	171,605	51,784	223,389	223,389	-
Salaries of Secretarial and Clerical Assistants	187,175	48,966	236,141	236,141	-
Purchased Professional and Technical Services	4,000	3,281	7,281	6,983	298
Other Purchased Services	8,000	(2,349)	5,651	5,651	-
Supplies and Materials	10,300	(533)	9,767	9,749	18
Other Objects	6,050	(2,763)	3,287	3,274	13
Total Support Services School Administration	966,466	189,680	1,156,146	1,155,817	329

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<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	\$ 366,160	\$ 114,393	\$ 480,553	\$ 480,553	-
Purchased Professional Services	1,600	2,509	4,109	4,109	-
Purchased Technical Services	5,785	9	5,794	5,794	-
Miscellaneous Purchased Services	1,700	516	2,216	2,168	\$ 48
Supplies and Materials	1,000	4,815	5,815	5,812	3
Miscellaneous Expenditures	1,600	965	2,565	2,025	540
Total Central Services	377,845	123,207	501,052	500,461	591
Admin. Information Technology					
Salaries	30,000	(6,042)	23,958	23,958	-
Purchased Professional Services	9,300	(9,300)			-
Purchased Technical Services	19,000	13,717	32,717	32,717	-
Other Purchased Services	22,000	(7,525)	14,475	14,475	-
Supplies and Materials	250	-	250		250
Other Objects	1,000	-	1,000	940	60
Total Admin. Information Technology	81,550	(9,150)	72,400	72,090	310
Required Maintenance for School Facilities					
Salaries	336,174	(43,410)	292,764	288,921	3,843
Cleaning, Repair and Maintenance Services	100,000	65,611	165,611	163,766	1,845
General Supplies	30,000	24,842	54,842	54,784	58
Total Required Maintenance for School Facilities	466,174	47,043	513,217	507,471	5,746
Custodial Services					
Salaries	570,340	5,312	575,652	575,652	-
Salaries of Non-Instructional Aides	170,000	(19,887)	150,113	150,113	-
Purchased Professional and Technical Services	44,540	(9,728)	34,812	34,493	319
Cleaning, Repair and Maintenance Services	84,990	(14,995)	69,995	64,849	5,146
Other Purchased Property Services	31,500	637	32,137	31,835	302
Insurance	234,800	13,130	247,930	247,930	-
General Supplies	40,000	(7,735)	32,265	32,063	202
Energy (Natural Gas)	75,000	19,668	94,668	94,655	13
Energy (Electricity)	140,000	21,088	161,088	161,010	78
Other Objects	625	-	625	510	115
Total Custodial Services	1,391,795	7,490	1,399,285	1,393,110	6,175
Security					
Salaries	55,000	50,052	105,052	105,052	-
Purchased Professional and Technical Services	85,650	(41,955)	43,695	43,695	-
General Supplies	500	1,904	2,404	2,404	-
Total Security	141,150	10,001	151,151	151,151	-

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Student Transportation Services					
Salaries of Non-Instructional Aides	\$ 87,000	\$ 77,694	\$ 164,694	\$ 158,963	\$ 5,731
Salaries for Pupil Transportation					
(Between Home and School) - Special Education	278,500	(54,217)	224,283	224,249	34
Cleaning, Repair and Maintenance Services	13,000	12,086	25,086	24,877	209
Contracted Services (Other than Between Home and School) - Vendors	19,500	(4,447)	15,053	14,182	871
Contracted Services (Between Home and School) - Joint Agreements	50,000	40,771	90,771	90,771	-
Contracted Services (Special Education Students) - Joint Agreements	335,000	87,603	422,603	422,603	-
Transportation Supplies	3,500	(1,253)	2,247	2,247	-
Other Objects	22,500	15,944	38,444	35,216	3,228
Total Student Transportation Services	809,000	174,181	983,181	973,108	10,073
Unallocated Benefits					
Group Insurance	7,000	(2,165)	4,835	4,835	-
Social Security Contributions	315,000	23,245	338,245	320,396	17,849
Other Retirement Contributions - PERS	560,000	(71,406)	488,594	488,594	-
Other Retirement Contributions - DCRP	9,000	(6,000)	3,000	2,853	147
Workmen's Compensation	115,000	18,108	133,108	133,108	-
Health Benefits	4,505,000	(78,731)	4,426,269	4,318,646	107,623
Tuition Reimbursement	28,500	5,153	33,653	29,813	3,840
Other Employee Benefits	152,000	(27,388)	124,612	123,907	705
Unused Sick Payment to Terminated/Retired Staff	-	32,324	32,324	32,324	-
Total Unallocated Benefits	5,691,500	(106,860)	5,584,640	5,454,476	130,164
On-Behalf TPAF Payments					
On-Behalf TPAF Pension System Contribution (Non-Budgeted)				3,542,234	(3,542,234)
On-Behalf TPAF Pension System - NCGI Premium (Non-Budgeted)				43,879	(43,879)
On-Behalf TPAF Long Term Disability Insurance Premium (Non-Budgeted)				1,392	(1,392)
On-Behalf TPAF Post-Retirement Medical Benefits Contribution (Non-Budgeted)				1,047,865	(1,047,865)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	792,035	(792,035)
Total On-Behalf Payments	-	-	-	5,427,405	(5,427,405)
Total Undistributed Expenditures	15,615,636	217,017	15,832,653	20,989,529	(5,156,876)
Total Expenditures - Current Expense	\$ 26,095,048	\$ 677,220	\$ 26,772,268	\$ 31,783,570	\$ (5,011,302)

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY					
Equipment					
Grades 1-5		\$ 5,000	\$ 5,000	\$ 4,833	\$ 167
Grades 9-12		3,935	3,935	3,935	-
Administrative Information Technology		18,479	18,479	18,479	-
Transportation - Acq. of School Buses - Special	-	239,691	239,691	123,765	115,926
Total Equipment	-	267,105	267,105	151,012	116,093
Facilities Acq. and Construction Services					
Equipment		6,643	6,643	6,643	-
Architectural/Engineering Services	\$ 25,000	(25,000)	-	-	-
Debt Service Assessment	22,775	-	22,775	22,775	-
Construction Services	360,000	(360,000)	-	-	-
Total Facilities Acq. and Construction Services	407,775	(378,357)	29,418	29,418	-
Interest Deposit to Capital Reserve	500	-	500	-	500
Total Capital Outlay	408,275	(111,252)	297,023	180,430	116,593
SPECIAL SCHOOLS					
Community School - Local - Instruction					
Salaries of Teachers	203,000	13,061	216,061	213,091	2,970
Purchased Professional and Technical Services	173,500	23,500	197,000	184,904	12,096
Cleaning, Repair and Maintenance Services	1,000	(1,000)	-	-	-
Transportation - Contracted Services (Other than Between Home and School) - Vendors	380,000	170,700	550,700	538,311	12,389
Communications/Telephone	11,000	3,500	14,500	13,365	1,135
Other Purchased Services	11,000	1,200	12,200	12,101	99
General Supplies	10,000	10,612	20,612	15,477	5,135
Textbooks	1,000	(1,000)	-	-	-
Other Objects	100	-	100	60	40
Total Community School - Local - Instruction	790,600	220,573	1,011,173	977,309	33,864
Community School - Local - Support Services					
Salaries	176,000	33,892	209,892	206,851	3,041
Personal Services - Employee Benefits	69,900	28,239	98,139	93,627	4,512
Unused Sick Payment to Terminated/Retired Staff	-	4,108	4,108	1,369	2,739
Total Community School - Local - Support Services	245,900	66,239	312,139	301,847	10,292
Total Special Schools	1,036,500	286,812	1,323,312	1,279,156	44,156
Total Expenditures	27,539,823	852,780	28,392,603	33,243,156	(4,850,553)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(909,796)	(567,780)	(1,477,576)	556,018	2,033,594
Other Financing Sources (Uses)					
Transfers In - Capital Projects Fund				84,980	84,980
Transfers Out - Capital Reserve to Capital Projects Fund		(385,000)	(385,000)	(286,931)	98,069
Transfers Out - Special Revenue Fund (Athletics)	-	(28,678)	(28,678)	(28,678)	-
Total Other Financing Sources (Uses)	-	(413,678)	(413,678)	(230,629)	183,049

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Net Change in Fund Balances	\$ (909,796)	\$ (981,458)	\$ (1,891,254)	\$ 325,389	\$ 2,216,643
Fund Balance, Beginning of Year	<u>7,213,645</u>	<u>-</u>	<u>7,213,645</u>	<u>7,213,645</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 6,303,849</u>	<u>\$ (981,458)</u>	<u>\$ 5,322,391</u>	<u>\$ 7,539,034</u>	<u>\$ 2,216,643</u>
<u>Recapitulation of Fund Balance:</u>					
Restricted Fund Balance					
Capital Reserve				\$ 1,842,171	
Capital Reserve - Designated for Subsequent Year's Budget				3,055,000	
Community School Programs				420,201	
Community School Programs - Designated for Subsequent Year's Budget				193,988	
Unemployment Compensation Reserve				70,518	
Excess Surplus				275,000	
Excess Surplus - Designated for Subsequent Year's Budget				275,000	
Committed Fund Balance					
Year-End Encumbrances				115,926	
Assigned Fund Balance					
Year-End Encumbrances				52,676	
Unassigned Fund Balance				<u>1,238,554</u>	
				7,539,034	
<u>Reconciliation to Governmental Fund Statement (GAAP):</u>					
State Aid Payments Not Recognized on GAAP Basis				<u>(748,114)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 6,790,920</u>	

**MIDLAND PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 200,352	\$ 33,426	\$ 233,778	\$ 200,659	\$ (33,119)
Federal	373,998	115,693	489,691	409,326	(80,365)
Local	90,000	190,915	280,915	283,507	2,592
Total Revenues	664,350	340,034	1,004,384	893,492	(110,892)
EXPENDITURES					
Instruction					
Salaries for Instruction		\$ 17,330	\$ 17,330	\$ 15,139	\$ 2,191
Purchased Professional and Technical Services	\$ 38,606	(33,514)	5,092	5,092	-
Tuition	307,757	(62,730)	245,027	245,027	-
General Supplies	37,798	21,208	59,006	47,419	11,587
Textbooks	11,990	(2,236)	9,754	8,695	1,059
Co-Curricular/Extra-Curricular Activities	75,000	175,000	250,000	249,366	634
Total Instruction	471,151	115,058	586,209	570,738	15,471
Support Services					
Other Salaries		3,905	3,905	1,171	2,734
Personal Services - Employee Benefits		1,118	1,118	1,009	109
Purchased Professional and Technical Services		149,250	149,250	103,610	45,640
Purchased Professional and Educational Services	134,114	36,215	170,329	131,614	38,715
Cleaning, Repair and Maintenance Services		20,481	20,481	20,481	-
Supplies and Materials	44,085	(2,512)	41,573	41,373	200
Scholarship Awards	15,000	8,900	23,900	23,900	-
Total Support Services	193,199	217,357	410,556	323,158	87,398
Capital Outlay					
Instructional Equipment	-	36,297	36,297	36,297	-
Total Capital Outlay	-	36,297	36,297	36,297	-
Total Expenditures	664,350	368,712	1,033,062	930,193	102,869
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	(28,678)	(28,678)	(36,701)	(8,023)
Other Financing Sources/(Uses)					
Transfers In	-	28,678	28,678	28,678	-
Total Other Financing Sources and (Uses)	-	28,678	28,678	28,678	-
Net Change in Fund Balances	-	-	-	(8,023)	(8,023)
Fund Balances, Beginning of Year	321,672	-	321,672	321,672	-
Fund Balances, End of Year	\$ 321,672	\$ -	\$ 321,672	\$ 313,649	\$ (8,023)
Recapitulation of Fund Balances					
Restricted Fund Balance					
Student Activities				\$ 299,345	
Scholarships				14,304	
				\$ 313,649	

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, 2025**

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)	\$ 33,799,174	\$ 893,492
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, 2024		
Encumbrances, June 30, 2025		(25,144)
State and Extraordinary aid payments recognized for GAAP purpose not recognized for budgetary statements (2023/2024 State aid)	673,054	
State aid and Extraordinary aid payments recognized for budgetary purpose not recognized for GAAP statements (2024/2025 State aid)	<u>(748,114)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 33,724,114</u>	<u>\$ 868,348</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 33,243,156	\$ 930,193
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, 2024		-
Encumbrances, June 30, 2025	<u>-</u>	<u>(25,144)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 33,243,156</u>	<u>\$ 905,049</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>2025</u>	<u>2024</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>
District's Proportion of the Net Position Liability (Asset)	0.03517%	0.03345%	0.03174%	0.02997%	0.03238%	0.03432%	0.03147%	0.03055%	0.02777%	0.02722%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 4,779,361</u>	<u>\$ 4,845,301</u>	<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>
District's Covered Payroll	<u>\$ 2,849,371</u>	<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>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	168%	184%	198%	156%	233%	271%	266%	331%	407%	328%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

* 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>2025</u>	<u>2024</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>
Contractually Required Contribution	\$ 478,615	\$ 447,094	\$ 400,288	\$ 350,977	\$ 354,242	\$ 333,834	\$ 313,019	\$ 282,988	\$ 246,665	\$ 233,994
Contributions in Relation to the Contractually Required Contribution	<u>478,615</u>	<u>447,094</u>	<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>
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>\$ 2,787,169</u>	<u>\$ 2,849,371</u>	<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>
Contributions as a Percentage of Covered Payroll	17.17%	15.69%	15.22%	14.52%	15.57%	14.75%	13.71%	12.15%	11.49%	11.57%

**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*

	<u>2025</u>	<u>2024</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>
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	<u>\$ 42,740,833</u>	<u>\$ 43,915,771</u>	<u>\$ 43,053,703</u>	<u>\$ 41,181,055</u>	<u>\$ 58,659,173</u>	<u>\$ 51,562,728</u>	<u>\$ 52,341,484</u>	<u>\$ 54,045,652</u>	<u>\$ 62,258,043</u>	<u>\$ 52,884,457</u>
Total	<u>\$ 42,740,833</u>	<u>\$ 43,915,771</u>	<u>\$ 43,053,703</u>	<u>\$ 41,181,055</u>	<u>\$ 58,659,173</u>	<u>\$ 51,562,728</u>	<u>\$ 52,341,484</u>	<u>\$ 54,045,652</u>	<u>\$ 62,258,043</u>	<u>\$ 52,884,457</u>
District's Covered Payroll	<u>\$ 10,205,724</u>	<u>\$ 10,171,956</u>	<u>\$ 10,060,254</u>	<u>\$ 10,064,769</u>	<u>\$ 9,511,614</u>	<u>\$ 9,420,188</u>	<u>\$ 9,517,146</u>	<u>\$ 8,898,145</u>	<u>\$ 8,402,337</u>	<u>\$ 8,106,217</u>
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	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

* 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, 2025**

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 Eight Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	\$ 1,849,415	\$ 1,825,683	\$ 2,379,986	\$ 2,849,788	\$ 1,595,156	\$ 1,398,380	\$ 1,615,963	\$ 1,957,283
Interest on Total OPEB Liability	1,562,211	1,563,884	1,107,573	1,312,093	1,247,948	1,478,534	1,585,359	1,365,742
Differences between Expected and Actual Experiences	(2,756,537)	311,273	(510)	(9,754,854)	10,315,642	(5,140,259)	(3,784,849)	
Changes of Assumptions	3,550,503	89,502	(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	(1,193,086)	(1,219,073)	(1,097,084)	(1,033,562)	(995,400)	(1,060,244)	(997,821)	(990,155)
Member Contributions	40,852	40,077	35,195	33,544	30,171	31,429	34,486	36,460
Net Change in Total OPEB Liability	3,053,358	2,611,346	(8,786,315)	(6,596,926)	22,637,738	(2,777,181)	(5,829,078)	(3,330,780)
Total OPEB Liability - Beginning	44,404,821	41,793,475	50,579,790	57,176,716	34,538,978	37,316,159	43,145,237	46,476,017
Total OPEB Liability - Ending	\$ 47,458,179	\$ 44,404,821	\$ 41,793,475	\$ 50,579,790	\$ 57,176,716	\$ 34,538,978	\$ 37,316,159	\$ 43,145,237
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	47,458,179	44,404,821	41,793,475	50,579,790	57,176,716	34,538,978	37,316,159	43,145,237
Total OPEB Liability - Ending	\$ 47,458,179	\$ 44,404,821	\$ 41,793,475	\$ 50,579,790	\$ 57,176,716	\$ 34,538,978	\$ 37,316,159	\$ 43,145,237
District's Covered Payroll	\$ 13,055,095	\$ 12,802,507	\$ 12,477,464	\$ 12,339,784	\$ 12,339,784	\$ 11,774,132	\$ 11,703,267	\$ 11,845,326
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	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, 2025**

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, 2025

	I.D.E.A.		American Rescue Plan - ESSER III		Total Exhibit E-1a	Total Exhibit E-1b	Grand Total Exhibit E-1
	Part B Basic	Part B Preschool	Accelerated Learning Coach and Educator Support	Evidence-Based Summer Learning and Enrichment			
REVENUES							
Intergovernmental							
State					\$ 180,178	\$ 20,481	\$ 200,659
Federal	\$ 311,109	\$ 22,151	\$ 7,173	\$ 6,600	-	62,293	409,326
Local	-	-	-	-	-	283,507	283,507
Total Revenues	311,109	22,151	7,173	6,600	180,178	366,281	893,492
EXPENDITURES							
Instruction							
Salaries for Instruction				6,600	-	8,539	15,139
Purchased Professional and Technical Services					-	5,092	5,092
Tuition	245,027				-	-	245,027
General Supplies	14,039	13,563			-	19,817	47,419
Textbooks					8,695	-	8,695
Co-Curricular/Extra-Curricular Activities	-	-	-	-	-	249,366	249,366
Total Instruction	259,066	13,563	-	6,600	8,695	282,814	570,738
Support Services							
Other Salaries					-	1,171	1,171
Personal Services - Employee Benefits					-	1,009	1,009
Purchased Professional and Technical Services	52,043	8,588	7,173		-	35,806	103,610
Purchased Professional and Educational Services					130,278	1,336	131,614
Cleaning, Repair and Maintenance Services					-	20,481	20,481
Supplies and Materials					41,205	168	41,373
Scholarship Awards	-	-	-	-	-	23,900	23,900
Total Support Services	52,043	8,588	7,173	-	171,483	83,871	323,158
Capital Outlay							
Instructional Equipment	-	-	-	-	-	36,297	36,297
Total Capital Outlay	-	-	-	-	-	36,297	36,297
Total Expenditures	311,109	22,151	7,173	6,600	180,178	402,982	930,193
Other Financing Sources/(Uses)							
Transfer In	-	-	-	-	-	28,678	28,678
Total Other Financing Sources/(Uses)	-	-	-	-	-	28,678	28,678
Excess(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	(8,023)	(8,023)
Fund Balance, Beginning of Year	-	-	-	-	-	321,672	321,672
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 313,649	\$ 313,649

**MIDLAND PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Chapter 192 Auxiliary Services</u>		<u>Chapter 193 Handicapped Services</u>			<u>Nonpublic Aid</u>					
	<u>Nonpublic Compensatory Education</u>	<u>Nonpublic E.S.L.</u>	<u>Nonpublic Suppl. Inst.</u>	<u>Nonpublic Exam. and Class</u>	<u>Nonpublic Speech Corr.</u>	<u>Textbook Aid</u>	<u>Nursing Aid</u>	<u>Technology Aid</u>	<u>Security Aid</u>	<u>Exhibit E-1a Total</u>	
REVENUES											
Intergovernmental State	\$ 32,133	\$ 5,297	\$ 9,990	\$ 20,071	\$ 28,816	\$ 8,695	\$ 24,269	\$ 9,702	\$ 41,205	\$ 180,178	
Total Revenues	32,133	5,297	9,990	20,071	28,816	8,695	24,269	9,702	41,205	180,178	
EXPENDITURES											
Instruction											
Textbooks	-	-	-	-	-	8,695	-	-	-	8,695	
Total Instruction	-	-	-	-	-	8,695	-	-	-	8,695	
Support Services											
Purchased Professional and Educational Services	32,133	5,297	9,990	20,071	28,816	-	24,269	9,702		130,278	
Supplies and Materials	-	-	-	-	-	-	-	-	41,205	41,205	
Total Support Services	32,133	5,297	9,990	20,071	28,816	-	24,269	9,702	41,205	171,483	
Total Expenditures	32,133	5,297	9,990	20,071	28,816	8,695	24,269	9,702	41,205	180,178	
Excess(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-	
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-	-	
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

**MIDLAND PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Title I</u>	<u>Title IIA</u>	<u>Title III Immigrant</u>	<u>Title IV</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					\$ 20,481				\$ 20,481
Federal	\$ 35,850	\$ 13,149	\$ 1,252	\$ 12,042					62,293
Local	-	-	-	-	-	\$ 213,896	\$ 22,669	\$ 46,942	283,507
Total Revenues	35,850	13,149	1,252	12,042	20,481	213,896	22,669	46,942	366,281
EXPENDITURES									
Instruction									
Salaries for Instruction	8,539								8,539
Purchased Professional and Technical Services				5,092					5,092
General Supplies	2,806		1,252	6,950				8,809	19,817
Co-Curricular/Extra-Curricular Activities	-	-	-	-	-	249,366	-	-	249,366
Total Instruction	11,345	-	1,252	12,042	-	249,366	-	8,809	282,814
Support Services									
Other Salaries	1,171								1,171
Personal Services - Employee Benefits	1,009								1,009
Purchased Professional and Technical Services	22,325	12,981						500	35,806
Purchased Professional and Educational Services								1,336	1,336
Supplies and Materials		168							168
Scholarship Awards	-	-	-	-	-	-	23,900	-	23,900
Total Support Services	24,505	13,149	-	-	20,481	-	23,900	1,836	83,871
Facilities Acquisitions and Construction									
Instructional Equipment	-	-	-	-	-	-	-	36,297	36,297
Total Facilities Acquisitions and Construction	-	-	-	-	-	-	-	36,297	36,297
Total Expenditures	35,850	13,149	1,252	12,042	20,481	249,366	23,900	46,942	402,982
Other Financing Sources/(Uses)									
Transfer In	-	-	-	-	-	28,678	-	-	28,678
Total Other Financing Sources/(Uses)	-	-	-	-	-	28,678	-	-	28,678
Excess(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	(6,792)	(1,231)	-	(8,023)
Fund Balance, Beginning of Year	-	-	-	-	-	306,137	15,535	-	321,672
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 299,345	\$ 14,304	\$ -	\$ 313,649

CAPITAL PROJECTS FUND

**MIDLAND PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<u>Project</u>	<u>Modified Appropriations</u>	<u>Expenditures to Date Prior Years</u>	<u>Expenditures</u>	<u>Balance, June 30, 2025</u>
Door Replacement Projects	\$ 783,621	\$ 783,621		
Highland School Art Room Renovations	67,096	47,216	\$ 200	\$ 19,680
Midland Park High School Art Room #37 Renovations	118,400	118,400		
Midland Park High School Ceiling/Lighting Replacement	179,445	83,750	40,695	55,000
Midland Park High School Art Room #40 Renovations	176,134	176,134		
Midland Park High School Guidance Office Renovations	25,000		17,642	7,358
Maintenance Building Cement Floor Restoration	38,724	37,124	1,600	
Relocation of Highland School Nurse's Office	160,000		19,810	140,190
Exterior Repointing at Godwin School	43,250	-	43,250	-
Highland School Ceiling/Lighting Replacement	<u>33,237</u>	<u>-</u>	<u>33,237</u>	<u>-</u>
	<u>\$ 1,624,907</u>	<u>\$ 1,246,245</u>	<u>\$ 156,434</u>	<u>\$ 222,228</u>
Fund Balance, June 30, 2025 - GAAP				<u>\$ 222,228</u>
<u>Reconciliation of Fund Balance:</u>				
Restricted				
Year-End Encumbrances				\$ 140,096
Available for Capital Projects				<u>82,132</u>
Total Fund Balance - Restricted for Capital Projects				<u>\$ 222,228</u>

**MIDLAND PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Revenues and Other Financing Sources

Transfer from Capital Reserve	\$ 286,931
Total Revenues and Other Financing Sources	<u>286,931</u>

Expenditures and Other Financing Uses

Architectural/Engineering Services	19,810
Construction Services	136,624
Transfers Out - General Fund - Return of Unexpended Capital Reserve Funds	<u>84,980</u>
Total Expenditures and Other Financing Uses	<u>241,414</u>

Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	45,517
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Fund Balance - Beginning of Year	<u>176,711</u>
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Fund Balance - End of Year	<u>\$ 222,228</u>
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Reconciliation to GAAP

Fund Balance, June 30, 2025 - Budgetary Basis	<u>\$ 222,228</u>
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Fund Balance, June 30, 2025 - GAAP Basis	<u>\$ 222,228</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, 2025**

	<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	\$ 826,460	\$ (9,052)	\$ 817,408	\$ 817,408
Transfers from/(to) Other Projects	<u>(9,000)</u>	<u>(24,787)</u>	<u>(33,787)</u>	<u>(33,787)</u>
Total Revenues and Other Financing Sources	<u>817,460</u>	<u>(33,839)</u>	<u>783,621</u>	<u>783,621</u>
Expenditures and Other Financing Uses				
Expenditures				
Architectural/Engineering Services	54,409		54,409	55,000
Construction Services	<u>729,212</u>	<u>-</u>	<u>729,212</u>	<u>728,621</u>
Total Expenditures and Other Financing Uses	<u>783,621</u>	<u>-</u>	<u>783,621</u>	<u>783,621</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 33,839</u>	<u>\$ (33,839)</u>	<u>\$ -</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/(Reduced) Authorized Cost	(92,153)			
Revised Authorized Cost	\$ 783,621			
Percentage Increase Over Original Authorized Cost	-11%			
Percentage Completion	100%			
Revised Target Completion Date	June 30, 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, 2025**

	<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)	\$ 2,000	(18,400)	(18,400)
Total Revenues and Other Financing Sources	65,096	2,000	67,096	67,096
Expenditures and Other Financing Uses				
Expenditures				
Architectural/Engineering Services	2,155		2,155	2,155
Construction Services	40,940	200	41,140	60,441
Supplies and Materials	4,121	-	4,121	4,500
Total Expenditures and Other Financing Uses	47,216	200	47,416	67,096
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 17,880	\$ 1,800	\$ 19,680	\$ -
Additional Project Information:				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Proceeds Issued	N/A			
Original Authorized Cost	\$ 65,096			
Additional/(Reduced) Authorized Cost	2,000			
Revised Authorized Cost	\$ 67,096			
Percentage Increase Over Original Authorized Cost	3%			
Percentage Completion	71%			
Original Target Completion Date	June 30, 2023			
Revised Target Completion Date	June 30, 2026			

**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, 2025**

	<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	<u>20,400</u>	<u>\$ (2,000)</u>	<u>18,400</u>	<u>18,400</u>
Total Revenues and Other Financing Sources	<u>120,400</u>	<u>(2,000)</u>	<u>118,400</u>	<u>118,400</u>
Expenditures and Other Financing Uses				
Expenditures				
Construction Services	<u>118,400</u>	<u>-</u>	<u>118,400</u>	<u>118,400</u>
Total Expenditures and Other Financing Uses	<u>118,400</u>	<u>-</u>	<u>118,400</u>	<u>118,400</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 2,000</u>	<u>\$ (2,000)</u>	<u>\$ -</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	\$ 118,400			
Additional/(Reduced) Authorized Cost				
Revised Authorized Cost	\$ 118,400			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	100%			
Revised Target Completion Date	June 30, 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 CEILING/LIGHTING REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<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	\$ 114,001	\$ 65,444	\$ 179,445	\$ 179,445
Total Revenues and Other Financing Sources	114,001	65,444	179,445	179,445
Expenditures and Other Financing Uses				
Expenditures				
Architectural/Engineering Services			-	30,000
Construction Services	83,750	40,695	124,445	149,445
Total Expenditures and Other Financing Uses	83,750	40,695	124,445	179,445
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 30,251	\$ 24,749	\$ 55,000	\$ -
Additional Project Information:				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Proceeds Issued	N/A			
Original Authorized Cost	\$ 114,001			
Additional/(Reduced) Authorized Cost	65,444			
Revised Authorized Cost	\$ 179,445			
Percentage Increase Over Original Authorized Cost	57%			
Percentage Completion	69%			
Revised Target Completion Date	June 30, 2026			

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 #40 RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<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	\$ 191,134	\$ (24,787)	\$ 166,347	\$ 166,347
Transfers from (to) Other Projects	<u>-</u>	<u>9,787</u>	<u>9,787</u>	<u>9,787</u>
Total Revenues and Other Financing Sources	<u>191,134</u>	<u>(15,000)</u>	<u>176,134</u>	<u>176,134</u>
Expenditures and Other Financing Uses				
Expenditures				
Construction Services	<u>176,134</u>	<u>-</u>	<u>176,134</u>	<u>176,134</u>
Total Expenditures and Other Financing Uses	<u>176,134</u>	<u>-</u>	<u>176,134</u>	<u>176,134</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 15,000</u>	<u>\$ (15,000)</u>	<u>\$ -</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	\$ 176,134			
Additional/(Reduced) Authorized Cost				
Revised Authorized Cost	\$ 176,134			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	100%			
Revised Target Completion Date	June 30, 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 GUIDANCE OFFICE RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<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	\$ 75,000	\$ (50,000)	\$ 25,000	\$ 25,000
Total Revenues and Other Financing Sources	75,000	(50,000)	25,000	25,000
Expenditures and Other Financing Uses				
Expenditures				
Construction Services	-	17,642	17,642	25,000
Total Expenditures and Other Financing Uses	-	17,642	17,642	25,000
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 75,000	\$ (67,642)	\$ 7,358	\$ -
Additional Project Information:				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Proceeds Issued	N/A			
Original Authorized Cost	\$ 25,000			
Additional/(Reduced) Authorized Cost				
Revised Authorized Cost	\$ 25,000			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	71%			
Revised Target Completion Date	June 30, 2026			

**MIDLAND PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
MAINTENANCE BUILDING CEMENT FLOOR RESTORATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<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	\$ 39,865	\$ (1,141)	\$ 38,724	\$ 38,724
Total Revenues and Other Financing Sources	<u>39,865</u>	<u>(1,141)</u>	<u>38,724</u>	<u>38,724</u>
Expenditures and Other Financing Uses				
Expenditures				
Construction Services	<u>37,124</u>	<u>1,600</u>	<u>38,724</u>	<u>38,724</u>
Total Expenditures and Other Financing Uses	<u>37,124</u>	<u>1,600</u>	<u>38,724</u>	<u>38,724</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 2,741</u>	<u>\$ (2,741)</u>	<u>\$ -</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	\$ 38,724			
Additional/(Reduced) Authorized Cost				
Revised Authorized Cost	\$ 38,724			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	100%			
Revised Target Completion Date	June 30, 2025			

**MIDLAND PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
RELOCATION OF HIGHLAND SCHOOL NURSE'S OFFICE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<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		\$ 145,000	\$ 145,000	\$ 145,000
Transfers from (to) Other Projects	-	15,000	15,000	15,000
Total Revenues and Other Financing Sources	-	160,000	160,000	160,000
Expenditures and Other Financing Uses				
Expenditures				
Architectural/Engineering Services		19,810	19,810	20,000
Construction Services	-	-	-	140,000
Total Expenditures and Other Financing Uses	-	19,810	19,810	160,000
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ 140,190	\$ 140,190	\$ -
Additional Project Information:				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Proceeds Issued	N/A			
Original Authorized Cost	\$ 160,000			
Additional/(Reduced) Authorized Cost				
Revised Authorized Cost	\$ 160,000			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	12%			
Revised Target Completion Date	June 30, 2026			

MIDLAND PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
EXTERIOR REPOINTING AT GODWIN SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<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	\$ -	\$ 43,250	\$ 43,250	\$ 43,250
Total Revenues and Other Financing Sources	-	43,250	43,250	43,250
Expenditures and Other Financing Uses				
Expenditures				
Construction Services	-	43,250	43,250	43,250
Total Expenditures and Other Financing Uses	-	43,250	43,250	43,250
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -
Additional Project Information:				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Proceeds Issued	N/A			
Original Authorized Cost	\$ 43,250			
Additional/(Reduced) Authorized Cost	-			
Revised Authorized Cost	\$ 43,250			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	100%			
Revised Target Completion Date	June 30, 2025			

MIDLAND PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
HIGHLAND SCHOOL CEILING/LIGHTING REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<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	\$ -	\$ 33,237	\$ 33,237	\$ 33,237
Total Revenues and Other Financing Sources	-	33,237	33,237	33,237
Expenditures and Other Financing Uses				
Expenditures				
Construction Services	-	33,237	33,237	33,237
Total Expenditures and Other Financing Uses	-	33,237	33,237	33,237
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -
Additional Project Information:				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Proceeds Issued	N/A			
Original Authorized Cost	\$ 33,237			
Additional/(Reduced) Authorized Cost	-			
Revised Authorized Cost	\$ 33,237			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	100%			
Revised Target Completion Date	June 30, 2025			

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, 2025**

100

<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, 2024</u>	<u>Retired</u>	<u>Balance, June 30, 2025</u>
2015 School Bonds	2/5/2015	\$ 8,500,000	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>\$ 5,595,000</u>	<u>\$ 385,000</u>	<u>\$ 5,210,000</u>
						<u>\$ 5,595,000</u>	<u>\$ 385,000</u>	<u>\$ 5,210,000</u>
					Paid by Budget Appropriation		<u>\$ 385,000</u>	

**MIDLAND PARK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOT APPLICABLE

**MIDLAND PARK BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<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	\$ 537,675	-	\$ 537,675	\$ 537,675	-
Total Revenues	<u>537,675</u>	<u>-</u>	<u>537,675</u>	<u>537,675</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Principal on Bonds	152,675		152,675	152,675	
Interest on Bonds	<u>385,000</u>	<u>-</u>	<u>385,000</u>	<u>385,000</u>	<u>-</u>
Total Expenditures	<u>537,675</u>	<u>-</u>	<u>537,675</u>	<u>537,675</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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
		(Restated)		(Restated)	(Restated)				(Restated)	
Governmental Activities										
Net Investment in Capital Assets	\$ 6,957,794	\$ 12,872,361	\$ 12,975,747	\$ 12,310,956	\$ 12,487,485	\$ 12,780,928	\$ 12,476,120	\$ 12,518,806	\$ 13,622,134	\$ 13,280,045
Restricted	943,530	950,806	1,130,708	1,375,697	2,061,015	2,864,280	4,091,749	5,262,817	5,653,857	6,117,755
Unrestricted	(2,736,476)	(4,216,835)	(5,247,417)	(5,553,340)	(6,038,684)	(6,195,994)	(4,446,951)	(4,372,436)	(4,146,502)	(4,016,062)
Total governmental activities net position	<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>	<u>\$ 15,129,489</u>	<u>\$ 15,381,738</u>
Business-Type Activities										
Investment in Capital Assets	\$ 42,166	\$ 64,508	\$ 64,408	\$ 73,841	\$ 67,379	\$ 60,256	\$ 53,887	\$ 48,368	\$ 60,349	\$ 60,072
Unrestricted	69,014	91,244	108,754	99,221	49,506	73,167	101,011	158,722	142,279	130,270
Total Business-Type Activities Net Position	<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>	<u>\$ 202,628</u>	<u>\$ 190,342</u>
District-Wide										
Net Investment in Capital Assets	\$ 6,999,960	\$ 12,936,869	\$ 13,040,155	\$ 12,384,797	\$ 12,554,864	\$ 12,841,184	\$ 12,530,007	\$ 12,567,174	\$ 13,682,483	\$ 13,340,117
Restricted	943,530	950,806	1,130,708	1,375,697	2,061,015	2,864,280	4,091,749	5,262,817	5,653,857	6,117,755
Unrestricted	(2,667,462)	(4,125,591)	(5,138,663)	(5,454,119)	(5,989,178)	(6,122,827)	(4,345,940)	(4,213,714)	(4,004,223)	(3,885,792)
Total District Net Position	<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>	<u>\$ 15,332,117</u>	<u>\$ 15,572,080</u>

Note 1 - Net Position at June 30, 2017 and at June 30, 2019 restated for updated capital asset and accumulated depreciation values.

Note 2 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

Note 3 - Net Position at June 30, 2024 is restated to reflect the implementation of GASB Statement No. 101, "Compensated Absences".

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
Instruction										
Regular	\$ 10,844,538	\$ 12,073,475	\$ 12,408,806	\$ 11,480,682	\$ 10,958,285	\$ 12,578,907	\$ 10,119,644	\$ 10,032,465	\$ 10,347,490	\$ 10,434,234
Special Education	5,290,136	5,921,928	6,400,761	6,334,943	6,136,491	6,483,701	6,245,391	6,081,073	6,222,052	6,493,662
Other Instruction	858,751	802,493	894,828	976,699	733,334	522,084	847,032	803,679	772,092	647,093
School Sponsored Activities and Athletics	839,587	968,669	999,843	969,669	876,174	1,038,226	693,863	957,584	1,047,453	1,085,330
Support Services:										
Student & Instruction Related Services	3,554,681	3,767,826	4,370,983	4,187,409	3,933,264	3,905,058	4,335,763	4,105,761	4,361,621	4,283,707
General and Business Administration/Central Svcs.	1,178,620	1,338,159	1,474,254	1,370,557	1,456,179					
General Administrative Services						638,094	817,077	637,128	609,972	614,484
School Administrative Services	1,535,558	1,762,734	1,858,822	1,757,201	1,703,933	1,904,444	1,859,455	1,858,921	1,930,485	1,990,468
Central Services and Admin. Info. Technology						787,532	757,238	694,806	780,318	809,220
Plant Operations and Maintenance	1,901,845	2,347,506	2,278,130	2,435,986	2,993,439	3,083,847	2,730,771	3,183,051	3,315,391	3,562,970
Pupil Transportation	589,466	509,474	602,110	753,706	639,511	526,841	872,183	912,261	1,501,219	1,706,458
Interest on long-term debt	388,045	197,330	260,275	252,176	234,238	221,858	200,950	179,709	158,931	149,787
Total governmental activities expenses	<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>	<u>31,047,024</u>	<u>31,777,413</u>
Business-type activities:										
Food service	372,199	390,965	386,879	425,642	314,026	227,624	542,249	506,675	548,111	544,055
Total business-type activities expense	<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>	<u>548,111</u>	<u>544,055</u>
Total district expenses	<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>	<u>\$ 31,595,135</u>	<u>\$ 32,321,468</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 29,875	\$ 46,397	\$ 40,750	\$ 63,242	\$ 39,204	\$ 19,244	\$ 35,925	\$ 1,137,663	\$ 1,147,906	\$ 1,027,506
Community School	672,598	637,458	702,619	841,396	572,353	128,792		804,757	825,435	839,857
Student Activities						120,091	29,738	243,997	239,431	213,896
Plant Operations and Maintenance										74,836
Transportation									425,561	538,311
Operating Grants and Contributions	5,875,726	7,546,882	8,775,232	7,158,857	6,470,757	9,476,587	8,092,488	5,400,496	5,877,722	4,771,178
Capital Grants and Contributions	1,160,454	1,480,801	31,771	25,710	270,000			130,439	458,507	36,297
Total Governmental Activities Program Revenues	<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>	<u>8,974,562</u>	<u>7,501,881</u>
Business-type activities:										
Charges for Services										
Food Service	283,963	301,684	314,309	325,257	223,782	3,418	57,557	330,093	363,396	372,715
Operating grants and contributions	85,579	94,894	89,773	99,459	75,762	240,614	506,087	202,085	180,253	155,895
Total business type activities program revenues	<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>	<u>543,649</u>	<u>528,610</u>
Total district program revenues	<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>	<u>\$ 9,518,211</u>	<u>\$ 8,030,491</u>
Net (Expense)/Revenue										
Governmental activities	\$ (19,242,574)	\$ (19,978,056)	\$ (21,998,440)	\$ (22,429,823)	\$ (22,312,534)	\$ (21,945,878)	\$ (21,321,216)	\$ (21,729,086)	\$ (22,072,462)	\$ (24,275,532)
Business-type activities	(2,657)	5,613	17,203	(926)	(14,482)	16,408	21,395	25,503	(4,462)	(15,445)
Total district-wide net expense	<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>	<u>\$ (22,076,924)</u>	<u>\$ (24,290,977)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 18,705,258	\$ 19,079,363	\$ 19,533,118	\$ 20,021,446	\$ 20,421,875	\$ 20,983,476	\$ 21,516,844	\$ 21,947,181	\$ 22,834,226	\$ 23,719,665
Property Taxes levied for debt service	910,587	911,236	922,370	918,388	935,325	937,475	939,125	940,300	931,150	537,675
Unrestricted grants and contributions	35,320	33,651	33,593	34,612	33,937	34,182	33,967	33,673	33,450	34,541
Investment earnings	4,712	20,329	11,960	28,664	33,139	10,131	1,942	63,849	152,223	207,585
Miscellaneous income	722,452	655,332	750,105	864,436	899,834	920,012	1,501,042	32,352	26,866	28,315
Transfers					42,698					
Total governmental activities	<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>	<u>23,977,915</u>	<u>24,527,781</u>
Business-type activities:										
Investment Earnings	75	76	207	826	1,003	130	80	962	-	3,159
Miscellaneous								25,727	-	-
Transfers					(42,698)					
Total business-type activities	<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>	<u>-</u>	<u>3,159</u>
Total district-wide	<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>	<u>\$ 23,977,915</u>	<u>\$ 24,530,940</u>
Change in Net Position										
Governmental activities	\$ 1,135,755	\$ 721,855	\$ (747,294)	\$ (562,277)	\$ 54,274	\$ 939,398	\$ 2,671,704	\$ 1,288,269	\$ 1,905,453	\$ 252,249
Business-type activities	(2,582)	5,689	17,410	(100)	(56,177)	16,538	21,475	52,192	(4,462)	(12,286)
Total district	<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>	<u>\$ 1,900,991</u>	<u>\$ 239,963</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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
					(Restated)					
General Fund										
Restricted	\$ 1,561,986	\$ 1,578,807	\$ 1,687,572	\$ 1,631,058	\$ 2,137,166	\$ 3,120,987	\$ 4,138,826	\$ 5,006,307	\$ 6,511,087	\$ 6,131,878
Committed	1,099,894	424,924		98,600	226,858				132,475	115,926
Assigned	239,122	143,643	100,839	46,774	65,239	120,767	374,016	369,823	460,546	52,676
Unassigned	381,585	402,424	402,215	419,026	408,911	410,816	1,028,538	435,521	242,096	490,440
Total general fund	<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>	<u>\$ 7,346,204</u>	<u>\$ 6,790,920</u>
All Other Governmental Funds										
Restricted	\$ 5,184,166	\$ 2,165,687	\$ 2,055,872	\$ 439,924	\$ 498,849	\$ 293,293	\$ 502,923	\$ 806,510	\$ 498,383	\$ 535,877
Total all other governmental funds	<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>	<u>\$ 498,383</u>	<u>\$ 535,877</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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Property Tax levy	\$ 19,615,845	\$ 19,990,599	\$ 20,455,488	\$ 20,939,834	\$ 21,357,200	\$ 21,920,951	\$ 22,455,969	\$ 22,887,481	\$ 23,765,376	\$ 24,257,340
Tuition Charges	29,875	46,397	40,750	63,242	39,204	19,244	35,925	48,950	42,775	45,650
Miscellaneous	1,401,021	1,313,245	1,464,684	1,757,308	1,780,248	1,197,471	1,751,723	2,301,455	2,823,494	2,954,057
State Sources	4,055,059	4,832,728	4,017,416	4,466,999	4,811,535	5,425,305	7,300,986	6,455,122	7,395,120	7,468,217
Federal Sources	419,750	405,495	396,212	362,148	414,567	595,643	685,574	847,872	1,123,690	404,873
Total revenue	<u>25,521,550</u>	<u>26,588,464</u>	<u>26,374,550</u>	<u>27,589,531</u>	<u>28,402,754</u>	<u>29,158,614</u>	<u>32,230,177</u>	<u>32,540,880</u>	<u>35,150,455</u>	<u>35,130,137</u>
Expenditures										
Instruction										
Regular Instruction	8,694,063	9,209,223	9,512,086	9,691,310	10,174,155	10,796,411	11,040,108	11,240,663	11,514,097	12,133,349
Special Education Instruction	4,596,055	4,911,320	5,329,303	5,732,392	5,824,555	5,895,815	5,998,908	6,361,655	6,643,674	7,052,885
Other Instruction	758,385	683,099	766,767	903,717	726,328	457,139	782,601	865,021	854,333	715,490
School Sponsored Activities and Athletics	695,288	765,323	791,643	838,244	809,431	908,365	758,284	998,776	1,075,525	1,097,741
Support Services:										
Student and Instruction Related Services	3,207,911	3,252,306	3,651,007	3,692,918	3,672,724	3,498,719	4,354,148	4,448,096	4,764,060	4,833,095
General Administrative Services	510,788	504,226	560,163	570,329	634,368	556,597	632,044	689,953	661,673	676,891
School Administrative Services	1,283,252	1,401,483	1,457,922	1,513,780	1,575,781	1,644,692	1,706,536	2,041,727	2,121,116	2,240,096
Central Services and Admin. Info. Technology	692,515	661,858	672,763	636,052	720,679	679,853	802,441	763,400	844,597	882,572
Plant Operations and Maintenance	1,782,408	2,148,118	2,002,056	2,230,875	1,973,243	1,963,449	2,091,320	2,311,370	2,453,365	2,617,195
Pupil Transportation	558,202	462,610	535,513	710,360	598,102	480,524	761,257	953,154	1,524,296	1,704,939
Capital Outlay	4,074,043	5,346,153	701,269	1,731,525	608,462	642,305	172,446	280,948	1,341,756	350,386
Debt Service:										
Principal	697,413	702,724	666,204	689,818	765,642	796,512	818,877	824,857	765,000	152,675
Interest and Other Charges	312,359	291,289	274,741	259,327	241,580	229,393	208,679	187,402	166,150	385,000
Total expenditures	<u>27,862,682</u>	<u>30,339,732</u>	<u>26,921,437</u>	<u>29,200,647</u>	<u>28,325,050</u>	<u>28,549,774</u>	<u>30,127,649</u>	<u>31,967,022</u>	<u>34,729,642</u>	<u>34,842,314</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(2,341,132)</u>	<u>(3,751,268)</u>	<u>(546,887)</u>	<u>(1,611,116)</u>	<u>77,704</u>	<u>608,840</u>	<u>2,102,528</u>	<u>573,858</u>	<u>420,813</u>	<u>287,823</u>
Other Financing sources (uses)										
Bad Debt Expense							(4,088)			
Lease Purchase Proceeds			77,900		259,010					
Transfers in	2,105	238,947		279,876	44,398	458,763	323,344	310,000	286,931	400,589
Transfers out	(2,105)	(238,947)		(279,876)	(1,700)	(458,763)	(323,344)	(310,000)	(465,355)	(400,589)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>77,900</u>	<u>-</u>	<u>301,708</u>	<u>-</u>	<u>(4,088)</u>	<u>-</u>	<u>(178,424)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (2,341,132)</u>	<u>\$ (3,751,268)</u>	<u>\$ (468,987)</u>	<u>\$ (1,611,116)</u>	<u>\$ 379,412</u>	<u>\$ 608,840</u>	<u>\$ 2,098,440</u>	<u>\$ 573,858</u>	<u>\$ 242,389</u>	<u>\$ 287,823</u>
Debt service as a percentage of noncapital expenditures	4.24%	3.98%	3.59%	3.46%	3.63%	3.68%	3.43%	3.19%	2.79%	1.56%

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,	SHIP Program Fees	<u>Tuition</u>	<u>Interest on Investments</u>	Continuing Education Program Fees	<u>Refunds</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2024	1,105,131	42,775	152,223	1,250,996	10,542	9,362	6,962	2,577,991
2025	981,856	45,650	207,585	1,378,168	4,892	74,836	23,423	2,716,410

Source: District financial statements

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

Fiscal Year Ended June 30,							Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value				
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
2024	6,742,300	882,402,000	147,128,000	39,153,100	15,260,100	1,090,685,500		1,090,685,500	1,539,538,785	2.224
2025	6,005,800	884,478,000	142,748,400	40,051,200	15,260,100	1,088,543,500		1,088,543,500	1,692,544,360	2.338

Source: County Abstract of Ratables

N/A - Not Available

a Tax rates are per \$100

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

Calendar Year	Overlapping Rates			Total Direct and Overlapping Tax Rate
	Total Direct School Tax Rate	Municipality	County	
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
2024	2.224	0.926	0.330	3.480
2025	2.338	0.986	0.364	3.688

Source: County Abstract of Ratables

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

Taxpayer	2025		Taxpayer	2016	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
UB Midland Park LLC	\$ 19,000,000	1.74%	Mid Park, Hye Partners	\$ 20,372,400	1.91%
Marlow Park LLC	10,781,600	0.99%	Marlow Park, LLC	8,681,600	0.81%
NW Midland Park Gr c/o Paradigm Tax	8,100,000	0.74%	MW Midpark Grocery, LLC	9,849,500	0.92%
Vander Steere Brothers Constr.	8,529,300	0.78%	Mature Environment	7,169,800	0.67%
Mature Environments, Inc.	7,169,800	0.66%			
Godwin Park, LLC	6,168,700	0.57%	Henpal Realty Co	4,780,000	0.45%
Greenwood Industrial Park LLC	5,021,500	0.46%	Vander Sterre Bros.	8,529,300	0.80%
Tenastic, Inc.	4,694,800	0.43%	ARV at Midland Park, LLC	2,875,000	0.27%
Rigs Development 1, LLC	3,100,000	0.28%	Tenastic, Inc.,	3,090,600	0.29%
Texel Apartments, LP	3,306,900	0.30%	Textel Apartments	3,306,900	0.31%
	<u>\$ 75,872,600</u>	<u>6.96%</u>		<u>\$ 68,655,100</u>	<u>6.44%</u>

Source: Municipal Tax Assessor

EXHIBIT J-9

**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	
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%	
2024	23,765,376	23,765,376	100.00%	
2025	24,257,340	24,257,340	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>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Financing Agreements</u>			
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
2024	5,595,000		5,595,000	6,970	803
2025	5,210,000		5,210,000	7,104	733

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			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Debt	Deductions	Net General Bonded Debt Outstanding		
2016	\$ 10,585,000	\$ 6,544	\$ 10,578,456	1.05%	\$ 1,543
2017	9,935,000	16,392	9,918,608	0.99%	1,457
2018	9,260,000	14,287	9,245,713	0.93%	1,363
2019	8,565,000		8,565,000	0.86%	1,277
2020	7,850,000		7,850,000	0.80%	1,187
2021	7,115,000		7,115,000	0.73%	1,094
2022	7,115,000		7,115,000	0.66%	1,021
2023	5,595,000		5,595,000	0.58%	914
2024	5,595,000		5,595,000	0.51%	803
2025	5,210,000		5,210,000	0.48%	733

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, 2024
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Midland Park Board of Education	\$ 5,210,000
Borough of Midland Park	<u>2,759,271</u>
	<u>7,969,271</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	\$ 11,430,621
Northwest Bergen County Utilities Authority (B)	<u>1,881,235</u>
	<u>13,311,856</u>
Total Direct and Overlapping Debt	<u><u>\$ 21,281,127</u></u>

Source:

(1) Borough's 2024 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough of Midland Park by dividing the municipality's 2024 equalized value by the total 2024 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 2024

Equalized valuation basis

2024	\$ 1,683,259,494
2023	1,523,448,242
2022	1,413,789,659
	<u>\$ 4,620,497,395</u>

Average equalized valuation of taxable property	<u>\$ 1,540,165,798</u>
---	-------------------------

Debt limit (4% of average equalization value)	61,606,632
Total Net Debt Applicable to Limit	<u>5,210,000</u>
Legal debt margin	<u>\$ 56,396,632</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>	<u>2024</u>	<u>2025</u>
Debt limit	\$ 46,198,007	\$ 47,516,051	\$ 48,687,539	\$ 49,564,433	\$ 50,238,040	\$ 35,059,470	\$ 52,116,102	\$ 53,909,999	\$ 57,035,418	\$ 61,606,632
Total net debt applicable to limit	<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>	<u>5,595,000</u>	<u>5,210,000</u>
Legal debt margin	<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>	<u>\$ 51,440,418</u>	<u>\$ 56,396,632</u>
Total net debt applicable to the limit as a percentage of debt limit	24.27%	22.28%	20.41%	18.68%	17.05%	22.39%	13.65%	11.80%	9.81%	8.46%

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>
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	97,138	3.10%
2023	6,958	102,229	3.30%
2024	6,970	N/A	3.80%
2025	7,104	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>2024</u>		<u>2015</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)

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction										
Regular Education	76.9	76.9	78.5	76.3	83.2	80.0	78.1	80.3	81.5	79.1
Special Education	54.5	56.0	57.2	56.8	47.4	50.0	48.5	50.2	44.3	41.9
Community School Programs	3.5	3.5	2.5	2.5	2.5	2.4	2.7	2.5	2.4	2.5
Support Services:										
Student and Instruction Related Services	26.2	25.2	22.6	23.5	24.8	23.7	24.8	25.0	24.8	25.3
General Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administration	10.5	10.5	10.5	10.5	10.5	10.2	10.0	10.3	10.0	9.5
Central Services	4.5	4.5	4.5	4.5	4.5	4.0	4.5	4.5	4.5	4.5
Plant Operations and Maintenance	26.0	26.0	25.6	21.1	20.5	18.5	18.5	18.5	17.0	18.0
Pupil Transportation	6.0	6.0	6.0	3.5	3.5	4.5	4.5	4.5	4.5	5.5
Food Service										
Total	<u>210.1</u>	<u>210.6</u>	<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>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teacher/Pupil Ratio			Teaching Staff	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2024	886	32,456,736	36,633	4.62%	121	8:1	11:1	7:1				871	837	1.52%	96.10%
2025	919	33,954,253	36,947	0.86%	105	8:1	11:1	7:1				908	873	4.25%	96.15%

Sources: District records

- Note:
- a Enrollment based on annual October district count. Enrollment includes resident Charter School students and Sent students.
 - 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)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<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	532	494	494	518	520	495	518	533	518	539
<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	485	448	439	396	367	363	355	333	336	368
<u>Number of Schools at June 30, 2025</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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>SCHOOL FACILITIES</u>										
Elementary - Godwin/Highland	\$ 109,525	\$ 117,952	\$ 278,714	\$ 196,369	\$ 370,368	\$ 429,407	\$ 167,560	\$ 273,930	\$ 206,367	\$ 240,901
Midland Park Jr/Sr High School	<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>	<u>243,344</u>	<u>266,570</u>
GRAND TOTAL	<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>	<u>\$ 449,711</u>	<u>\$ 507,471</u>

**MIDLAND PARK BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2025
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - National Union Fire Ins. Co., Property - Blanket Building & Contents	\$ 86,829,384	\$ 5,000
Boiler & Machinery- National Union Fire Ins. Co.	150,000,000	25,000
General Liability-National Union Fire	1,000,000	2,500
Automobile - National Union Fire Liability	1,000,000	2,500
Commercial Umbrella Liability - AIG	9,000,000	
Excess Liability <u>Unshared</u> - Hudson/Allied/Great American	40,000,000	
Excess Liability <u>Shared</u> - Upland/Evanston	15,000,000	
Environmental - Evanston	2,000,000/4,000,000	25,000
Excess Workers Compensation - Safety National Casualty Workers Compensation Policy Bodily Injury	1,000,000	
School Board Legal Liability - XL Capital Wrongful Acts	1,000,000	10,000
Employment Practices Liability	1,000,000	25,000
Public Employee Theft or Forgery - National Union Fire Ins. Co,	500,000	5,000
Cyber Liability - Cowbell	\$2,000,000/\$5,000,000 Agg.	25,000
Cyber Liability Excess - Great American	\$5,000,000 Agg.	
Law Enforcement- Sirius Point Specialty Ins. Co.	\$1,000,000/2,000,000 Agg.	5,000

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, 2024 and the related notes to the financial statements, which collectively comprise the Midland Park Board of Education's basic financial statements and have issued our report thereon dated November 11, 2025.

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 were not identified.

Report on Compliance and Other Matters

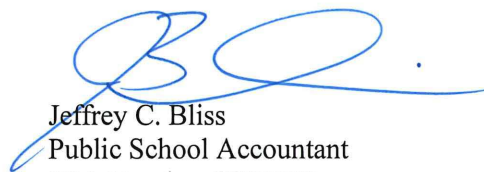
As part of obtaining reasonable assurance about whether the Midland Park Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

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
November 11, 2025



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

Opinion on Each Major 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 New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Midland Park Board of Education's major state programs for the fiscal year ended June 30, 2025. The Midland Park Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major 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; 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 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 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 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, 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 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, 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 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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

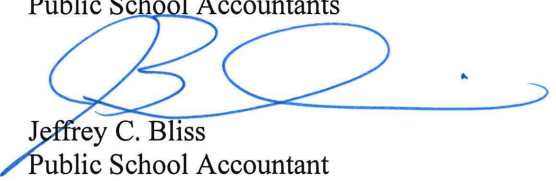
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund, of the Midland Park Board of Education, as of and for the fiscal year ended June 30, 2025, 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 November 11, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & 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
November 11, 2025

MIDLAND PARK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	July 1, 2024		Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	Adjustments/ Funds Released	June 30, 2025		MEMO: GAAP Receivable
					Accounts Receivable	Unearned Revenue					Unearned Revenue Adjustments	Accounts Receivable	Unearned Revenue	
U.S. Dept. of Agriculture Passed-through State Department of Agriculture														
<u>Food Service Fund</u>														
National School Lunch Program	10.555													
Non-Cash Assistance (Food Distribution)		241NJ304N1099	7/1/23-6/30/24	\$ 40,259		\$ 920				\$ 920				
Non-Cash Assistance (Food Distribution)		251NJ304N1099	7/1/24-6/30/25	37,245					\$ 37,245	36,084		\$ 1,161		
Cash Assistance		241NJ304N1099	7/1/23-6/30/24	90,536	\$ (7,180)				7,180					-
Cash Assistance		251NJ304N1099	7/1/24-6/30/25	100,473					92,382	100,473		\$ (8,091)		\$ (8,091)
Supply Chain Assistance Program		241NJ304N1099	7/1/23-6/30/24	27,085										-
Local Food for Schools Cooperative Program	10.185	241NJ304N1099	7/1/23-6/30/24	2,258	(433)				433					-
Local Food for Schools Cooperative Program		251NJ304N1099	7/1/24-6/30/25	7,618					7,618	7,618		-		-
Summer EBT Administrative Cost	10.646	202424N180341	7/1/24-6/30/25	322					322	322		-		-
School Breakfast Program	10.553	241NJ304N1099	7/1/23-6/30/24	6,856	(403)				403					-
School Breakfast Program		251NJ304N1099	7/1/24-6/30/25	3,923	-	-	-	-	3,682	3,923	-	(241)	-	(241)
Total Child Nutrition Cluster/Food Service Fund					(8,016)	920	-	-	149,265	149,340	-	(8,332)	1,161	(8,332)
U.S. Department of Education Passed- through State Dept. of Education														
<u>Special Revenue Fund</u>														
IDEA Part B, Basic	84.027A	H027A230100	7/1/23-9/30/24	291,808	(77,497)	69,202	\$ 69,202	\$ (69,202)	8,295					-
IDEA Part B, Basic	84.027A	H027A240100	7/1/24-9/30/25	282,824			(69,202)	69,202	299,406	311,109		(52,620)	40,917	(11,703)
IDEA Preschool	84.173A	H173A230114	7/1/23-9/30/24	22,643	(6,593)	1,090	1,412	(1,412)	5,181		\$ 322			-
IDEA Preschool	84.173A	H173A240114	7/1/24-9/30/25	22,155	-	-	(1,412)	1,412	20,201	22,151	-	(3,366)	1,416	(1,950)
Total Special Education Cluster (IDEA)					(84,090)	70,292	-	-	333,083	333,260	322	(55,986)	42,333	(13,653)
Title I - Part A	84.010	S010A230030	7/1/23-9/30/24	40,072	(11,436)				11,436					-
Title I - Part A	84.010	S010A240030	7/1/24-9/30/25	35,850	-	-	-	-	12,391	35,850	-	(23,459)	-	(23,459)
Total ESEA Title I					(11,436)	-	-	-	23,827	35,850	-	(23,459)	-	(23,459)
Title II - Part A	84.367A	S367A230029	7/1/23-9/30/24	15,569	(2,000)				2,000					-
Title II - Part A	84.367A	S367A240029	7/1/24-9/30/25	14,602	-	-	-	-	7,346	13,149	-	(7,256)	1,453	(5,803)
Total ESEA Title II					(2,000)	-	-	-	9,346	13,149	-	(7,256)	1,453	(5,803)
Title III, Immigrant	84.365	S365A240030	7/1/24-9/30/25	1,252	-	-	-	-	160	1,252	-	(1,092)	-	(1,092)
Total ESEA Title III					-	-	-	-	160	1,252	-	(1,092)	-	(1,092)
Title IV - Part A	84.424	S424A230031	7/1/23-9/30/24	10,000	(1,949)	3,205	1,470	(1,470)	479	1,735				-
Title IV - Part A	84.424	S424A240031	7/1/24-9/30/25	10,000	-	-	(1,470)	1,470	7,966	10,307	-	(3,504)	1,163	(2,341)
Total ESEA Title IV					(1,949)	3,205	-	-	8,445	12,042	-	(3,504)	1,163	(2,341)
American Rescue Plan (ARP) - Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	70,180	(12,328)	7,173			12,328	7,173		-	-	-
American Rescue Plan (ARP) - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(6,600)	6,600	-	-	6,600	6,600	-	-	-	-
Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)					(18,928)	13,773	-	-	18,928	13,773	-	-	-	-
Additional or Compensatory Special Education and Related Services	21.027	S425D200027	7/1/23-6/30/24	75,004	(37,502)	-	-	-	37,502	-	-	-	-	-
Total ACSERS					(37,502)	-	-	-	37,502	-	-	-	-	-
Total Special Revenue Fund					(155,905)	87,270	-	-	431,291	409,326	322	(91,297)	44,949	(46,348)
Total Federal Financial Assistance					\$ (163,921)	\$ 88,190	\$ -	\$ -	\$ 580,556	\$ 558,666	\$ 322	\$ (99,629)	\$ 46,110	\$ (54,680)

MIDLAND PARK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2024	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2025		Memo	
								(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education											
General Fund:											
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	\$ 33,981	\$ (2,521)	\$ 2,521						-
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	33,981		32,020	\$ 33,981		\$ (1,961)			\$ 33,981
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	941,467	(69,842)	69,842						-
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	1,033,038		973,412	1,033,038		(59,626)			1,033,038
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	58,146	(4,314)	4,314						-
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	76,606	-	72,184	76,606	-	(4,422)	-	-	76,606
Total State Aid Public Cluster			2,177,219	(76,677)	1,154,293	1,143,625	-	(66,009)	-	-	1,143,625
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	107,033	(7,940)	7,940						-
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	107,033		100,855	107,033		(6,178)			107,033
Extraordinary Aid	24-495-034-5120-473	7/1/23-6/30/24	588,437	(588,437)	588,437						-
Extraordinary Aid	25-495-034-5120-473	7/1/24-6/30/25	675,927		675,927	675,927		(675,927)			675,927
Menstrual Product Reimbursement	25-495-034-5120-168	7/1/24-6/30/25	9,109			9,109		(9,109)		\$ (9,109)	9,109
On Behalf Payments											
TPAF Social Security	24-495-034-5094-003	7/1/23-6/30/24	741,649	(35,951)	35,951						-
TPAF Social Security	25-495-034-5094-003	7/1/24-6/30/25	792,035		752,972	792,035		(39,063)		(39,063)	792,035
TPAF Pension and OPEB											
Pension - NCGI Premium	25-495-034-5094-004	7/1/24-6/30/25	43,879		43,879	43,879					43,879
Pension Benefit Contribution	25-495-034-5094-002	7/1/24-6/30/25	3,542,234		3,542,234	3,542,234					3,542,234
Post-Retirement Medical Benefit Contribution	25-495-034-5094-001	7/1/24-6/30/25	1,047,865		1,047,865	1,047,865					1,047,865
Long-Term Disability Insurance Premium	25-495-034-5094-004	7/1/24-6/30/25	1,392	-	1,392	1,392	-	-	-	-	1,392
Total General Fund				(709,005)	7,275,818	7,363,099	-	(796,286)	-	(48,172)	7,363,099
Special Revenue Fund:											
Auxiliary Services Ch. 192:											
Compensatory Education	24-100-034-5120-067	7/1/23-6/30/24	42,976	7,551			\$ 7,551				-
Compensatory Education	25-100-034-5120-067	7/1/24-6/30/25	41,007		41,007	32,133			\$ 8,874		32,133
English as a Second Language	24-100-034-5120-067	7/1/23-6/30/24	1,831	282			282				-
English as a Second Language	25-100-034-5120-067	7/1/24-6/30/25	5,297	-	5,297	5,297	-	-	-	-	5,297
Total Auxiliary Services (Ch. 192) Cluster			7,833		46,304	37,430	7,833	-	8,874	-	37,430
Handicapped Services Ch. 193:											
Examination and Classification	24-100-034-5120-066	7/1/23-6/30/24	44,925	19,531			19,531				-
Examination and Classification	25-100-034-5120-066	7/1/24-6/30/25	28,051		28,051	20,071			7,980		20,071
Corrective Speech	24-100-034-5120-066	7/1/23-6/30/24	49,290	11,160			11,160				-
Corrective Speech	25-100-034-5120-066	7/1/24-6/30/25	50,220		50,220	28,816			21,404		28,816
Supplemental Instruction	24-100-034-5120-066	7/1/23-6/30/24	17,346	6,443			6,443				-
Supplemental Instruction	25-100-034-5120-066	7/1/24-6/30/25	19,824	-	19,824	9,990	-	-	9,834	-	9,990
Total Handicapped Services (Ch. 193) Cluster			37,134		98,095	58,877	37,134	-	39,218	-	58,877
New Jersey Nonpublic Aid:											
Textbook Aid	24-100-034-5120-064	7/1/23-6/30/24	14,106	587			587				-
Textbook Aid	25-100-034-5120-064	7/1/24-6/30/25	10,126		10,126	8,695			1,431		8,695
Nursing Services	24-100-034-5120-070	7/1/23-6/30/24	30,360	891			891				-
Nursing Services	25-100-034-5120-070	7/1/24-6/30/25	26,130		26,130	24,269			1,861		24,269
Nonpublic Technology	24-100-034-5120-373	7/1/23-6/30/24	11,956	246			246				-
Nonpublic Technology	25-100-034-5120-373	7/1/24-6/30/25	9,702		9,702	9,702			-		9,702
Nonpublic Security	24-100-034-5120-084	7/1/23-6/30/24	51,865	1,025			1,025				-
Nonpublic Security	25-100-034-5120-084	7/1/24-6/30/25	41,205	-	41,205	41,205	-	-	-	-	41,205
Total New Jersey Nonpublic Aid			2,749		87,163	83,871	2,749	-	3,292	-	83,871

MIDLAND PARK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance, July 1, 2024</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Refund of Prior Years' Balances</u>	<u>Balance, June 30, 2025</u>		<u>Memo</u>	
								<u>(Accounts Receivable)</u>	<u>Due to Grantor</u>	<u>GAAP Receivable</u>	<u>Cumulative Total Expenditures</u>
New Jersey Schools Development Authority Emergent and Capital Maintenance Needs	N/A	N/A	\$ 20,481	\$ 20,481	-	\$ 20,481	-	-	-	-	\$ 20,481
Total Special Revenue Fund				\$ 68,197	\$ 231,562	200,659	\$ 47,716	\$ -	\$ 51,384	-	\$ 200,659
State Department of Agriculture											
Food Service Fund:											
National School Lunch Program											
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	8,030	(645)	645					-	-
State School Lunch Program	25-100-010-3350-023	7/1/24-6/30/25	6,198		5,705	6,198		(493)		\$ (493)	6,198
State School Breakfast Program	24-100-010-3350-023	7/1/23-6/30/24	447	(24)	24					-	-
State School Breakfast Program	25-100-010-3350-023	7/1/24-6/30/25	36		35	36		(1)		(1)	36
Summer EBT Administrative Cost	25-100-010-3350-023	7/1/24-6/30/25	321	-	321	321	-	-	-	-	321
Total Food Service Fund				(669)	6,730	6,555	-	(494)	-	(494)	6,555
Total State Financial Assistance Subject to Single Audit Determination				\$ (641,477)	\$ 7,514,110	\$ 7,570,313	\$ 47,716	\$ (796,780)	\$ 51,384	\$ (48,666)	\$ 7,570,313
State Financial Assistance											
Not Subject to Major Program Determination											
General Fund											
On-Behalf TPAF Pension System Contribution - NCGI Premium	25-495-034-5094-004	7/1/24-6/30/25	(43,879)		(43,879)	(43,879)					(43,879)
On-Behalf TPAF Pension System Contribution - Pension Benefit	25-495-034-5094-002	7/1/24-6/30/25	(3,542,234)		(3,542,234)	(3,542,234)					(3,542,234)
On-Behalf TPAF Post-Retirement Medical Benefit Contribution	25-495-034-5094-001	7/1/24-6/30/25	(1,047,865)		(1,047,865)	(1,047,865)					(1,047,865)
On-Behalf TPAF Long-Term Disability Insurance Premium	25-495-034-5094-004	7/1/24-6/30/25	(1,392)	-	(1,392)	(1,392)	-	-	-	-	(1,392)
Total State Financial Assistance Subject to Major Program Determination				\$ (641,477)	\$ 2,878,740	\$ 2,934,943	\$ 47,716	\$ (796,780)	\$ 51,384	\$ (48,666)	\$ 2,934,943

**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, 2025**

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 \$75,060 for the general fund and a decrease of \$25,144 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		\$ 7,288,039	\$ 7,288,039
Special Revenue Fund	\$ 404,873	180,178	585,051
Food Service Fund	<u>149,340</u>	<u>6,555</u>	<u>155,895</u>
Total Financial Assistance	<u>\$ 554,213</u>	<u>\$ 7,474,772</u>	<u>\$ 8,028,985</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, 2025**

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 \$792,035 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, 2025. The amount reported as TPAF Pension System Contributions in the amount of \$3,586,113, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,047,865 and TPAF Long-Term Disability Insurance in the amount of \$1,392 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2025.

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, 2025**

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?	<u> </u> yes	<u> X </u> no
2) Significant deficiencies identified that are not considered to be material weakness(es)?	<u> </u> yes	<u> X </u> no
Noncompliance material to the basic financial statements noted?	<u> </u> yes	<u> X </u> no

Federal Awards Section

Not Applicable

**MIDLAND PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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:

Name of State Program or Cluster:

25-495-034-5120-078

Equalization Aid - State Aid Public Cluster

25-495-034-5120-089

Special Education Aid - State Aid Public Cluster

25-495-034-5120-084

Security Aid - State Aid Public 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, 2025**

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, 2025**

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.