

MIDLAND PARK
BOARD OF EDUCATION

**Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2024**

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, 2024**

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

**MIDLAND PARK BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

| | |
|--------------------------|------|
| Letter of Transmittal | i-iv |
| Organizational Chart | v |
| Roster of Officials | vi |
| Consultants and Advisors | vii |

FINANCIAL SECTION

| | |
|------------------------------|-----|
| Independent Auditor's Report | 1-3 |
|------------------------------|-----|

REQUIRED SUPPLEMENTARY INFORMATION – PART I

| | |
|--------------------------------------|------|
| Management's Discussion and Analysis | 4-14 |
|--------------------------------------|------|

Financial Statements

A. District-wide Financial Statements

| | |
|-------------------------------|----|
| A-1 Statement of Net Position | 15 |
| A-2 Statement of Activities | 16 |

B. Fund Financial Statements

Governmental Funds

| | |
|---|-------|
| B-1 Balance Sheet | 17-18 |
| B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances | 19 |
| B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances with the District-Wide Statement of Activities | 20 |

Proprietary Funds

| | |
|---|----|
| B-4 Statement of Net Position | 21 |
| B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position | 22 |
| B-6 Statement of Cash Flows | 23 |

Fiduciary Funds – Not Applicable

| | |
|-----------------------------------|-------|
| Notes to the Financial Statements | 24-61 |
|-----------------------------------|-------|

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

| | |
|--|-------|
| C-1 Budgetary Comparison Schedule – General Fund | 62-69 |
| C-2 Budgetary Comparison Schedule – Special Revenue Fund | 70 |

**MIDLAND PARK BOARD OF EDUCATION
TABLE OF CONTENTS**

| | <u>Page</u> |
|---|-------------|
| NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II | |
| C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information | 71 |
| REQUIRED SUPPLEMENTARY INFORMATION - PART III | |
| L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) | |
| L-1 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System | 72 |
| L-2 Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System | 73 |
| L-3 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund | 74 |
| L-4 Notes to Required Supplementary Information | 75 |
| M. Schedules Related to Accounting and Reporting for Post-Employment Retirement Benefits Other Than Pensions (OPEB) (GASB 75) | |
| M-1 Required Supplementary Information – Schedule of Changes in the District’s Proportionate Share of Total OPEB Liability | 76 |
| M-2 Notes to Required Supplementary Information | 77 |
| OTHER SUPPLEMENTARY INFORMATION | |
| D. School Level Schedules - Not Applicable | |
| E. Special Revenue Fund | |
| E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis | 78-81 |
| E-2 Preschool Education Aid - Schedule of Expenditures – Budgetary Basis – Not Applicable | |
| F. Capital Projects Fund | |
| F-1 Summary Statement of Project Expenditures | 82 |
| F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance | 83 |
| F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Door Replacements | 84 |
| F-2b Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Highland School Art Room Renovations | 85 |
| F-2c Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Midland Park High School Art Room #37 Renovations | 86 |
| F-2d Schedule of Project Revenues, Expenditures, Project Balances and Project Status – Midland Park High School Ceiling/Lighting Replacement | 87 |
| F-2e Schedule of Project Revenues, Expenditures, Project Balances and Project Status – Midland Park High School Art Room #40 Renovations | 88 |
| F-2f Schedule of Project Revenues, Expenditures, Project Balances and Project Status – Midland Park High School Guidance Office Renovations | 89 |
| F-2g Schedule of Project Revenues, Expenditures, Project Balances and Project Status – Maintenance Building Cement Floor Restoration | 90 |
| G. Proprietary Funds – Not Applicable | |

MIDLAND PARK BOARD OF EDUCATION TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| H. Fiduciary Funds – Not Applicable | |
| I. Long-Term Debt | |
| I-1 Schedule of Bonds Payable | 91 |
| I-2 Schedule of Obligations under Capital Financing Agreements – Not Applicable | 92 |
| I-3 Debt Service Fund Budgetary Comparison Schedule | 93 |
| I-4 Schedule of Obligations Subscription-Based Information Technology Arrangements – Not Applicable | |
| J. STATISTICAL SECTION (Unaudited) | |
| J-1 Net Position by Component | 94 |
| J-2 Changes in Net Position | 95 |
| J-3 Fund Balances – Governmental Funds | 96 |
| J-4 Changes in Fund Balances, Governmental Funds | 97 |
| J-5 General Fund Other Local Revenue by Source | 98 |
| J-6 Assessed Value and Actual Value of Taxable Property | 99 |
| J-7 Direct and Overlapping Property Tax Rates | 100 |
| J-8 Principal Property Taxpayers | 101 |
| J-9 Property Tax Levies and Collections | 102 |
| J-10 Ratios of Outstanding Debt by Type | 103 |
| J-11 Ratios of Net General Bonded Debt Outstanding | 104 |
| J-12 Direct and Overlapping Governmental Activities Debt | 105 |
| J-13 Legal Debt Margin Information | 106 |
| J-14 Demographic and Economic Statistics | 107 |
| J-15 Principal Employers – Not Applicable | 108 |
| J-16 Full-Time Equivalent District Employees by Function/Program | 109 |
| J-17 Operating Statistics | 110 |
| J-18 School Building Information | 111 |
| J-19 Schedule of Required Maintenance for School Facilities | 112 |
| J-20 Insurance Schedule | 113 |
| K. SINGLE AUDIT SECTION | |
| K-1 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 | 114-115 |
| K-2 Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; Report on the Schedule of Expenditures of Federal Awards required by the U.S. Uniform Guidance and Report on the Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 | 116-118 |
| K-3 Schedule of Expenditures of Federal Awards | 119 |
| K-4 Schedule of Expenditures of State Financial Assistance | 120-121 |
| K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance | 122-123 |
| K-6 Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results | 124-125 |
| K-6 Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings | 126 |
| K-6 Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs | 127 |
| K-7 Summary Schedule of Prior Year Findings – Not Applicable | |

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@mpsny.org

January 22, 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, 2024 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 2023-24 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

In accord with recent state mandates, ensure that students in grades 7-12 receive a health screening for depression, i.e., such as the General Anxiety Disorder too, or other tool as determined by the NJ Commissioner of Education and Health.

Goal components include, but are not limited to:

- *Establish administrative and staff team for the endeavor.*
- *Obtain active parental consent of child to participate in the screening.*
- *Review NJDOE/NJDOH standards on screening protocols.*
- *Notify the parent/guardian of a student whose screening detects a suspected deviation.*
- *Forward data concerning depression screenings to the NJDOE/NJDOH (aggregated and non-identifying information only.)*

Goal #2

Develop a comprehensive protocol for the provision of a peer socialization support/social problem-solving group for students in grades 7-12.

Goal components include, but are not limited to:

- *Identify facilitator and staff; establish timeline for group meetings.*
- *Develop/disseminate a parent consent letter.*
- *Select resources/materials.*
- *Monitor group meetings; provide feedback to facilitator.*
- *Maintain data stores: attendance sheets, agendas for meetings, student evaluations, etc.*

Goal #3

Develop and implement an Action Plan for Improvement—Mathematics, Grades 7-8 (Year 5)

Goal components include, but are not limited to:

- *Schedule department meeting with supervisor, teachers to discuss data scores from prior year and micro-identify short-term goals.*
- *Develop a pre- and post-test for identified student cohorts to determine skills acquisition and identify areas in need of improvement.*
- *Administrators monitor Action Plan implementation; implement modifications.*
- *Ensure frequent informal observations of identified staff.*

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,

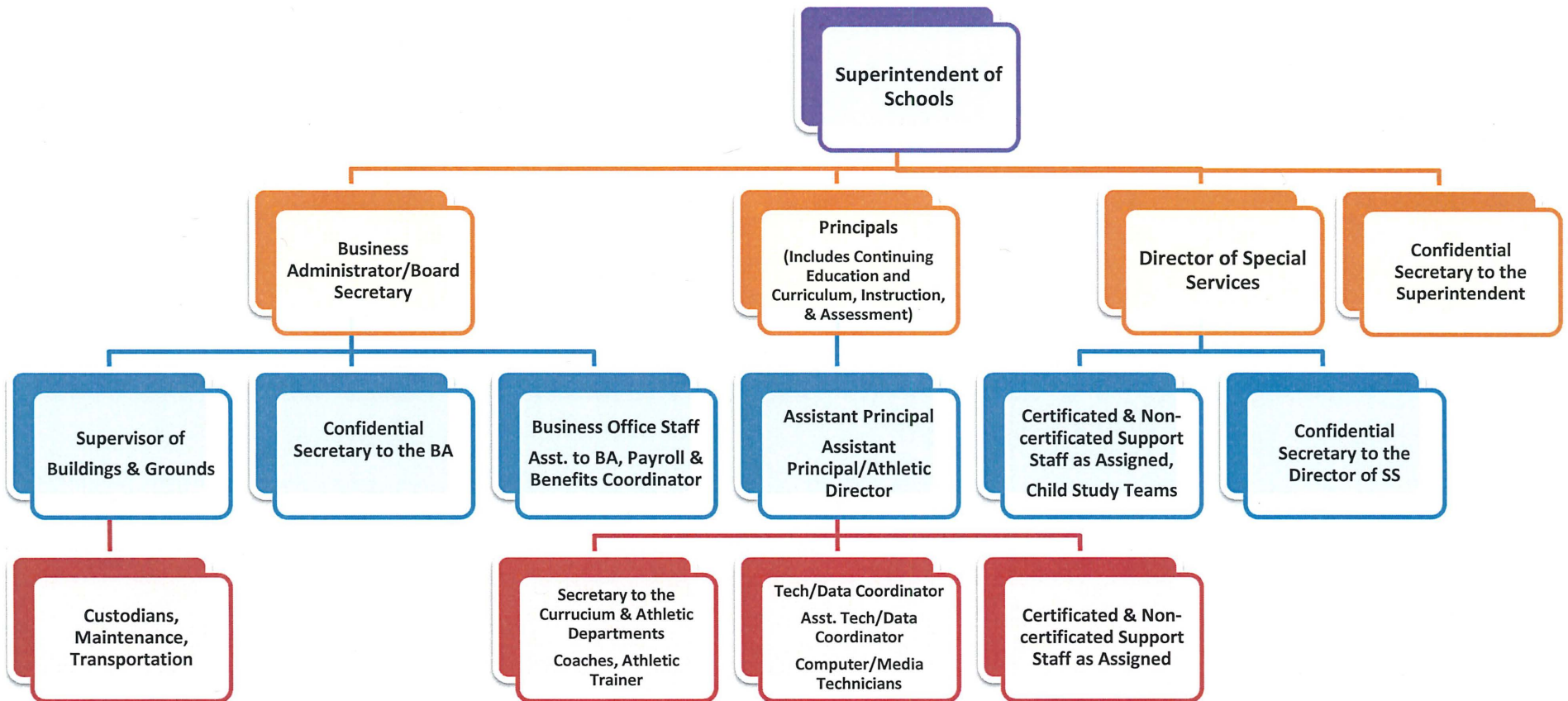


Kevin Ulmer
Superintendent of Schools



Stacy Garvey,
Board Secretary/
Business Administrator

**MIDLAND PARK PUBLIC SCHOOLS
2023-2024 DISTRICT ORGANIZATIONAL CHART**



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

**ROSTER OF OFFICIALS
JUNE 30, 2024**

| <u>MEMBERS OF THE BOARD OF EDUCATION</u> | <u>TERM EXPIRES</u> |
|---|--------------------------------|
| Brian McCourt, President | 2025 |
| Patricia Fantulin, Vice-President | 2024 |
| Sandra Criscenzo | 2025 |
| Christine Dell’Aglia | 2024 |
| Nabil Eliya | 2024 |
| Richard Formicola | 2025 |
| Daniel McCarthy | 2026 |
| Maryalice Thomas | 2026 |
| Peter Triolo | 2026 |

OTHER OFFICIALS

Dr. Marie Cirasella, Superintendent of Schools

Stacy Garvey, School Business Administrator/Board Secretary

MIDLAND PARK BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

Columbia Bank
630 Godwin Avenue
Midland Park, NJ 07432

ARCHITECT OF RECORD

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

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the 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 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Midland Park Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Midland Park Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 22, 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
January 22, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

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, 2024. 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 2023-2024 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 \$15,517,268. (Net Position)
- The District's total net position increased by \$1,900,991, or 14%.
- Overall District revenues were \$33,496,126. General revenues accounted for \$23,977,915, or 72%, of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$9,518,211 or 28% of total revenues.
- The school district had \$31,047,024 in expenses for governmental activities; only \$8,974,562 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$23,977,915 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 \$7,038,974. Of this amount, \$4,821,638 is restricted for capital projects, \$443,784 is restricted for the Community School Program, \$550,000 is restricted for excess surplus, \$388,435 is restricted for other purposes, \$593,021 is committed or assigned for year-end encumbrances and the remaining amount is the unassigned fund balance of \$242,096.
- The General Fund fund balance at June 30, 2024 was \$6,540,591, an increase of \$728,940 compared to the ending fund balance at June 30, 2023 of \$5,811,651.
- The General Fund unassigned budgetary fund balance at June 30, 2024 was \$915,150, which represents a decrease of \$116,752 when compared to the ending unassigned budgetary fund balance at June 30, 2023 of \$1,031,902.

MIDLAND PARK BOARD OF EDUCATION

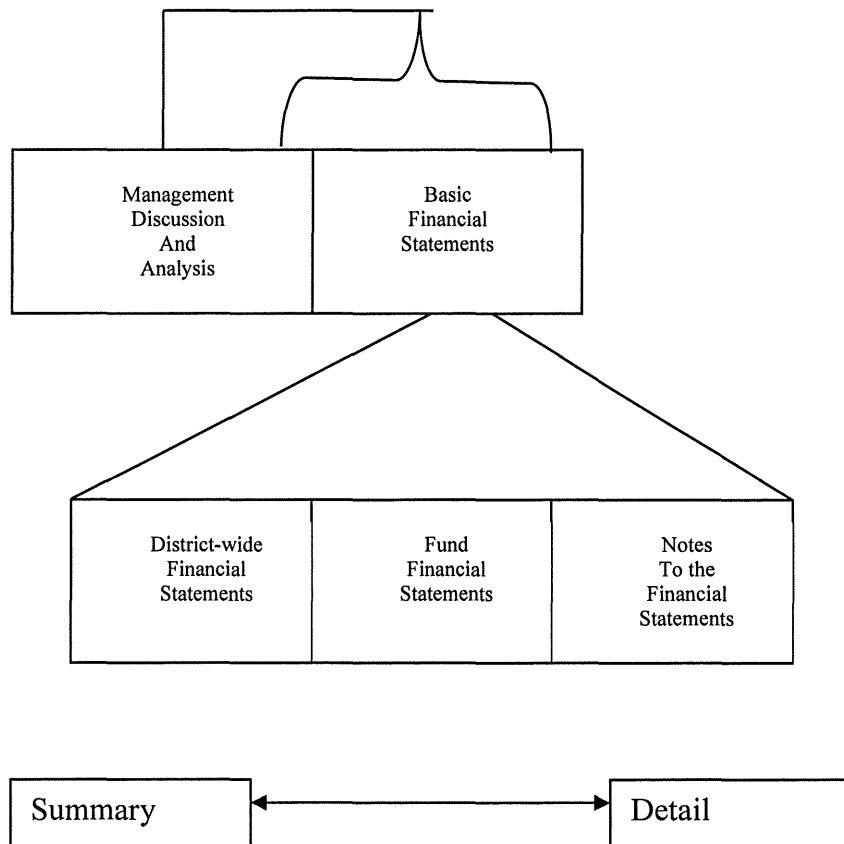
Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

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, 2024

The table below summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

| | District-Wide Statements | Fund Financial Statements | |
|--|--|--|---|
| | | Governmental Funds | Proprietary Funds |
| Scope | Entire district (except fiduciary funds) | The activities of the district that are not proprietary or fiduciary, such as instruction, building maintenance, transportation, and administration. | Activities the district operates similar to private businesses: Enterprise Funds |
| Required financial Statements | Statement of Net Position Statement of Activities | Balance Sheet Statement of Revenue, Expenditures and Changes in Fund Balances | Statement of Net position Statement of Revenue, Expenses, and Changes in Fund Net Position, Statement of Cash Flows |
| Accounting Basis and Measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial focus | Accrual accounting and economic resources focus |
| Type of asset, liability and deferred inflows/outflows information | All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital, short-term and Long-term | Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included | All assets, deferred outflows, liabilities and deferred inflows, both financial and capital, and short-term and long-term |
| Type of inflow/outflow Information | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable. | All revenues and expenses during the year, regardless of when cash is received or paid. |
| | | | |

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

- Over time, increases or decreases in the District's net position is an indicator of whether its financial condition is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

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, 2024

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.

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$15,517,268 and \$13,616,277 on June 30, 2024 and 2023, respectively as follows:

| Statement of Net Position As of June 30, 2024 and 2023 | | | | | | |
|--|----------------------------|----------------------|-----------------------------|-------------------|----------------------|----------------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Assets | | | | | | |
| Current and Other Assets | \$ 7,854,828 | \$ 8,020,866 | \$ 177,508 | \$ 179,398 | \$ 8,032,336 | \$ 8,200,264 |
| Capital Assets - Net | 19,217,134 | 18,878,806 | 60,349 | 48,368 | 19,277,483 | 18,927,174 |
| Total Assets | <u>27,071,962</u> | <u>26,899,672</u> | <u>237,857</u> | <u>227,766</u> | <u>27,309,819</u> | <u>27,127,438</u> |
| Deferred Outflows of Resources | <u>537,555</u> | <u>691,249</u> | <u>-</u> | <u>-</u> | <u>537,555</u> | <u>691,249</u> |
| Total Assets and Deferred Outflows of Resources | <u>27,609,517</u> | <u>27,590,921</u> | <u>237,857</u> | <u>227,766</u> | <u>27,847,374</u> | <u>27,818,687</u> |
| Liabilities | | | | | | |
| Long-Term Liabilities | 10,790,321 | 11,461,637 | | | 10,790,321 | 11,461,637 |
| Other Liabilities | 874,551 | 1,468,621 | 34,309 | 18,765 | 908,860 | 1,487,386 |
| Total Liabilities | <u>11,664,872</u> | <u>12,930,258</u> | <u>34,309</u> | <u>18,765</u> | <u>11,699,181</u> | <u>12,949,023</u> |
| Deferred Inflows of Resources | <u>630,005</u> | <u>1,251,476</u> | <u>920</u> | <u>1,911</u> | <u>630,925</u> | <u>1,253,387</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>12,294,877</u> | <u>14,181,734</u> | <u>35,229</u> | <u>20,676</u> | <u>12,330,106</u> | <u>14,202,410</u> |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 13,622,134 | 12,518,806 | 60,349 | 48,368 | 13,682,483 | 12,567,174 |
| Restricted | 5,653,857 | 5,262,817 | | | 5,653,857 | 5,262,817 |
| Unrestricted | (3,961,351) | (4,372,436) | 142,279 | 158,722 | (3,819,072) | (4,213,714) |
| Total Net Position | <u>\$ 15,314,640</u> | <u>\$ 13,409,187</u> | <u>\$ 202,628</u> | <u>\$ 207,090</u> | <u>\$ 15,517,268</u> | <u>\$ 13,616,277</u> |

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

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

The District's total net position of \$15,517,268 at June 30, 2024 represents a \$1,900,991 or 14%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2024 and 2023.

Changes in Net Position For the Fiscal Years Ended June 30, 2024 and 2023

| | <u>Governmental</u> <u>Activities</u> | | <u>Business-Type</u> <u>Activities</u> | | <u>Total</u> | |
|---|--|----------------------|---|-------------------|----------------------|----------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 2,638,333 | \$ 2,186,417 | \$ 363,396 | \$ 330,093 | \$ 3,001,729 | \$ 2,516,510 |
| Operating Grants and Contributions | 5,877,722 | 5,400,496 | 180,253 | 202,085 | 6,057,975 | 5,602,581 |
| Capital Grants and Contributions | 458,507 | 130,439 | | | 458,507 | 130,439 |
| General Revenues | | | | | | |
| Property Taxes | 23,765,376 | 22,887,481 | | | 23,765,376 | 22,887,481 |
| Unrestricted State Aid | 33,450 | 33,673 | | | 33,450 | 33,673 |
| Other | 179,089 | 96,201 | - | 26,689 | 179,089 | 122,890 |
| Total Revenues | <u>32,952,477</u> | <u>30,734,707</u> | <u>543,649</u> | <u>558,867</u> | <u>33,496,126</u> | <u>31,293,574</u> |
| Expenses | | | | | | |
| Instruction | | | | | | |
| Regular | 10,347,490 | 10,032,465 | | | 10,347,490 | 10,032,465 |
| Special Education | 6,222,052 | 6,081,073 | | | 6,222,052 | 6,081,073 |
| Other Instruction | 772,092 | 803,679 | | | 772,092 | 803,679 |
| School Sponsored Activities and Athletics | 1,047,453 | 957,584 | | | 1,047,453 | 957,584 |
| Support Services | | | | | | |
| Student and Instruction Related Services | 4,361,621 | 4,105,761 | | | 4,361,621 | 4,105,761 |
| General Administrative Services | 609,972 | 637,128 | | | 609,972 | 637,128 |
| School Administrative Services | 1,930,485 | 1,858,921 | | | 1,930,485 | 1,858,921 |
| Central Services and Admin. Info. Tech. | 780,318 | 694,806 | | | 780,318 | 694,806 |
| Plant Operations and Maintenance | 3,315,391 | 3,183,051 | | | 3,315,391 | 3,183,051 |
| Pupil Transportation | 1,501,219 | 912,261 | | | 1,501,219 | 912,261 |
| Interest on Long-Term Debt | 158,931 | 179,709 | | | 158,931 | 179,709 |
| Food Services | - | - | 548,111 | 506,675 | 548,111 | 506,675 |
| Total Expenses | <u>31,047,024</u> | <u>29,446,438</u> | <u>548,111</u> | <u>506,675</u> | <u>31,595,135</u> | <u>29,953,113</u> |
| Increase (Decrease) in Net Position | 1,905,453 | 1,288,269 | (4,462) | 52,192 | 1,900,991 | 1,340,461 |
| Net Position, Beginning of Year | <u>13,409,187</u> | <u>12,120,918</u> | <u>207,090</u> | <u>154,898</u> | <u>13,616,277</u> | <u>12,275,816</u> |
| Net Position, End of Year | <u>\$ 15,314,640</u> | <u>\$ 13,409,187</u> | <u>\$ 202,628</u> | <u>\$ 207,090</u> | <u>\$ 15,517,268</u> | <u>\$ 13,616,277</u> |

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$32,952,477 for the fiscal year ended June 30, 2024, property taxes of \$23,765,376 represented 72% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$6,369,679 or 19% of revenues and charges for services which totaled \$2,638,333 or 8% of revenues.

The total cost of all governmental activities programs and services was \$31,047,024 for the fiscal year ended June 30, 2024. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$18,389,087 (59%) of total expenses and support services costs were \$12,499,006 (40%) of total expenses for the fiscal year ended June 30, 2024.

For fiscal year 2024, total governmental activities revenues exceeded expenses increasing net position for governmental activities by \$1,905,453 from the previous year.

Total and Net Cost of Governmental Activities. The District's total cost of services was \$31,047,024. After applying program revenues, derived from operating and capital grants and contributions of \$6,336,229 and charges for services of \$2,638,333 the net cost of services of the District is \$22,072,462 for the fiscal year ended June 30, 2024.

Total Cost and Net Cost of Services of Governmental Activities For the Fiscal Years Ended June 30, 2024 and 2023

| <u>Functions/Programs</u> | <u>Total Cost of Services</u> | | <u>Net Cost (Revenue) of Services</u> | |
|---|---------------------------------------|----------------------|---|----------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Governmental Activities | | | | |
| Instruction | | | | |
| Regular | \$ 10,347,490 | \$ 10,032,465 | \$ 7,426,182 | \$ 7,040,653 |
| Special Education | 6,222,052 | 6,081,073 | 3,894,190 | 4,322,750 |
| Other Instruction | 772,092 | 803,679 | (193,739) | (210,904) |
| School Sponsored Activities and Athletics | 1,047,453 | 957,584 | 794,679 | 696,991 |
| Support Services | | | | |
| Student and Instruction Related Services | 4,361,621 | 4,105,761 | 3,362,708 | 3,206,511 |
| General Administrative Services | 609,972 | 637,128 | 546,251 | 567,148 |
| School Administrative Services | 1,930,485 | 1,858,921 | 1,684,995 | 1,594,632 |
| Central Services and Admin. Info. Tech. | 780,318 | 694,806 | 710,965 | 619,951 |
| Plant Operations and Maintenance | 3,315,391 | 3,183,051 | 2,727,841 | 2,919,781 |
| Pupil Transportation | 1,501,219 | 912,261 | 959,459 | 791,864 |
| Interest on Long-Term Debt | 158,931 | 179,709 | 158,931 | 179,709 |
| Total Governmental Activities | <u>\$ 31,047,024</u> | <u>\$ 29,446,438</u> | <u>\$ 22,072,462</u> | <u>\$ 21,729,086</u> |

Business-Type Activities – The District's total business-type activities revenues were \$543,649 for the fiscal year ended June 30, 2024. Operating grants and contributions accounted for 33% of total revenues and 67% of revenues were from charges for services and sales.

Total cost of all business-type activities programs and services was \$548,111 for the fiscal year ended June 30, 2024. Food service expenses represented 100% of the total expenses.

For fiscal year 2024, total business-type activities expenses exceeded revenues decreasing net position by \$4,462 or 2% from the previous year.

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

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 \$7,038,974 at June 30, 2024, an increase of \$420,813 from last year's fund balance of \$6,618,161. 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 \$35,150,455 while total expenditures were \$34,729,642 for the fiscal year ended June 30, 2024.

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 | Percent |
|----------------------------------|---------------------------------------|----------------------|--------------------------------|--------------------------------|
| | 2024 | 2023 | Increase (Decrease) | Increase (Decrease) |
| Local Sources | | | | |
| Property Taxes | \$ 22,834,226 | \$ 21,947,181 | \$ 887,045 | 4% |
| Tuition | 42,775 | 48,950 | (6,175) | -13% |
| Restricted Miscellaneous Revenue | 2,356,127 | 1,893,470 | 462,657 | 24% |
| Other | 179,089 | 96,201 | 82,888 | 86% |
| State Sources | <u>7,136,708</u> | <u>6,237,921</u> | <u>898,787</u> | 14% |
| Total Revenues | <u>\$ 32,548,925</u> | <u>\$ 30,223,723</u> | <u>\$ 2,325,202</u> | 8% |

For fiscal year 2024, total General Fund revenues increased \$2,325,202 or 8% from the previous year.

The following schedule presents a summary of General Fund expenditures.

General Fund Expenditures

| | Fiscal Year Ended June 30, | | Amount of | Percent |
|--------------------|---------------------------------------|----------------------|--------------------------------|--------------------------------|
| | 2024 | 2023 | Increase (Decrease) | Increase (Decrease) |
| Instruction | \$ 19,360,842 | \$ 18,723,553 | \$ 637,289 | 3% |
| Support Services | 11,888,622 | 10,735,931 | 1,152,691 | 11% |
| Debt Service | | 71,959 | (71,959) | -100% |
| Capital Outlay | <u>105,166</u> | <u>112,009</u> | <u>(6,843)</u> | -6% |
| Total Expenditures | <u>\$ 31,354,630</u> | <u>\$ 29,643,452</u> | <u>\$ 1,711,178</u> | 6% |

MIDLAND PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

GENERAL FUND (Continued)

For fiscal year 2024, total General Fund expenditures increased \$1,711,178, or 6% from the previous year.

In fiscal year 2024, General Fund revenues exceeded expenditures and other financing uses by \$728,940. Therefore, the total fund balance at June 30, 2023 of \$5,811,651 increased to a fund balance of \$6,540,591 at June 30, 2024.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2024, the District had \$19,217,134 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$60,349 for business type activity. The following is a comparison of the June 30, 2024 and 2023 balances:

Capital Assets as of June 30, 2024 and 2023 (Net of Accumulated Depreciation)

| | <u>Governmental</u> <u>Activities</u> | | <u>Business-Type</u> <u>Activities</u> | | <u>Total</u> | |
|-------------------------------------|--|-------------------|---|---------------|-------------------|-------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Land | \$ 28,714 | \$ 28,714 | | | \$ 28,714 | \$ 28,714 |
| Construction in Progress | 838,053 | 156,990 | | | 838,053 | 156,990 |
| Buildings and Building Improvements | 16,311,517 | 16,554,958 | | | 16,311,517 | 16,554,958 |
| Site Improvements | 1,167,403 | 1,306,464 | | | 1,167,403 | 1,306,464 |
| Machinery and Equipment | 871,447 | 831,680 | \$ 60,349 | \$ 48,368 | 931,796 | 880,048 |
| Total Capital Assets, Net | 19,217,134 | 18,878,806 | 60,349 | 48,368 | 19,277,483 | 18,927,174 |

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

LONG TERM LIABILITIES

At June 30, 2024 the District had \$10,790,321 of total outstanding long-term liabilities. For fiscal year 2023/2024 total outstanding long-term liabilities decreased by \$671,316. The following is a comparison of the June 30, 2024 and 2023 balances:

Long-Term Debt Outstanding Long-Term Liabilities As of June 30, 2024 and 2023

| | <u>2024</u> | <u>2023</u> |
|---|----------------------|----------------------|
| Bonds Payable (Including Unamortized Premium) | \$ 5,595,000 | \$ 6,360,000 |
| Compensated Absences Payable | 350,020 | 311,259 |
| Net Pension Liability | 4,845,301 | 4,790,378 |
| Total | \$ 10,790,321 | \$ 11,461,637 |

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, 2024

GENERAL FUND BUDGETARY HIGHLIGHTS

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

For fiscal year 2024 General Fund budgetary revenues and other financing sources exceeded budgetary expenditures and other financing uses increasing budgetary fund balance \$805,613. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance decreased \$116,752 from an unassigned fund balance of \$1,031,902 at June 30, 2023 to \$915,150 at June 30, 2024. In addition at June 30, 2024 the District had balances in its capital reserve of \$4,644,927, community school programs reserve of \$443,784, unemployment compensation reserve of \$66,763 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 2024-2025 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 2024-2025. Budgeted expenditures in the General Fund increased approximately 3% to \$27,539,823 for fiscal year 2024-2025. Budgeted instructional costs, as well as, employee benefit costs were the main factors for the increase.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Midland Park Board of Education, 250 Prospect Street, Midland Park, NJ 07432.

FINANCIAL STATEMENTS

**MIDLAND PARK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

| | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 7,451,453 | \$ 157,056 | \$ 7,608,509 |
| Receivables, net | | | |
| Receivables from Other Governments | 340,974 | 8,685 | 349,659 |
| Other | 6,601 | 6,426 | 13,027 |
| Inventories | | 5,341 | 5,341 |
| Prepaid Items | 55,800 | | 55,800 |
| Capital Assets, Not Being Depreciated | 866,767 | | 866,767 |
| Capital Assets, Being Depreciated, Net | <u>18,350,367</u> | <u>60,349</u> | <u>18,410,716</u> |
| Total Assets | <u>27,071,962</u> | <u>237,857</u> | <u>27,309,819</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Amounts on Net Pension Liability | <u>537,555</u> | - | <u>537,555</u> |
| Total Deferred Outflows of Resources | <u>537,555</u> | - | <u>537,555</u> |
| Total Assets and Deferred Outflows of Resources | <u>27,609,517</u> | <u>237,857</u> | <u>27,847,374</u> |
| LIABILITIES | | | |
| Accounts Payable and Other Current Liabilities | 407,948 | 24,691 | 432,639 |
| Accrued Interest Payable | 58,697 | | 58,697 |
| Payable to Other Governments | 47,716 | | 47,716 |
| Unearned Revenue | 360,190 | 9,618 | 369,808 |
| Long-Term Liabilities | | | |
| Due Within One Year | 431,192 | | 431,192 |
| Due Beyond One Year | <u>10,359,129</u> | - | <u>10,359,129</u> |
| Total Liabilities | <u>11,664,872</u> | <u>34,309</u> | <u>11,699,181</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Commodities Revenue | | 920 | 920 |
| Deferred Amounts on Net Pension Liability | <u>630,005</u> | - | <u>630,005</u> |
| Total Deferred Inflows of Resources | <u>630,005</u> | <u>920</u> | <u>630,925</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>12,294,877</u> | <u>35,229</u> | <u>12,330,106</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 13,622,134 | 60,349 | 13,682,483 |
| Restricted for: | | | |
| Capital Projects | 4,821,638 | | 4,821,638 |
| Community School Program | 443,784 | | 443,784 |
| Student Activities | 306,137 | | 306,137 |
| Unemployment Compensation | 66,763 | | 66,763 |
| Scholarships | 15,535 | | 15,535 |
| Unrestricted | <u>(3,961,351)</u> | <u>142,279</u> | <u>(3,819,072)</u> |
| Total Net Position | <u>\$ 15,314,640</u> | <u>\$ 202,628</u> | <u>\$ 15,517,268</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, 2024**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | | <u>Net (Expense) Revenue and Changes in Net Position</u> | | |
|--|-----------------|---------------------------------|---|---|--|-------------------------------------|-----------------|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
| Governmental Activities | | | | | | | |
| Instruction | | | | | | | |
| Regular | \$ 10,347,490 | \$ 1,105,131 | \$ 1,816,177 | | \$ (7,426,182) | | \$ (7,426,182) |
| Special Education | 6,222,052 | 42,775 | 2,285,087 | | (3,894,190) | | (3,894,190) |
| Other Instruction | 772,092 | 825,435 | 140,396 | | 193,739 | | 193,739 |
| School Sponsored Activities and Athletics | 1,047,453 | 239,431 | 13,343 | | (794,679) | | (794,679) |
| Support Services | | | | | | | |
| Student and Instruction-Related Services | 4,361,621 | | 998,913 | | (3,362,708) | | (3,362,708) |
| General Administrative Services | 609,972 | | 63,721 | | (546,251) | | (546,251) |
| School Administrative Services | 1,930,485 | | 245,490 | | (1,684,995) | | (1,684,995) |
| Central Services and Admin. Info. Technology | 780,318 | | 69,353 | | (710,965) | | (710,965) |
| Plant Operations and Maintenance | 3,315,391 | | 129,043 | \$ 458,507 | (2,727,841) | | (2,727,841) |
| Pupil Transportation | 1,501,219 | 425,561 | 116,199 | | (959,459) | | (959,459) |
| Interest on Long-Term Debt | 158,931 | - | - | - | (158,931) | - | (158,931) |
| Total Governmental Activities | 31,047,024 | 2,638,333 | 5,877,722 | 458,507 | (22,072,462) | - | (22,072,462) |
| Business-Type Activities | | | | | | | |
| Food Service | 548,111 | 363,396 | 180,253 | - | - | \$ (4,462) | (4,462) |
| Total Business-Type Activities | 548,111 | 363,396 | 180,253 | - | - | (4,462) | (4,462) |
| Total Primary Government | \$ 31,595,135 | \$ 3,001,729 | \$ 6,057,975 | \$ 458,507 | \$ (22,072,462) | \$ (4,462) | \$ (22,076,924) |
| General Revenues: | | | | | | | |
| Property Taxes, Levied for General Purposes | | | | | \$ 22,834,226 | | \$ 22,834,226 |
| Property Taxes, Levied for Debt Service | | | | | 931,150 | | 931,150 |
| Unrestricted State Aid | | | | | 33,450 | | 33,450 |
| Investment Earnings | | | | | 152,223 | | 152,223 |
| Miscellaneous Income | | | | | 26,866 | - | 26,866 |
| Total General Revenues | | | | | 23,977,915 | - | 23,977,915 |
| Change in Net Position | | | | | 1,905,453 | (4,462) | 1,900,991 |
| Net Position, Beginning of Year | | | | | 13,409,187 | 207,090 | 13,616,277 |
| Net Position, End of Year | | | | | \$ 15,314,640 | \$ 202,628 | \$ 15,517,268 |

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, 2024**

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 6,913,336 | \$ 361,406 | \$ 176,711 | | \$ 7,451,453 |
| Receivables from Other Governments | 271,083 | 69,891 | | | 340,974 |
| Other Accounts Receivable | 6,402 | 199 | | | 6,601 |
| Prepaid Items | 55,800 | - | - | - | 55,800 |
| Total Assets | <u>\$ 7,246,621</u> | <u>\$ 431,496</u> | <u>\$ 176,711</u> | <u>\$ -</u> | <u>\$ 7,854,828</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts Payable | \$ 107,502 | \$ 40,365 | | | 147,867 |
| Accrued Salaries and Wages | 50,703 | | | | 50,703 |
| Compensated Absences Payable | 23,818 | | | | 23,818 |
| Payroll Deductions and Withholdings | 66,925 | | | | 66,925 |
| Payable to State Government | | 47,716 | | | 47,716 |
| Unearned Revenue | 338,447 | 21,743 | | | 360,190 |
| Other Liabilities | 118,635 | - | - | - | 118,635 |
| Total Liabilities | <u>706,030</u> | <u>109,824</u> | <u>-</u> | <u>-</u> | <u>815,854</u> |
| Fund Balances | | | | | |
| Restricted Fund Balance | | | | | |
| Capital Reserve | 4,259,927 | | | | 4,259,927 |
| Capital Reserve - Designated for Subsequent Year's Budget | 385,000 | | | | 385,000 |
| Community School Programs | 193,988 | | | | 193,988 |
| Community School Programs - Designated for Subsequent Year's Budget | 249,796 | | | | 249,796 |
| Unemployment Compensation Reserve | 66,763 | | | | 66,763 |
| Excess Surplus | 275,000 | | | | 275,000 |
| Excess Surplus - Designated for Subsequent Year's Budget | 275,000 | | | | 275,000 |
| Student Activities | | 306,137 | | | 306,137 |
| Scholarships | | 15,535 | | | 15,535 |
| Capital Projects | | | \$ 176,711 | | 176,711 |
| Committed Fund Balance | | | | | |
| Year-End Encumbrances | 132,475 | | | | 132,475 |
| Assigned Fund Balance | | | | | |
| Year-End Encumbrances | 460,546 | | | | 460,546 |
| Unassigned Fund Balance | 242,096 | - | - | - | 242,096 |
| Total Fund Balances | <u>6,540,591</u> | <u>321,672</u> | <u>176,711</u> | <u>-</u> | <u>7,038,974</u> |
| Total Liabilities and Fund Balances | <u>\$ 7,246,621</u> | <u>\$ 431,496</u> | <u>\$ 176,711</u> | <u>\$ -</u> | <u>\$ 7,854,828</u> |

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

**MIDLAND PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2024**

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

| | | |
|--|----|-----------|
| Total Fund Balances - Governmental Funds (Exhibit B-1) | \$ | 7,038,974 |
|--|----|-----------|

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$39,098,473 and the accumulated depreciation is \$19,881,339.

19,217,134

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

(58,697)

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 | \$ | 537,555 | |
| Deferred Inflows of Resources | | <u>(630,005)</u> | |
| | | | (92,450) |

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

| | | |
|------------------------------|--------------------|---------------------|
| Bonds Payable | (5,595,000) | |
| Compensated Absences Payable | (350,020) | |
| Net Pension Liability | <u>(4,845,301)</u> | |
| | | <u>(10,790,321)</u> |

| | | |
|---|----|-------------------|
| Net Position of Governmental Activities (Exhibit A-1) | \$ | <u>15,314,640</u> |
|---|----|-------------------|

**MIDLAND PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | <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 | \$ 22,834,226 | | | \$ 931,150 | \$ 23,765,376 |
| Tuition | 42,775 | | | | 42,775 |
| Other Restricted Miscellaneous Revenues | 2,356,127 | | | | 2,356,127 |
| Miscellaneous | 179,089 | \$ 288,278 | - | - | 467,367 |
| Total - Local Sources | 25,412,217 | 288,278 | - | 931,150 | 26,631,645 |
| State Sources | 7,136,708 | 258,412 | | | 7,395,120 |
| Federal Sources | - | 1,123,690 | - | - | 1,123,690 |
| Total Revenues | 32,548,925 | 1,670,380 | - | 931,150 | 35,150,455 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Instruction | | | | | |
| Regular Instruction | 11,368,381 | 145,716 | | | 11,514,097 |
| Special Education Instruction | 6,324,647 | 319,027 | | | 6,643,674 |
| Other Instruction | 829,423 | 24,910 | | | 854,333 |
| School-Sponsored Activities and Athletics | 838,391 | 237,134 | | | 1,075,525 |
| Support Services | | | | | |
| Student and Instruction Related Services | 4,325,048 | 439,012 | | | 4,764,060 |
| General Administrative Services | 661,673 | | | | 661,673 |
| School Administrative Services | 2,121,116 | | | | 2,121,116 |
| Central Services & Adm. Info. Technology | 844,597 | | | | 844,597 |
| Plant Operations and Maintenance | 2,411,892 | 41,473 | | | 2,453,365 |
| Pupil Transportation | 1,524,296 | | | | 1,524,296 |
| Debt Service | | | | | |
| Principal | | | | 765,000 | 765,000 |
| Interest | | | | 166,150 | 166,150 |
| Capital Outlay | 105,166 | 458,507 | \$ 778,083 | - | 1,341,756 |
| Total Expenditures | 31,354,630 | 1,665,779 | 778,083 | 931,150 | 34,729,642 |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | 1,194,295 | 4,601 | (778,083) | - | 420,813 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfer In | | 45,355 | 420,000 | | 465,355 |
| Transfer Out | (465,355) | - | - | - | (465,355) |
| Total Other Financing Sources and Uses | (465,355) | 45,355 | 420,000 | - | - |
| Net Change in Fund Balances | 728,940 | 49,956 | (358,083) | - | 420,813 |
| Fund Balance, Beginning of Year | 5,811,651 | 271,716 | 534,794 | - | 6,618,161 |
| Fund Balance, End of Year | \$ 6,540,591 | \$ 321,672 | \$ 176,711 | \$ - | \$ 7,038,974 |

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, 2024**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 420,813

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 | \$ 1,341,756 | |
| Depreciation Expense | <u>(1,003,428)</u> | |
| | | 338,328 |

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 | (38,761) | |
| Decrease in Pension Expense | <u>412,854</u> | |
| | | 374,093 |

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. An increase in accrued interest is a decrease in the reconciliation and a decrease in accrued interest is an increase.

7,219

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>765,000</u> | |
| | | <u>765,000</u> |

Change in Net Position of Governmental Activities (Exhibit A-2) \$ 1,905,453

**MIDLAND PARK BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

| | Business-Type Activities Enterprise Fund <u>Food Service</u> |
|---|---|
| ASSETS | |
| Current Assets | |
| Cash and Cash Equivalents | \$ 157,056 |
| Intergovernmental Receivables | 8,685 |
| Other Accounts Receivable | 6,426 |
| Inventories | <u>5,341</u> |
| Total Current Assets | <u>177,508</u> |
| Capital Assets | |
| Equipment | 303,701 |
| Less: Accumulated Depreciation | <u>(243,352)</u> |
| Total Capital Assets, Net | <u>60,349</u> |
| Total Assets | <u>237,857</u> |
| LIABILITIES | |
| Current Liabilities | |
| Accounts Payable | 21,153 |
| Unearned Revenue | 9,618 |
| Other Liabilities | <u>3,538</u> |
| Total Current Liabilities | <u>34,309</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Commodities Revenue | <u>920</u> |
| Total Deferred Inflows of Resources | <u>920</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>35,229</u> |
| NET POSITION | |
| Investment in Capital Assets | 60,349 |
| Unrestricted | <u>142,279</u> |
| Total Net Position | <u><u>\$ 202,628</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, 2024**

| | Business-Type Activities Enterprise Fund <u>Food Service</u> |
|--|---|
| OPERATING REVENUES | |
| Charges for Services | |
| Daily Sales - Reimbursable Programs | \$ 208,302 |
| Daily Sales - Non-Reimbursable Programs | <u>155,094</u> |
| Total Operating Revenues | <u>363,396</u> |
| OPERATING EXPENSES | |
| Cost of Sales - Reimbursable Programs | 155,551 |
| Cost of Sales - Non-Reimbursable Programs | 76,199 |
| Salaries and Employee Benefits | 231,700 |
| Purchased Services - Management Fee | 24,519 |
| Purchased Services | 8,281 |
| Supplies and Materials | 42,893 |
| Miscellaneous Expenditures | 1,924 |
| Depreciation | <u>7,044</u> |
| Total Operating Expenses | <u>548,111</u> |
| Operating Loss | <u>(184,715)</u> |
| NON-OPERATING REVENUES | |
| Local Sources | |
| Interest on Deposits | 3,138 |
| State Sources | |
| School Breakfast Program | 447 |
| School Lunch Program | 8,030 |
| Federal Sources | |
| School Breakfast Program | 6,856 |
| National School Lunch Program | 90,536 |
| Administrative Cost Program for Pandemic EBT | 653 |
| Supply Chain Assistance | 27,085 |
| Local Food for Schools Cooperative Program | 2,258 |
| Food Distribution Program | <u>41,250</u> |
| Total Non-Operating Revenues | <u>180,253</u> |
| Change in Net Position | (4,462) |
| Total Net Position, Beginning of Year | <u>207,090</u> |
| Total Net Position, End of Year | <u>\$ 202,628</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, 2024**

| | Business-Type Activities Enterprise Fund Food Service |
|--|--|
| Cash Flows from Operating Activities | |
| Cash Received from Customers | \$ 361,082 |
| Cash Payments for Employees' Salaries and Benefits | (231,700) |
| Cash Payments to Suppliers for Goods and Services | <u>(251,265)</u> |
| Net Cash Used by Operating Activities | <u>(121,883)</u> |
| Cash Flows from Capital Financing Activities | |
| Purchase of Capital Assets | <u>(19,025)</u> |
| Net Cash Used by Capital Financing Activities | <u>(19,025)</u> |
| Cash Flows from Noncapital Financing Activities | |
| Cash Received from State and Federal Subsidy Reimbursements | <u>135,130</u> |
| Net Cash Provided by Noncapital Financing Activities | <u>135,130</u> |
| Cash Flows from Investing Activities | |
| Interest Received | <u>3,138</u> |
| Net Cash Provided by Investing Activities | <u>3,138</u> |
| Net Decrease in Cash and Cash Equivalents | (2,640) |
| Cash and Cash Equivalents, Beginning of Year | <u>159,696</u> |
| Cash and Cash Equivalents, End of Year | <u><u>\$ 157,056</u></u> |
| Reconciliation of Operating Loss to Net Cash Used by Operating Activities | |
| Operating Loss | \$ <u>(184,715)</u> |
| Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities | |
| Depreciation | 7,044 |
| Non-Cash Federal Assistance - National School Lunch (Food Distribution) | 41,250 |
| Change in Assets, Liabilities and Deferred Inflows of Resources | |
| (Increase)/Decrease in Other Accounts Receivable | (3,139) |
| (Increase)/Decrease in Inventories | 3,124 |
| Increase/(Decrease) in Accounts Payable | 14,719 |
| Increase/(Decrease) in Unearned Revenue | 825 |
| Increase/(Decrease) in Deferred Commodities Revenue | <u>(991)</u> |
| Total Adjustments | <u>62,832</u> |
| Net Cash Used by Operating Activities | <u><u>\$ (121,883)</u></u> |
| Non-Cash Investing and Noncapital Financing Activities | |
| Value Received - Food Distribution Program | \$ 40,259 |

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, 2024**

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 2024, the District adopted the following GASB statements:

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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

- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 102, *Certain Risk Disclosures*, will be 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.
- 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.

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, 2024**

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, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

4. Prepaid Items

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

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Capital Assets

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

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

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

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

6. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items, which arise only under the accrual basis of accounting that qualify for reporting in this category. One item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item which qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused 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.

In the fund financial statements, governmental fund types, the face amount of debt issued is reported as other financing sources.

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.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance – 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 2024/2025 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 2024/2025 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, 2024 audited excess surplus that is required to be appropriated in the 2025/2026 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, 2023 audited excess surplus that was appropriated in the 2024/2025 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.

Scholarships – This restriction was created to represents 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 Trustee's for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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)

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

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

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

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

11. Fund Balance Policies

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

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2022-2023 and 2023-2024 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *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.

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.

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.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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.

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 2023/2024. Also, during 2023/2024 the Board increased the original budget of the general fund by \$1,062,617 and the special revenue fund by \$1,203,173. 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 \$337,794 and \$85,000 of capital reserve 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, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2024 is as follows:

| | | |
|---|----------------|---------------------|
| Balance, July 1, 2023 | | \$ 4,095,365 |
| Increased by: | | |
| Interest Earnings | \$ 56,406 | |
| Return of Unencumbered Budget Withdrawals | 9,229 | |
| Deposits Approved by Board Resolution | <u>988,927</u> | |
| Total Increases | | <u>1,054,562</u> |
| | | 5,149,927 |
| Decreased by: | | |
| Withdrawals Approved in District Budget | 420,000 | |
| Withdrawals Approved by Board Resolution | <u>85,000</u> | |
| Total Decreases | | <u>505,000</u> |
| Balance, June 30, 2024 | | <u>\$ 4,644,927</u> |

The June 30, 2024 LRF balance of the total costs of uncompleted capital projects is estimated by management to be \$6,685,700. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the District's Long Range Facilities Plan. \$385,000 of the capital reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 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, 2024 is \$550,000. Of this amount, \$275,000 was designated and appropriated in the 2024/2025 original budget certified for taxes and the remaining amount of \$275,000 will be appropriated in the 2025/2026 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, 2024**

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, 2024, the book value of the Board's deposits was \$7,240,010 and bank and brokerage firm balances of the Board's deposits amounted to \$7,543,557. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

| | |
|------------------------------|----------------------------|
| Insured | \$ 7,440,211 |
| Uninsured and Collateralized | <u>103,346</u> |
| | <u><u>\$ 7,543,557</u></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, 2024 the Board's bank balance of \$103,346 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>\$ 103,346</u> |
|--|-------------------|

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2024, the Board had the following investments:

| <u>Investment Type:</u> | <u>Fair Value</u> |
|--|-------------------|
| N.J. Cash Management Fund (cash equivalents) | \$ <u>368,499</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, 2024, \$368,499 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>368,499</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, 2024 are categorized as Level 2.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2024 for the District's individual major funds including the applicable allowances for uncollectible accounts, are as follows:

| | <u>General</u> | <u>Special Revenue</u> | <u>Food Service</u> | <u>Total</u> |
|---------------------------------------|-------------------|----------------------------|-------------------------|-------------------|
| Receivables: | | | | |
| Accounts | \$ 6,402 | \$ 199 | \$ 6,426 | \$ 13,027 |
| Intergovernmental | | | | |
| Federal | | 69,891 | 8,016 | 77,907 |
| State | 35,951 | | 669 | 36,620 |
| Local | <u>235,132</u> | <u>-</u> | <u>-</u> | <u>235,132</u> |
| Gross Receivables | 277,485 | 70,090 | 15,111 | 362,686 |
| Less: Allowance for Uncollectibles | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Total Receivables | <u>\$ 277,485</u> | <u>\$ 70,090</u> | <u>\$ 15,111</u> | <u>\$ 362,686</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 | \$ 326,003 |
| Prepaid Preschool Tuition | 12,444 |
| Special Revenue Fund | |
| Unencumbered Grant Draw Downs | <u>21,743</u> |
| Total Unearned Revenue of Governmental Funds | <u>\$ 360,190</u> |

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

| | Balance, <u>July 1, 2023</u> | <u>Increases</u> | <u>Decreases</u> | Balance, <u>June 30, 2024</u> |
|--|---------------------------------|--------------------|--------------------|----------------------------------|
| Governmental Activities: | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 28,714 | | | \$ 28,714 |
| Construction in Progress | 156,990 | \$ 778,083 | \$ (97,020) | 838,053 |
| Total Capital Assets, Not Being Depreciated | <u>185,704</u> | <u>778,083</u> | <u>(97,020)</u> | <u>866,767</u> |
| Capital Assets, Being Depreciated: | | | | |
| Buildings and Building Improvements | 29,795,180 | 555,527 | | 30,350,707 |
| Site Improvements | 2,779,523 | | | 2,779,523 |
| Machinery and Equipment | 5,077,101 | 105,166 | (80,791) | 5,101,476 |
| Total Capital Assets Being Depreciated | <u>37,651,804</u> | <u>660,693</u> | <u>(80,791)</u> | <u>38,231,706</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Building Improvements | (13,240,222) | (798,968) | | (14,039,190) |
| Site Improvements | (1,473,059) | (139,061) | | (1,612,120) |
| Machinery and Equipment | (4,245,421) | (65,399) | 80,791 | (4,230,029) |
| Total Accumulated Depreciation | <u>(18,958,702)</u> | <u>(1,003,428)</u> | <u>80,791</u> | <u>(19,881,339)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>18,693,102</u> | <u>(342,735)</u> | <u>-</u> | <u>18,350,367</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 18,878,806</u> | <u>\$ 435,348</u> | <u>\$ (97,020)</u> | <u>\$ 19,217,134</u> |
| Business-Type Activities: | | | | |
| Capital Assets, Being Depreciated: | | | | |
| Machinery and Equipment | \$ 284,676 | \$ 19,025 | - | \$ 303,701 |
| Total Capital Assets Being Depreciated | <u>284,676</u> | <u>19,025</u> | <u>-</u> | <u>303,701</u> |
| Less Accumulated Depreciation for: | | | | |
| Machinery and Equipment | (236,308) | (7,044) | - | (243,352) |
| Total Accumulated Depreciation | <u>(236,308)</u> | <u>(7,044)</u> | <u>-</u> | <u>(243,352)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>48,368</u> | <u>11,981</u> | <u>-</u> | <u>60,349</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 48,368</u> | <u>\$ 11,981</u> | <u>\$ -</u> | <u>\$ 60,349</u> |

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 | \$ 22,976 |
| School-Sponsored Activities and Athletics | 12,142 |
| Total Instruction | <u>35,118</u> |

Support Services

| | |
|--|----------------|
| Student and Instruction Related Services | 2,104 |
| Central Services and Admin. Info. Technology | 3,186 |
| Plant Operations and Maintenance | 953,438 |
| Pupil Transportation | <u>9,582</u> |
| Total Support Services | <u>968,310</u> |

| | |
|--|---------------------|
| Total Depreciation Expense - Governmental Activities | <u>\$ 1,003,428</u> |
|--|---------------------|

Business-Type Activities:

| | |
|-------------------|-----------------|
| Food Service Fund | <u>\$ 7,044</u> |
|-------------------|-----------------|

Construction and Other Significant Commitments

The District has the following significant capital commitment as of June 30, 2024:

| <u>Project</u> | <u>Remaining Commitment</u> |
|-----------------------------|---------------------------------|
| Acquisition of a School Bus | <u>\$ 123,765</u> |

E. Interfund Receivables, Payables, and Transfers

Interfund Transfers

| | <u>Transfer In:</u> | | <u>Total</u> |
|----------------------|---------------------------------|----------------------------------|-------------------|
| | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | |
| <u>Transfer Out:</u> | | | |
| General Fund | <u>\$ 45,355</u> | <u>\$ 420,000</u> | <u>\$ 465,355</u> |

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

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets or other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2024 are comprised of the following issues:

\$8,500,000, Fiscal year 2015 School Bonds,
due in annual principal installments of \$385,000 to \$540,000
through August 15, 2035 with interest at 2.000% to 3.125%. \$ 5,595,000

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

Governmental Activities:

| Fiscal Year Ended June 30, | <u>Bonds Payable</u> | | <u>Total</u> |
|----------------------------------|----------------------|---------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 2025 | \$ 385,000 | \$ 152,675 | \$ 537,675 |
| 2026 | 400,000 | 144,825 | 544,825 |
| 2027 | 415,000 | 136,675 | 551,675 |
| 2028 | 425,000 | 126,150 | 551,150 |
| 2029 | 440,000 | 113,175 | 553,175 |
| 2030-2034 | 2,455,000 | 353,500 | 2,808,500 |
| 2035-2036 | <u>1,075,000</u> | <u>33,338</u> | <u>1,108,338</u> |
| Total | <u>\$ 5,595,000</u> | <u>\$ 1,060,338</u> | <u>\$ 6,655,338</u> |

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2024 was as follows:

| | |
|---|----------------------|
| 4% of Equalized Valuation Basis (Municipal) | \$ 57,035,418 |
| Less: Net Debt Issued and Authorized But Not Issued | <u>5,595,000</u> |
| Remaining Borrowing Power | <u>\$ 51,440,418</u> |

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2024, was as follows:

| | Balance, July 1, 2023 | Additions | Reductions | Balance, June 30, 2024 | Due Within One Year |
|--|--------------------------|-------------------|---------------------|---------------------------|---------------------------|
| Governmental Activities: | | | | | |
| Bonds Payable | \$ 6,360,000 | | \$ 765,000 | \$ 5,595,000 | \$ 385,000 |
| Compensated Absences Payable | 311,259 | \$ 64,290 | 25,529 | 350,020 | 46,192 |
| Net Pension Liability | <u>4,790,378</u> | <u>502,017</u> | <u>447,094</u> | <u>4,845,301</u> | <u>-</u> |
| Governmental Activities Long-Term Liabilities | <u>\$ 11,461,637</u> | <u>\$ 566,307</u> | <u>\$ 1,237,623</u> | <u>\$ 10,790,321</u> | <u>\$ 431,192</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.

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, 2024**

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> |
|---|-----------------------------------|-----------------------------------|------------------------------|------------------------------|---------------------------|
| 2024 | None | \$ 53,572 | \$ 3,226 | \$ 24,553 | \$ 66,763 |
| 2023 | None | 50,602 | 1,174 | 57,959 | 63,536 |
| 2022 | None | Not Available | 216 | Not Available | 62,362 |

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, 2024, 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, 2024, 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, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PERS:

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

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

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

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

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 PERS 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, 2024**

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, 2024**

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, 2023 is \$14.6 billion and the plan fiduciary net position as a percentage of the total pension liability is 65.23%. The collective net pension liability of the State funded TPAF at June 30, 2023 is \$51.1 billion and the plan fiduciary net position as a percentage of total pension liability is 34.68%.

The total pension liabilities for the June 30, 2023 measurement date were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 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 2024.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2023 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2024, 2023 and 2022 were equal to the required contributions.

During the fiscal years ended June 30, 2024, 2023 and 2022 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> |
|---|----|-------------|--------------------------|-----------|-------------|
| 2024 | \$ | 447,094 | \$ | 3,727,055 | \$ 2,130 |
| 2023 | | 400,288 | | 3,566,756 | 1,726 |
| 2022 | | 350,977 | | 3,483,669 | 2,536 |

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2024, 2023 and 2022 the State contributed \$1,245, \$1,117 and \$1,191, 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 \$741,649 during the fiscal year ended June 30, 2024 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, 2022 through June 30, 2023. 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 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, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

At June 30, 2024, the District reported in the statement of net position (accrual basis) a liability of \$4,845,301 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. 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, 2023. At June 30, 2023, the District's proportionate share was .03345 percent, which was an increase of .00171 percent from its proportionate share measured as of June 30, 2022 of .03174 percent.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$34,240 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, 2024 with a measurement date of the prior fiscal year end of June 30, 2023. 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, 2024 for contributions made subsequent to the measurement date. At June 30, 2024, 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 | \$ 46,327 | \$ 19,806 |
| Changes of Assumptions | 10,644 | 293,646 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 22,313 | |
| Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions | <u>458,271</u> | <u>316,553</u> |
| Total | <u>\$ 537,555</u> | <u>\$ 630,005</u> |

At June 30, 2024, 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> |
|--|---------------------|
| 2025 | \$ (92,688) |
| 2026 | 68,813 |
| 2027 | (112,523) |
| 2028 | 37,966 |
| 2029 | 5,982 |
| Thereafter | <u>-</u> |
| | <u>\$ (92,450)</u> |

MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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, 2022 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, 2024**

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, 2023) 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, 2023 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% | 6.21% |
| Cash Equivalents | 2.00% | 3.31% |
| U.S. Treasuries | 4.00% | 3.31% |
| Investment Grade Credit | 7.00% | 5.19% |
| US Equity | 28.00% | 8.98% |
| Non-US Developed Markets Equity | 12.75% | 9.22% |
| Emerging Markets Equity | 5.50% | 11.13% |
| High Yield | 4.50% | 6.97% |
| Real Assets | 3.00% | 8.40% |
| Private Credit | 8.00% | 9.20% |
| Real Estate | 8.00% | 8.58% |
| Private Equity | 13.00% | 12.50% |
| International Small Cap Equity | 1.25% | 9.22% |

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

| | 1% Decrease <u>6.00%</u> | Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
|---|---|---|---|
| District's Proportionate Share of the PERS Net Pension Liability | <u>\$ 6,307,551</u> | <u>\$ 4,845,301</u> | <u>\$ 3,600,733</u> |

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2023. A sensitivity analysis specific to the District's net pension liability at June 30, 2023 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, 2024**

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, 2022 through June 30, 2023. 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, 2023, 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, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,078,883 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, 2024 the State's proportionate share of the net pension liability attributable to the District is \$43,915,771. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. 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, 2023. At June 30, 2023, the State's share of the net pension liability attributable to the District was .08605 percent, which was an increase of .00260 percent from its proportionate share measured as of June 30, 2022 of .08345 percent.

**MIDLAND PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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: | |
| | 2.75-4.25% |
| | 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, 2022 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, 2024**

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, 2023) 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, 2023 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% | 6.21% |
| Cash Equivalents | 2.00% | 3.31% |
| U.S. Treasuries | 4.00% | 3.31% |
| Investment Grade Credit | 7.00% | 5.19% |
| US Equity | 28.00% | 8.98% |
| Non-US Developed Markets Equity | 12.75% | 9.22% |
| Emerging Markets Equity | 5.50% | 11.13% |
| High Yield | 4.50% | 6.97% |
| Real Assets | 3.00% | 8.40% |
| Private Credit | 8.00% | 9.20% |
| Real Estate | 8.00% | 8.58% |
| Private Equity | 13.00% | 12.50% |
| International Small Cap Equity | 1.25% | 9.22% |

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 7.00%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|--|------------------------------------|--|------------------------------------|
| State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District | <u>\$ 51,784,663</u> | <u>\$ 43,915,771</u> | <u>\$ 37,288,294</u> |

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2023. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2023 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, 2023. 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, 2024

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, 2022:

| | |
|---|----------------|
| Active Plan Members | 217,212 |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | <u>152,383</u> |
| Total | <u>369,595</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, 2023 is \$52.4 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, 2023 were determined based on actuarial valuations as of June 30, 2022 which were rolled forward to June 30, 2023.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2022 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 \$1.44 billion to the OPEB plan in fiscal year 2023.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2024, 2023 and 2022 were \$1,014,368, \$936,978 and \$813,926, 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, 2022 through June 30, 2023. 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, 2024, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,464,562. 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, 2024 the State's proportionate share of the OPEB liability attributable to the District is \$44,404,821. 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, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, the state's share of the OPEB liability attributable to the District was .08480 percent, which was an increase of .00228 percent from its proportionate share measured as of June 30, 2021 of .08252 percent.

MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is, increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2023 was 3.65%. 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, 2024 (measurement date June 30, 2023) is as follows:

| | Total OPEB Liability (State Share 100%) |
|--|---|
| Balance, June 30, 2022 Measurement Date | \$ 41,793,475 |
| Changes Recognized for the Fiscal Year: | |
| Service Cost | 1,825,683 |
| Interest on the Total OPEB Liability | 1,563,884 |
| Differences Between Expected and Actual Experience | 311,273 |
| Changes of Assumptions | 89,502 |
| Gross Benefit Payments | (1,219,073) |
| Contributions from the Member | 40,077 |
| Net Changes | \$ 2,611,346 |
| Balance, June 30, 2023 Measurement Date | \$ 44,404,821 |

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

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, 2023.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.65%, 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 (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

| | 1% Decrease <u>(2.65%)</u> | Current Discount Rate <u>(3.65%)</u> | 1% Increase <u>(4.65%)</u> |
|--|---|---|---|
| State's Proportionate Share of the OPEB Liability Attributable to the District | <u>\$ 52,057,029</u> | <u>\$ 44,404,821</u> | <u>\$ 38,260,986</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 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 <u></u> | Healthcare Cost Trend Rates <u></u> | 1% Increase <u></u> |
|--|------------------------------------|--|------------------------------------|
| State's Proportionate Share of the OPEB Liability Attributable to the District | <u>\$ 36,862,847</u> | <u>\$ 44,404,821</u> | <u>\$ 54,273,513</u> |

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023 were not provided by the pension system.

F. Subsequent Events

Appropriation of Fund Balance

On August 20, 2024 the Board approved the appropriation of an additional \$358,437 of General Fund unassigned fund balance to the 2024/2025 budget.

**MIDLAND PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 RECENT HEALTHCARE DEVELOPMENTS

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

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

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | <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 | \$ 22,834,226 | | \$ 22,834,226 | \$ 22,834,226 | |
| Tuition from Individuals | 45,500 | | 45,500 | 42,775 | \$ (2,725) |
| Other Restricted Miscellaneous Revenues | 1,632,879 | \$ 270,000 | 1,902,879 | 2,356,127 | 453,248 |
| Interest on Investments | | | | 92,591 | 92,591 |
| Interest on Capital Reserve | 500 | | 500 | 56,406 | 55,906 |
| Interest on Unemployment Compensation Reserve | | | | 3,226 | 3,226 |
| Unrestricted Miscellaneous Revenues | 27,000 | - | 27,000 | 26,866 | (134) |
| Total Local Sources | 24,540,105 | 270,000 | 24,810,105 | 25,412,217 | 602,112 |
| State Sources | | | | | |
| Special Education Aid | 941,467 | | 941,467 | 941,467 | - |
| Equalization Aid | 33,981 | | 33,981 | 33,981 | - |
| Security Aid | 58,146 | | 58,146 | 58,146 | - |
| Transportation Aid | 107,033 | | 107,033 | 107,033 | - |
| Extraordinary Aid | 200,000 | | 200,000 | 588,437 | 388,437 |
| On-Behalf TPAF Pension System Contribution (Non-Budgeted) | | | | 3,685,029 | 3,685,029 |
| On-Behalf TPAF Pension System Contribution - NCGI Premium (Non-Budgeted) | | | | 42,026 | 42,026 |
| On-Behalf TPAF Long Term Disability Insurance Premium (Non-Budgeted) | | | | 1,245 | 1,245 |
| On-Behalf TPAF Post-Retirement Medical Benefits Contribution (Non-Budgeted) | | | | 1,014,368 | 1,014,368 |
| Reimbursed TPAF Social Security Contributions (Non-Budgeted) | - | - | - | 741,649 | 741,649 |
| Total State Sources | 1,340,627 | - | 1,340,627 | 7,213,381 | 5,872,754 |
| Total Revenues | 25,880,732 | 270,000 | 26,150,732 | 32,625,598 | 6,474,866 |
| EXPENDITURES | | | | | |
| CURRENT | | | | | |
| Regular Programs - Instruction | | | | | |
| Salaries of Teachers | | | | | |
| Kindergarten | 309,150 | 2,913 | 312,063 | 312,063 | - |
| Grades 1-5 | 2,312,891 | 141,982 | 2,454,873 | 2,454,873 | - |
| Grades 6-8 | 1,341,049 | (47,646) | 1,293,403 | 1,293,123 | 280 |
| Grades 9-12 | 2,158,999 | (48,160) | 2,110,839 | 2,110,839 | - |
| Regular Programs - Home Instruction | | | | | |
| Salaries of Teachers | 18,000 | (15,027) | 2,973 | 2,973 | - |
| Purchased Professional/Educational Services | 4,000 | (4,000) | | | - |
| Regular Programs - Undistributed Instruction | | | | | |
| Other Salaries for Instruction | 26,810 | (1,191) | 25,619 | 25,619 | - |
| Purchased Professional/Educational Services | 56,395 | 119 | 56,514 | 55,674 | 840 |
| Rentals/Lease Payments | 54,020 | (1,311) | 52,709 | 52,709 | - |
| Other Purchased Services | 27,300 | (893) | 26,407 | 26,407 | - |
| General Supplies | 227,963 | 428,537 | 656,500 | 382,399 | 274,101 |
| Textbooks | 21,259 | 41,710 | 62,969 | 23,290 | 39,679 |
| Other Objects | 4,645 | (2,444) | 2,201 | 2,200 | 1 |
| Total Regular Programs | 6,562,481 | 494,589 | 7,057,070 | 6,742,169 | 314,901 |
| Special Education | | | | | |
| Learning and/or Language Disabilities | | | | | |
| Salaries of Teachers | 126,550 | 70,310 | 196,860 | 196,860 | - |
| Other Salaries for Instruction | 233,830 | 34,579 | 268,409 | 266,809 | 1,600 |
| Purchased Professional/Educational Services | | 15,526 | 15,526 | 15,526 | - |
| General Supplies | 2,000 | 11,320 | 13,320 | 12,991 | 329 |
| Total Learning and/or Language Disabilities | 362,380 | 131,735 | 494,115 | 492,186 | 1,929 |

(Continued)

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | <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 | \$ 1,610,667 | \$ (112,948) | \$ 1,497,719 | \$ 1,495,924 | \$ 1,795 |
| Other Salaries for Instruction | 462,330 | (43,248) | 419,082 | 416,740 | 2,342 |
| Purchased Professional Educational Services | | 45,055 | 45,055 | 45,055 | - |
| General Supplies | 4,500 | 20,536 | 25,036 | 24,950 | 86 |
| Total Resource Room Resource Center | 2,077,497 | (90,605) | 1,986,892 | 1,982,669 | 4,223 |
| Preschool Disabilities - Part-Time | | | | | |
| Salaries of Teachers | 54,750 | 4,564 | 59,314 | 59,314 | - |
| Other Salaries for Instruction | 61,390 | 7,013 | 68,403 | 68,178 | 225 |
| Purchased Professional/Educational Services | | 3,564 | 3,564 | 3,564 | - |
| General Supplies | 1,000 | - | 1,000 | 979 | 21 |
| Total Preschool Disabilities-Part Time | 117,140 | 15,141 | 132,281 | 132,035 | 246 |
| Preschool Disabilities - Full-Time | | | | | |
| Salaries of Teachers | 59,150 | (7,650) | 51,500 | 51,500 | - |
| Other Salaries for Instruction | 136,880 | (26,453) | 110,427 | 110,427 | - |
| Purchased Professional/Educational Services | | 32,649 | 32,649 | 31,599 | 1,050 |
| General Supplies | 1,000 | - | 1,000 | 1,000 | - |
| Total Preschool Disabilities-Full Time | 197,030 | (1,454) | 195,576 | 194,526 | 1,050 |
| Home Instruction | | | | | |
| Purchased Professional-Educational Services | 5,000 | (473) | 4,527 | 3,396 | 1,131 |
| Total Home Instruction | 5,000 | (473) | 4,527 | 3,396 | 1,131 |
| Total Special Education | 2,759,047 | 54,344 | 2,813,391 | 2,804,812 | 8,579 |
| Bilingual Education | | | | | |
| Salaries of Teachers | 52,000 | - | 52,000 | 52,000 | - |
| General Supplies | 500 | - | 500 | - | 500 |
| Total Bilingual Education | 52,500 | - | 52,500 | 52,000 | 500 |
| School Spons. Co-Curricular Activities-Instruction | | | | | |
| Salaries | 102,000 | 3,233 | 105,233 | 105,233 | - |
| Purchased Professional/Educational Services | | 9,748 | 9,748 | 9,748 | - |
| Purchased Services | 4,400 | (1,717) | 2,683 | 2,683 | - |
| Supplies and Materials | 14,050 | 4,864 | 18,914 | 18,914 | - |
| Other Objects | 1,630 | 495 | 2,125 | 2,125 | - |
| Total School Spons. Co-Curricular Activities-Instr. | 122,080 | 16,623 | 138,703 | 138,703 | - |
| School Sponsored Athletics - Instruction | | | | | |
| Salaries | 367,950 | (5,213) | 362,737 | 347,760 | 14,977 |
| Purchased Professional/Educational Services | 60,997 | (41,589) | 19,408 | 19,408 | - |
| Purchased Services | 50,100 | (3,641) | 46,459 | 46,459 | - |
| Supplies and Materials | 44,330 | 12,578 | 56,908 | 52,170 | 4,738 |
| Other Objects | 18,445 | (6,958) | 11,487 | 11,302 | 185 |
| Total School Sponsored Athletics - Instruction | 541,822 | (44,823) | 496,999 | 477,099 | 19,900 |
| Total Instruction | 10,037,930 | 520,733 | 10,558,663 | 10,214,783 | 343,880 |

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | <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 | \$ 62,100 | \$ 10,350 | \$ 72,450 | \$ 63,710 | \$ 8,740 |
| Tuition to Other LEA's Within the State - Special | 334,899 | (47,514) | 287,385 | 243,193 | 44,192 |
| Tuition to Vocational School Districts - Regular | 82,800 | (19,406) | 63,394 | 61,740 | 1,654 |
| Tuition to Vocational School Districts - Special | 198,450 | (106,641) | 91,809 | 28,350 | 63,459 |
| Tuition to County Special Services School Districts and Regional Day Schools | 494,267 | - | 494,267 | 269,096 | 225,171 |
| Tuition to Private Schools for the Disabled Within the State | 1,478,222 | (43,140) | 1,435,082 | 1,229,542 | 205,540 |
| Disabled Out of State | - | 19,989 | 19,989 | 19,970 | 19 |
| Total Undistributed Expenditures - Instruction | 2,650,738 | (186,362) | 2,464,376 | 1,915,601 | 548,775 |
| Health Services | | | | | |
| Salaries | 274,600 | 10,682 | 285,282 | 285,282 | - |
| Professional Educational Services | | 22,199 | 22,199 | 22,199 | - |
| Other Professional Services | 10,000 | (5,070) | 4,930 | 4,930 | - |
| Supplies and Materials | 5,500 | 8,365 | 13,865 | 13,436 | 429 |
| Total Health Services | 290,100 | 36,176 | 326,276 | 325,847 | 429 |
| Other Support Services - Speech, OT, PT & Related Svcs | | | | | |
| Salaries | 514,550 | (900) | 513,650 | 513,650 | - |
| Purchased Professional/Educational Services | 15,000 | (4,830) | 10,170 | 8,908 | 1,262 |
| Supplies and Materials | 750 | 3,270 | 4,020 | 3,943 | 77 |
| Total Other Support Services - Speech, OT, PT & Related Svcs | 530,300 | (2,460) | 527,840 | 526,501 | 1,339 |
| Other Support Services - Extra. Serv. | | | | | |
| Purchased Professional/Education Services | 625,000 | (144,992) | 480,008 | 433,279 | 46,729 |
| Total Other Support Services - Extra. Serv. | 625,000 | (144,992) | 480,008 | 433,279 | 46,729 |
| Other Support Services - Guidance | | | | | |
| Salaries of Other Professional Staff | 309,070 | 1,362 | 310,432 | 310,017 | 415 |
| Salaries of Secretarial and Clerical Assistants | 46,950 | (4,000) | 42,950 | 42,950 | - |
| Purchased Professional- Educational Services | 5,680 | - | 5,680 | 3,908 | 1,772 |
| Supplies and Materials | 4,495 | (271) | 4,224 | 2,613 | 1,611 |
| Other Objects | 9,540 | - | 9,540 | 8,198 | 1,342 |
| Total Other Support Services - Guidance | 375,735 | (2,909) | 372,826 | 367,686 | 5,140 |
| Other Support Services - Child Study Teams | | | | | |
| Salaries of Other Professional Staff | 426,190 | 2,114 | 428,304 | 428,304 | - |
| Salaries of Secretarial and Clerical Assistants | 62,000 | (1,040) | 60,960 | 60,960 | - |
| Purchased Professional/Educational Services | 23,643 | (3,191) | 20,452 | 17,692 | 2,760 |
| Other Purchased Professional and Tech. Services | 1,000 | - | 1,000 | 200 | 800 |
| Supplies and Materials | 3,500 | 1,658 | 5,158 | 5,023 | 135 |
| Other Objects | 1,500 | - | 1,500 | 1,408 | 92 |
| Total Other Support Services - Child Study Team | 517,833 | (459) | 517,374 | 513,587 | 3,787 |

(Continued)

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | <u>Original Budget</u> | <u>Adjustments/ Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------------|-------------------------|------------------|-------------------------------------|
| EXPENDITURES | | | | | |
| CURRENT (Continued) | | | | | |
| Undistributed Expenditures (Continued) | | | | | |
| Improvement of Instruction Services | | | | | |
| Salaries of Supervisors of Instruction | \$ 25,000 | - | \$ 25,000 | \$ 25,000 | - |
| Salaries of Other Professional Staff | 39,500 | - | 39,500 | 39,500 | - |
| Other Salaries | 34,463 | \$ (426) | 34,037 | 29,781 | \$ 4,256 |
| Other Purchased Services | 38,950 | 4,878 | 43,828 | 43,828 | - |
| Supplies and Materials | 200 | (21) | 179 | 179 | - |
| Total Improvement of Instruction Services/ Other Support Services-Instructional Staff | <u>138,113</u> | <u>4,431</u> | <u>142,544</u> | <u>138,288</u> | <u>4,256</u> |
| Educational Media Services/School Library | | | | | |
| Salaries | 134,090 | (3,385) | 130,705 | 130,474 | 231 |
| Salaries of Technology Coordinators | 236,415 | 1,801 | 238,216 | 238,216 | - |
| Purchased Professional and Technical Services | 5,386 | - | 5,386 | 5,011 | 375 |
| Supplies and Materials | 11,700 | 363 | 12,063 | 11,940 | 123 |
| Other Objects | 375 | - | 375 | 135 | 240 |
| Total Educational Media Services/School Library | <u>387,966</u> | <u>(1,221)</u> | <u>386,745</u> | <u>385,776</u> | <u>969</u> |
| Instructional Staff Training Services | | | | | |
| Salaries of Supervisors of Instruction | 25,000 | - | 25,000 | 25,000 | - |
| Salaries of Other Professional Staff | 39,500 | - | 39,500 | 39,500 | - |
| Other Salaries | 10,463 | (32) | 10,431 | 9,681 | 750 |
| Supplies and Materials | 500 | 718 | 1,218 | 1,218 | - |
| Other Objects | 12,000 | (954) | 11,046 | 10,988 | 58 |
| Total Instructional Staff Training Services | <u>87,463</u> | <u>(268)</u> | <u>87,195</u> | <u>86,387</u> | <u>808</u> |
| Support Services General Administration | | | | | |
| Salaries | 256,000 | 66,802 | 322,802 | 320,381 | 2,421 |
| Legal Services | 35,000 | (21,615) | 13,385 | 12,790 | 595 |
| Audit Fees | 30,000 | 8,500 | 38,500 | 38,500 | - |
| Architectural/Engineering Services | | 3,979 | 3,979 | 3,979 | - |
| Other Purchased Professional Services | 5,700 | 20,515 | 26,215 | 6,215 | 20,000 |
| Purchased Technical Services | 500 | (500) | - | - | - |
| Communications/Telephone | 22,900 | (6,658) | 16,242 | 16,016 | 226 |
| BOE Other Purchased Services | 4,000 | (712) | 3,288 | 3,288 | - |
| Misc. Purchased Services | 10,000 | (1,418) | 8,582 | 8,582 | - |
| General Supplies | 4,700 | 6,089 | 10,789 | 3,845 | 6,944 |
| BOE In-House Training/Meeting Supplies | 100 | 146 | 246 | 229 | 17 |
| Miscellaneous Expenditures | 3,945 | 419 | 4,364 | 4,364 | - |
| Other Objects | 9,436 | 1,155 | 10,591 | 10,591 | - |
| Total Support Services General Administration | <u>382,281</u> | <u>76,702</u> | <u>458,983</u> | <u>428,780</u> | <u>30,203</u> |
| Support Services School Administration | | | | | |
| Salaries of Principals/Asst. Principals | 519,585 | 150,660 | 670,245 | 670,245 | - |
| Salaries of Other Professional Staff | 197,700 | 20,816 | 218,516 | 218,516 | - |
| Salaries of Secretarial and Clerical Assistants | 213,350 | 19,838 | 233,188 | 233,188 | - |
| Purchased Professional and Technical Services | 2,500 | 2,038 | 4,538 | 4,156 | 382 |
| Other Purchased Services | 6,500 | (1,240) | 5,260 | 3,491 | 1,769 |
| Supplies and Materials | 11,000 | 5,884 | 16,884 | 16,562 | 322 |
| Other Objects | 6,373 | (382) | 5,991 | 5,778 | 213 |
| Total Support Services School Administration | <u>957,008</u> | <u>197,614</u> | <u>1,154,622</u> | <u>1,151,936</u> | <u>2,686</u> |

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | <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 | \$ 348,660 | \$ 111,387 | \$ 460,047 | \$ 460,046 | \$ 1 |
| Purchased Professional Services | 1,600 | 250 | 1,850 | 1,850 | - |
| Purchased Technical Services | 5,785 | (51) | 5,734 | 5,734 | - |
| Miscellaneous Purchased Services | 1,575 | 1,106 | 2,681 | 2,681 | - |
| Supplies and Materials | 1,000 | 7,117 | 8,117 | 6,144 | 1,973 |
| Miscellaneous Expenditures | 1,340 | 160 | 1,500 | 1,500 | - |
| Total Central Services | 359,960 | 119,969 | 479,929 | 477,955 | 1,974 |
| Admin. Information Technology | | | | | |
| Salaries | 34,900 | 740 | 35,640 | 35,640 | - |
| Purchased Professional Services | 8,500 | 606 | 9,106 | | 9,106 |
| Purchased Technical Services | 19,000 | (5,050) | 13,950 | 13,625 | 325 |
| Other Purchased Services | 21,300 | (4,619) | 16,681 | 15,712 | 969 |
| Supplies and Materials | 250 | 3,751 | 4,001 | 3,951 | 50 |
| Other Objects | 1,000 | - | 1,000 | 1,000 | - |
| Total Admin. Information Technology | 84,950 | (4,572) | 80,378 | 69,928 | 10,450 |
| Required Maintenance for School Facilities | | | | | |
| Salaries | 329,640 | (50,715) | 278,925 | 278,925 | - |
| Cleaning, Repair and Maintenance Services | 100,000 | 24,915 | 124,915 | 122,512 | 2,403 |
| General Supplies | 30,000 | 18,274 | 48,274 | 48,274 | - |
| Total Required Maintenance for School Facilities | 459,640 | (7,526) | 452,114 | 449,711 | 2,403 |
| Custodial Services | | | | | |
| Salaries | 558,621 | 6,215 | 564,836 | 564,836 | - |
| Salaries of Non-Instructional Aides | 150,000 | 3,003 | 153,003 | 153,003 | - |
| Purchased Professional and Technical Services | 44,540 | (10,707) | 33,833 | 33,833 | - |
| Cleaning, Repair and Maintenance Services | 84,840 | (19,435) | 65,405 | 49,539 | 15,866 |
| Other Purchased Property Services | 31,500 | (3,500) | 28,000 | 27,575 | 425 |
| Insurance | 206,000 | 13,266 | 219,266 | 219,266 | - |
| General Supplies | 40,000 | 7,124 | 47,124 | 47,030 | 94 |
| Energy (Natural Gas) | 75,000 | 5,261 | 80,261 | 80,261 | - |
| Energy (Electricity) | 140,000 | 20,047 | 160,047 | 159,503 | 544 |
| Other Objects | 625 | (475) | 150 | 125 | 25 |
| Total Custodial Services | 1,331,126 | 20,799 | 1,351,925 | 1,334,971 | 16,954 |
| Security | | | | | |
| Salaries | 2,000 | 30,975 | 32,975 | 32,975 | - |
| Purchased Professional and Technical Services | 85,650 | 23,046 | 108,696 | 77,116 | 31,580 |
| General Supplies | - | 11,131 | 11,131 | 11,131 | - |
| Total Security | 87,650 | 65,152 | 152,802 | 121,222 | 31,580 |

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | <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 | \$ 88,000 | \$ 61,267 | \$ 149,267 | \$ 147,643 | \$ 1,624 |
| Salaries for Pupil Transportation (Between Home and School) - Special Education | 214,000 | 11,117 | 225,117 | 220,250 | 4,867 |
| Cleaning, Repair and Maintenance Services | 13,000 | 15,176 | 28,176 | 22,547 | 5,629 |
| Contracted Services (Other than Between Home and School) - Vendors | 14,000 | (4,034) | 9,966 | 8,667 | 1,299 |
| Contracted Services (Between Home and School) - Joint Agreements | 50,000 | 33,342 | 83,342 | 83,342 | - |
| Contracted Services (Special Education Students) - Joint Agreements | 335,000 | 72,569 | 407,569 | 407,569 | - |
| Transportation Supplies | 3,500 | (134) | 3,366 | 3,361 | 5 |
| Other Objects | 22,500 | 6,919 | 29,419 | 24,583 | 4,836 |
| Total Student Transportation Services | 740,000 | 196,222 | 936,222 | 917,962 | 18,260 |
| Unallocated Benefits | | | | | |
| Group Insurance | 6,500 | - | 6,500 | 6,500 | - |
| Social Security Contributions | 310,000 | 30,000 | 340,000 | 332,341 | 7,659 |
| Other Retirement Contributions - PERS | 415,000 | 37,600 | 452,600 | 452,516 | 84 |
| Other Retirement Contributions - DCRP | 7,000 | (4,790) | 2,210 | 2,130 | 80 |
| Workmen's Compensation | 115,000 | (14,024) | 100,976 | 94,236 | 6,740 |
| Health Benefits | 4,222,785 | (416,050) | 3,806,735 | 3,745,420 | 61,315 |
| Tuition Reimbursement | 28,500 | - | 28,500 | 16,187 | 12,313 |
| Other Employee Benefits | 94,000 | 13,781 | 107,781 | 105,524 | 2,257 |
| Unused Sick Payment to Terminated/Retired Staff | 57,000 | (33,154) | 23,846 | 23,818 | 28 |
| Total Unallocated Benefits | 5,255,785 | (386,637) | 4,869,148 | 4,778,672 | 90,476 |
| On-Behalf TPAF Payments | | | | | |
| On-Behalf TPAF Pension System Contribution (Non-Budgeted) | | | | 3,685,029 | (3,685,029) |
| On-Behalf TPAF Pension System - NCGI Premium (Non-Budgeted) | | | | 42,026 | (42,026) |
| On-Behalf TPAF Long Term Disability Insurance Premium (Non-Budgeted) | | | | 1,245 | (1,245) |
| On-Behalf TPAF Post-Retirement Medical Benefits Contribution (Non-Budgeted) | | | | 1,014,368 | (1,014,368) |
| Reimbursed TPAF Social Security Contributions (Non-Budgeted) | - | - | - | 741,649 | (741,649) |
| Total On-Behalf Payments | - | - | - | 5,484,317 | (5,484,317) |
| Total Undistributed Expenditures | 15,261,648 | (20,341) | 15,241,307 | 19,908,406 | (4,667,099) |
| Total Expenditures - Current Expense | \$ 25,299,578 | \$ 500,392 | \$ 25,799,970 | \$ 30,123,189 | \$ (4,323,219) |

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | <u>Original Budget</u> | <u>Adjustments/ Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------------|-------------------------|---------------|-------------------------------------|
| CAPITAL OUTLAY | | | | | |
| Interest Deposit to Capital Reserve | \$ 500 | - | \$ 500 | - | \$ 500 |
| Equipment | | | | | |
| Grades 9-12 | | \$ 4,917 | 4,917 | \$ 2,850 | 2,067 |
| Health Services | | 3,715 | 3,715 | 3,715 | - |
| School Sponsored Athletics - Instruction | | 14,497 | 14,497 | 14,497 | - |
| Educational Media Services/School Library | | 6,643 | 6,643 | | 6,643 |
| Administrative Information Technology | | 3,635 | 3,635 | 3,635 | - |
| Transportation - Acq. of School Buses - Special | | 123,765 | 123,765 | | 123,765 |
| Undistributed Expenditures - Custodial Services | - | 4,698 | 4,698 | 4,698 | - |
| Total Equipment | - | 161,870 | 161,870 | 29,395 | 132,475 |
| Facilities Acq. and Construction Services | | | | | |
| Equipment | | 85,000 | 85,000 | 75,771 | 9,229 |
| Debt Service Assessment | 22,775 | - | 22,775 | 22,775 | - |
| Total Facilities Acq. and Construction Services | 22,775 | 85,000 | 107,775 | 98,546 | 9,229 |
| Total Capital Outlay | 23,275 | 246,870 | 270,145 | 127,941 | 142,204 |
| SPECIAL SCHOOLS | | | | | |
| Community School - Local - Instruction | | | | | |
| Salaries of Teachers | 160,000 | 50,613 | 210,613 | 199,733 | 10,880 |
| Purchased Professional and Technical Services | 170,500 | 34,161 | 204,661 | 195,353 | 9,308 |
| Cleaning, Repair and Maintenance Services | 1,000 | (1,000) | | | - |
| Transportation - Contracted Services (Other than Between Home and School) - Vendors | 265,000 | 166,700 | 431,700 | 425,561 | 6,139 |
| Communications/Telephone | 15,000 | (2,000) | 13,000 | 11,896 | 1,104 |
| Other Purchased Services | 10,000 | 1,139 | 11,139 | 11,139 | - |
| General Supplies | 5,000 | 8,000 | 13,000 | 10,888 | 2,112 |
| Textbooks | 2,000 | (2,000) | | | - |
| Other Objects | 100 | - | 100 | - | 100 |
| Total Community School - Local - Instruction | 628,600 | 255,613 | 884,213 | 854,570 | 29,643 |
| Community School - Local - Support Services | | | | | |
| Salaries | 168,589 | 12,676 | 181,265 | 178,402 | 2,863 |
| Personal Services - Employee Benefits | 83,300 | - | 83,300 | 68,817 | 14,483 |
| Unused Sick Payment to Terminated/Retired Staff | - | 1,711 | 1,711 | 1,711 | - |
| Total Community School - Local - Support Services | 251,889 | 14,387 | 266,276 | 248,930 | 17,346 |
| Total Special Schools | 880,489 | 270,000 | 1,150,489 | 1,103,500 | 46,989 |
| Total Expenditures | 26,203,342 | 1,017,262 | 27,220,604 | 31,354,630 | (4,134,026) |
| Excess (Deficiency) of Revenues | | | | | |
| Over/(Under) Expenditures | \$ (322,610) | \$ (747,262) | \$ (1,069,872) | \$ 1,270,968 | \$ 2,340,840 |
| Other Financing Sources (Uses) | | | | | |
| Transfers Out - Capital Reserve to Capital Projects Fund | (420,000) | - | (420,000) | (420,000) | - |
| Transfers Out - Special Revenue Fund (Athletics) | - | (45,355) | (45,355) | (45,355) | - |
| Total Other Financing Sources (Uses) | (420,000) | (45,355) | (465,355) | (465,355) | - |

**MIDLAND PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | <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 | \$ (742,610) | \$ (792,617) | \$ (1,535,227) | \$ 805,613 | \$ 2,340,840 |
| Fund Balance, Beginning of Year | <u>6,408,032</u> | <u>-</u> | <u>6,408,032</u> | <u>6,408,032</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 5,665,422</u> | <u>\$ (792,617)</u> | <u>\$ 4,872,805</u> | <u>\$ 7,213,645</u> | <u>\$ 2,340,840</u> |
| <u>Recapitulation of Fund Balance:</u> | | | | | |
| <u>Restricted Fund Balance</u> | | | | | |
| Capital Reserve | | | | \$ 4,259,927 | |
| Capital Reserve - Designated for Subsequent Year's Budget | | | | 385,000 | |
| Community School Programs | | | | 193,988 | |
| Community School Programs - Designated for Subsequent Year's Budget | | | | 249,796 | |
| Unemployment Compensation Reserve | | | | 66,763 | |
| Excess Surplus | | | | 275,000 | |
| Excess Surplus - Designated for Subsequent Year's Budget | | | | 275,000 | |
| <u>Committed Fund Balance</u> | | | | | |
| Year-End Encumbrances | | | | 132,475 | |
| <u>Assigned Fund Balance</u> | | | | | |
| Year-End Encumbrances | | | | 460,546 | |
| Unassigned Fund Balance | | | | <u>915,150</u> | |
| | | | | 7,213,645 | |
| <u>Reconciliation to Governmental Fund Statement (GAAP):</u> | | | | | |
| State Aid Payments Not Recognized on GAAP Basis | | | | <u>(673,054)</u> | |
| Fund Balance Per Governmental Funds (GAAP) | | | | <u>\$ 6,540,591</u> | |

**MIDLAND PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final Budget to Actual</u> |
|--|----------------------------|--------------------|-------------------------|---------------|--|
| REVENUES | | | | | |
| Intergovernmental | | | | | |
| State | \$ 221,673 | \$ 63,463 | \$ 285,136 | \$ 216,939 | \$ (68,197) |
| Federal | 335,194 | 904,554 | 1,239,748 | 657,706 | (582,042) |
| Local | 90,000 | 148,328 | 238,328 | 288,278 | 49,950 |
| Total Revenues | 646,867 | 1,116,345 | 1,763,212 | 1,162,923 | (600,289) |
| EXPENDITURES | | | | | |
| Instruction | | | | | |
| Salaries for Instruction | | \$ 51,033 | \$ 51,033 | \$ 22,242 | \$ 28,791 |
| Purchased Professional and Technical Services | \$ 45,068 | 28,667 | 73,735 | 71,375 | 2,360 |
| Tuition | 266,782 | 42,014 | 308,796 | 308,796 | - |
| General Supplies | 31,234 | 39,511 | 70,745 | 68,610 | 2,135 |
| Textbooks | 12,398 | 1,708 | 14,106 | 13,519 | 587 |
| Other Objects | | 4,223 | 4,223 | 4,223 | - |
| Co-Curricular/Extra-Curricular Activities | 75,000 | 162,134 | 237,134 | 237,134 | - |
| Total Instruction | 430,482 | 329,290 | 759,772 | 725,899 | 33,873 |
| Support Services | | | | | |
| Other Salaries | | 12,930 | 12,930 | 8,875 | 4,055 |
| Personal Services - Employee Benefits | | 3,427 | 3,427 | 3,058 | 369 |
| Purchased Professional and Technical Services | | 301,519 | 301,519 | 216,367 | 85,152 |
| Purchased Professional and Educational Services | 161,830 | 25,416 | 187,246 | 140,463 | 46,783 |
| Cleaning, Repair and Maintenance Services | | 81,764 | 81,764 | 19,810 | 61,954 |
| Supplies and Materials | 39,555 | (21,205) | 18,350 | 17,325 | 1,025 |
| Scholarship Awards | 15,000 | 11,525 | 26,525 | 26,525 | - |
| Total Support Services | 216,385 | 415,376 | 631,761 | 432,423 | 199,338 |
| Capital Outlay | | | | | |
| Buildings | - | 458,507 | 458,507 | - | 458,507 |
| Total Capital Outlay | - | 458,507 | 458,507 | - | 458,507 |
| Total Expenditures | 646,867 | 1,203,173 | 1,850,040 | 1,158,322 | 691,718 |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | - | (86,828) | (86,828) | 4,601 | 91,429 |
| Other Financing Sources/(Uses) | | | | | |
| Transfers In | - | 45,355 | 45,355 | 45,355 | - |
| Total Other Financing Sources and (Uses) | - | 45,355 | 45,355 | 45,355 | - |
| Net Change in Fund Balances | - | (41,473) | (41,473) | 49,956 | 91,429 |
| Fund Balances, Beginning of Year | 271,716 | - | 271,716 | 271,716 | - |
| Fund Balances, End of Year | \$ 271,716 | \$ (41,473) | \$ 230,243 | \$ 321,672 | \$ 91,429 |
| Recapitulation of Fund Balances | | | | | |
| Restricted Fund Balance | | | | | |
| Student Activities | | | | \$ 306,137 | |
| Scholarships | | | | 15,535 | |
| | | | | \$ 321,672 | |

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, 2024**

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

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

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

| | General Fund | Special Revenue Fund |
|---|-------------------------|-------------------------------------|
| Sources/inflows of resources | | |
| Actual amounts (budgetary basis) "revenue" | | |
| from the budgetary comparison schedule (Exhibits C-1 and C-2) | \$ 32,625,598 | \$ 1,162,923 |
| 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, 2023 | | 507,457 |
| Encumbrances, June 30, 2024 | | |
| State and Extraordinary aid payments recognized for GAAP purpose not recognized for budgetary statements (2022/2023 State aid) | 596,381 | |
| State aid and Extraordinary aid payments recognized for budgetary purpose not recognized for GAAP statements (2023/2024 State aid) | (673,054) | - |
| Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2) | <u>\$ 32,548,925</u> | <u>\$ 1,670,380</u> |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedule (Exhibits C-1 and C-2) | \$ 31,354,630 | \$ 1,158,322 |
| 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, 2023 | | 507,457 |
| Encumbrances, June 30, 2024 | - | - |
| Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2) | <u>\$ 31,354,630</u> | <u>\$ 1,665,779</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>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> | <u>2015</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| District's Proportion of the Net Position Liability (Asset) | 0.03345% | 0.03174% | 0.02997% | 0.03238% | 0.03432% | 0.03147% | 0.03055% | 0.02777% | 0.02722% | 0.02596% |
| District's Proportionate Share of the Net Pension Liability (Asset) | <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> | <u>\$ 4,861,274</u> |
| District's Covered Payroll | <u>\$ 2,630,551</u> | <u>\$ 2,417,210</u> | <u>\$ 2,275,015</u> | <u>\$ 2,262,518</u> | <u>\$ 2,283,079</u> | <u>\$ 2,328,180</u> | <u>\$ 2,146,732</u> | <u>\$ 2,021,935</u> | <u>\$ 1,860,340</u> | <u>\$ 1,791,926</u> |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | 184% | 198% | 156% | 233% | 271% | 266% | 331% | 407% | 328% | 271% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 65.23% | 62.91% | 70.33% | 58.32% | 56.27% | 53.60% | 48.10% | 40.14% | 47.93% | 52.08% |

- * 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>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> | <u>2015</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Contractually Required Contribution | \$ 447,094 | \$ 400,288 | \$ 350,977 | \$ 354,242 | \$ 333,834 | \$ 313,019 | \$ 282,988 | \$ 246,665 | \$ 233,994 | \$ 214,048 |
| Contributions in Relation to the Contractually Required Contribution | <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> | <u>214,048</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>\$ 2,849,371</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> |
| Contributions as a Percentage of Covered Payroll | 15.69% | 15.22% | 14.52% | 15.57% | 14.75% | 13.71% | 12.15% | 11.49% | 11.57% | 11.51% |

**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>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> | <u>2015</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>\$ 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> | <u>\$ 43,394,304</u> |
| Total | <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> | <u>\$ 43,394,304</u> |
| District's Covered Payroll | <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> | <u>\$ 8,146,793</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 | 34.68% | 32.29% | 35.52% | 24.60% | 26.95% | 26.49% | 25.41% | 22.33% | 28.71% | 33.64% |

- 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, 2024**

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 Seven Fiscal Years*

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB Liability | | | | | | | |
| Service Cost | \$ 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 | 1,563,884 | 1,107,573 | 1,312,093 | 1,247,948 | 1,478,534 | 1,585,359 | 1,365,742 |
| Differences between Expected and Actual Experiences | 311,273 | (510) | (9,754,854) | 10,315,642 | (5,140,259) | (3,784,849) | |
| Changes of Assumptions | 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 | (1,219,073) | (1,097,084) | (1,033,562) | (995,400) | (1,060,244) | (997,821) | (990,155) |
| Member Contributions | 40,077 | 35,195 | 33,544 | 30,171 | 31,429 | 34,486 | 36,460 |
| Net Change in Total OPEB Liability | 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 | 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 | \$ 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 | 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 | \$ 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 | \$ 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% |

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, 2024**

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, 2024**

| | <u>I.D.E.A.</u> | | <u>American Rescue Plan - I.D.E.A.</u> | | <u>Total</u> | <u>Total</u> | <u>Total</u> | <u>Grand Total</u> |
|---|-----------------|------------------|--|------------------|----------------|----------------|----------------|--------------------|
| | <u>Part B</u> | <u>Part B</u> | <u>Part B</u> | <u>Part B</u> | <u>Exhibit</u> | <u>Exhibit</u> | <u>Exhibit</u> | |
| | <u>Basic</u> | <u>Preschool</u> | <u>Basic</u> | <u>Preschool</u> | <u>E-1a</u> | <u>E-1b</u> | <u>E-1c</u> | <u>Exhibit E-1</u> |
| REVENUES | | | | | | | | |
| Intergovernmental | | | | | | | | |
| State | | | | | \$ 216,939 | - | - | \$ 216,939 |
| Federal | \$ 256,820 | \$ 30,938 | \$ 844 | \$ 358 | - | \$ 144,119 | \$ 224,627 | 657,706 |
| Local | - | - | - | - | - | 288,278 | - | 288,278 |
| Total Revenues | 256,820 | 30,938 | 844 | 358 | 216,939 | 432,397 | 224,627 | 1,162,923 |
| EXPENDITURES | | | | | | | | |
| Instruction | | | | | | | | |
| Salaries for Instruction | | | | | - | 9,930 | 12,312 | 22,242 |
| Purchased Professional and Technical Services | | | | | - | 1,000 | 70,375 | 71,375 |
| Tuition | 237,426 | | | | - | 71,370 | - | 308,796 |
| General Supplies | | 10,000 | 231 | | 11,710 | 25,070 | 21,599 | 68,610 |
| Other Objects | | | | | - | - | 4,223 | 4,223 |
| Co-Curricular/Extra-Curricular Activities | - | - | - | - | - | 237,134 | - | 237,134 |
| Total Instruction | 237,426 | 10,000 | 231 | - | 25,229 | 344,504 | 108,509 | 725,899 |
| Support Services | | | | | | | | |
| Other Salaries | | | | | - | 8,875 | - | 8,875 |
| Personal Services - Employee Benefits | | | | | - | 1,230 | 1,828 | 3,058 |
| Purchased Professional and Technical Services | 19,394 | 18,463 | 613 | 358 | 17,500 | 45,749 | 114,290 | 216,367 |
| Purchased Professional and Educational Services | | | | | 140,463 | - | - | 140,463 |
| Cleaning, Repair and Maintenance Services | | | | | 19,810 | - | - | 19,810 |
| Supplies and Materials | | 2,475 | | | 13,937 | 913 | - | 17,325 |
| Scholarship Awards | - | - | - | - | - | 26,525 | - | 26,525 |
| Total Support Services | 19,394 | 20,938 | 613 | 358 | 191,710 | 83,292 | 116,118 | 432,423 |
| Total Expenditures | 256,820 | 30,938 | 844 | 358 | 216,939 | 427,796 | 224,627 | 1,158,322 |
| Other Financing Sources/(Uses) | | | | | | | | |
| Transfer In | - | - | - | - | - | 45,355 | - | 45,355 |
| Total Other Financing Sources/(Uses) | - | - | - | - | - | 45,355 | - | 45,355 |
| Total Outflows | 256,820 | 30,938 | 844 | 358 | 216,939 | 382,441 | 224,627 | 1,112,967 |
| Excess(Deficiency) of Revenues | | | | | | | | |
| Over/(Under) Expenditures | - | - | - | - | - | 49,956 | - | 49,956 |
| Fund Balance, Beginning of Year | - | - | - | - | - | 271,716 | - | 271,716 |
| Fund Balance, End of Year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 321,672 | \$ - | \$ 321,672 |

MIDLAND PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Chapter 192 Auxiliary Services | | Chapter 193 Handicapped Services | | | Nonpublic Aid | | | | |
|---|--|---------------------|----------------------------------|---------------------------------|---------------------------|-----------------|----------------|-------------------|-----------------|-----------------------|
| | Nonpublic Compensatory Education | Nonpublic E.S.L. | Nonpublic Suppl. Inst. | Nonpublic Exam. and Class | Nonpublic Speech Corr. | Textbook Aid | Nursing Aid | Technology Aid | Security Aid | Exhibit E-1a Total |
| REVENUES | | | | | | | | | | |
| Intergovernmental State | \$ 35,425 | \$ 1,549 | \$ 10,903 | \$ 25,394 | \$ 38,130 | \$ 13,519 | \$ 29,469 | \$ 11,710 | \$ 50,840 | \$ 216,939 |
| Total Revenues | 35,425 | 1,549 | 10,903 | 25,394 | 38,130 | 13,519 | 29,469 | 11,710 | 50,840 | 216,939 |
| EXPENDITURES | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| General Supplies | | | | | | | | 11,710 | | 11,710 |
| Textbooks | - | - | - | - | - | 13,519 | - | - | - | 13,519 |
| Total Instruction | - | - | - | - | - | 13,519 | - | 11,710 | - | 25,229 |
| Support Services | | | | | | | | | | |
| Purchased Professional and Technical Services | | | | | | | | | 17,500 | 17,500 |
| Purchased Professional and Educational Services | 35,425 | 1,549 | 10,903 | 25,394 | 38,130 | | 29,062 | | | 140,463 |
| Cleaning, Repair and Maintenance Services | | | | | | | | | 19,810 | 19,810 |
| Supplies and Materials | - | - | - | - | - | - | 407 | - | 13,530 | 13,937 |
| Total Support Services | 35,425 | 1,549 | 10,903 | 25,394 | 38,130 | - | 29,469 | - | 50,840 | 191,710 |
| Total Expenditures | 35,425 | 1,549 | 10,903 | 25,394 | 38,130 | 13,519 | 29,469 | 11,710 | 50,840 | 216,939 |
| Total Outflows | 35,425 | 1,549 | 10,903 | 25,394 | 38,130 | 13,519 | 29,469 | 11,710 | 50,840 | - |
| 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, 2024**

| | <u>Title I</u> | <u>Title IIA</u> | <u>Title IV</u> | <u>ACSERS</u> | <u>Student Activities</u> | <u>Scholarship Accounts</u> | <u>Local Donations</u> | <u>Exhibit E-1b Total</u> |
|--|----------------|------------------|-----------------|---------------|---------------------------|-----------------------------|------------------------|---------------------------|
| REVENUES | | | | | | | | |
| Intergovernmental | | | | | | | | |
| Federal | \$ 40,072 | \$ 18,958 | \$ 10,085 | \$ 75,004 | | | | \$ 144,119 |
| Local | - | - | - | - | \$ 239,431 | \$ 28,829 | \$ 20,018 | 288,278 |
| Total Revenues | 40,072 | 18,958 | 10,085 | 75,004 | 239,431 | 28,829 | 20,018 | 432,397 |
| EXPENDITURES | | | | | | | | |
| Instruction | | | | | | | | |
| Salaries for Instruction | 8,886 | | 1,044 | | | | | 9,930 |
| Purchased Professional and Technical Services | | | 1,000 | | | | | 1,000 |
| Tuition | | | | 71,370 | | | | 71,370 |
| General Supplies | 1,235 | | 3,817 | | | | 20,018 | 25,070 |
| Co-Curricular/Extra-Curricular Activities | - | - | - | - | 237,134 | - | - | 237,134 |
| Total Instruction | 10,121 | - | 5,861 | 71,370 | 237,134 | - | 20,018 | 344,504 |
| Support Services | | | | | | | | |
| Other Salaries | 1,646 | 670 | 3,850 | 2,709 | | | | 8,875 |
| Personal Services - Employee Benefits | 805 | 51 | 374 | | | | | 1,230 |
| Purchased Professional and Technical Services | 27,500 | 17,324 | | 925 | | | | 45,749 |
| Supplies and Materials | | 913 | | | | | | 913 |
| Scholarship Awards | - | - | - | - | - | 26,525 | - | 26,525 |
| Total Support Services | 29,951 | 18,958 | 4,224 | 3,634 | - | 26,525 | - | 83,292 |
| Total Expenditures | 40,072 | 18,958 | 10,085 | 75,004 | 237,134 | 26,525 | 20,018 | 427,796 |
| Other Financing Sources/(Uses) | | | | | | | | |
| Transfer In | - | - | - | - | 45,355 | - | - | 45,355 |
| Total Other Financing Sources/(Uses) | - | - | - | - | 45,355 | - | - | 45,355 |
| Total Outflows | 40,072 | 18,958 | 10,085 | 75,004 | 191,779 | 26,525 | 20,018 | 382,441 |
| Excess(Deficiency) of Revenues Over/(Under) Expenditures | - | - | - | - | 47,652 | 2,304 | - | 49,956 |
| Fund Balance, Beginning of Year | - | - | - | - | 258,485 | 13,231 | - | 271,716 |
| Fund Balance, End of Year | \$ - | \$ - | \$ - | \$ - | \$ 306,137 | \$ 15,535 | \$ - | \$ 321,672 |

**MIDLAND PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| American Rescue Plan - ESSER III | | | | |
|---|-------------------------|---|---|--------------------------------------|
| | <u>ESSER III</u> | <u>Accelerated Learning Coach and Educator Support</u> | <u>Evidence-Based Summer Learning and Enrichment</u> | <u>Exhibit E-1c Total</u> |
| REVENUES | | | | |
| Intergovernmental | | | | |
| Federal | \$ 177,525 | \$ 34,790 | \$ 12,312 | \$ 224,627 |
| Total Revenues | <u>177,525</u> | <u>34,790</u> | <u>12,312</u> | <u>224,627</u> |
| EXPENDITURES | | | | |
| Instruction | | | | |
| Salaries for Instruction | | | 12,312 | 12,312 |
| Purchased Professional and Technical Services | 70,375 | | | 70,375 |
| General Supplies | 21,599 | | | 21,599 |
| Other Objects | <u>4,223</u> | <u>-</u> | <u>-</u> | <u>4,223</u> |
| Total Instruction | <u>96,197</u> | <u>-</u> | <u>12,312</u> | <u>108,509</u> |
| Support Services | | | | |
| Personal Services - Employee Benefits | 1,828 | | | 1,828 |
| Purchased Professional and Technical Services | <u>79,500</u> | <u>34,790</u> | <u>-</u> | <u>114,290</u> |
| Total Support Services | <u>81,328</u> | <u>34,790</u> | <u>-</u> | <u>116,118</u> |
| Total Expenditures | <u>177,525</u> | <u>34,790</u> | <u>12,312</u> | <u>224,627</u> |
| Excess(Deficiency) of Revenues Over/(Under) Expenditures | - | - | - | - |
| Fund Balance, Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CAPITAL PROJECTS FUND

**MIDLAND PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| <u>Project</u> | <u>Modified Appropriations</u> | <u>Expenditures to Date Prior Years</u> | <u>Expenditures</u> | <u>Balance, June 30, 2024</u> |
|---|------------------------------------|---|---------------------|-----------------------------------|
| Door Replacement Projects | \$ 817,460 | \$ 422,537 | \$ 361,084 | \$ 33,839 |
| Highland School Art Room Renovations | 65,096 | 44,086 | 3,130 | 17,880 |
| Midland Park High School Art Room #37 Renovations | 120,400 | 1,539 | 116,861 | 2,000 |
| Midland Park High School Ceiling/Lighting Replacement | 114,001 | | 83,750 | 30,251 |
| Midland Park High School Art Room #40 Renovations | 191,134 | | 176,134 | 15,000 |
| Midland Park High School Guidance Office Renovations | 75,000 | - | - | 75,000 |
| Maintenance Building Cement Floor Restoration | <u>39,865</u> | <u>-</u> | <u>37,124</u> | <u>2,741</u> |
| | <u>\$ 1,422,956</u> | <u>\$ 468,162</u> | <u>\$ 778,083</u> | <u>\$ 176,711</u> |

Fund Balance, June 30, 2024 - GAAP \$ 176,711

Reconciliation of Fund Balance:

Restricted
Available for Capital Projects \$ 176,711

Total Fund Balance - Restricted
for Capital Projects \$ 176,711

**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, 2024**

Revenues and Other Financing Sources

| | |
|-------------------------------|------------|
| Transfer from Capital Reserve | \$ 420,000 |
|-------------------------------|------------|

| | |
|--|---------|
| Total Revenues and Other Financing Sources | 420,000 |
|--|---------|

Expenditures and Other Financing Uses

| | |
|------------------------------------|-------|
| Architectural/Engineering Services | 1,125 |
|------------------------------------|-------|

| | |
|-----------------------|---------|
| Construction Services | 773,828 |
|-----------------------|---------|

| | |
|------------------------|-------|
| Supplies and Materials | 3,130 |
|------------------------|-------|

| | |
|---|---------|
| Total Expenditures and Other Financing Uses | 778,083 |
|---|---------|

| | |
|---|-----------|
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (358,083) |
|---|-----------|

| | |
|----------------------------------|---------|
| Fund Balance - Beginning of Year | 534,794 |
|----------------------------------|---------|

| | |
|----------------------------|------------|
| Fund Balance - End of Year | \$ 176,711 |
|----------------------------|------------|

Reconciliation to GAAP

| | |
|---|------------|
| Fund Balance, June 30, 2024 - Budgetary Basis | \$ 176,711 |
|---|------------|

| | |
|--|------------|
| Fund Balance, June 30, 2024 - GAAP Basis | \$ 176,711 |
|--|------------|

**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, 2024**

| | <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 | | \$ 826,460 | \$ 826,460 |
| Transfers from/(to) Other Projects | (9,000) | - | (9,000) | (9,000) |
| Total Revenues and Other Financing Sources | 817,460 | - | 817,460 | 817,460 |
| Expenditures and Other Financing Uses | | | | |
| Expenditures | | | | |
| Architectural/Engineering Services | 53,284 | \$ 1,125 | 54,409 | 55,000 |
| Construction Services | 369,253 | 359,959 | 729,212 | 762,460 |
| Supplies and Materials | - | - | - | - |
| Total Expenditures and Other Financing Uses | 422,537 | 361,084 | 783,621 | 817,460 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | \$ 394,923 | \$ (361,084) | \$ 33,839 | \$ - |
| Additional Project Information: | | | | |
| Project Numbers | N/A | | | |
| Grant Date | N/A | | | |
| Bond Authorization Date | N/A | | | |
| Proceeds Issued | N/A | | | |
| Original Authorized Cost | \$ 875,774 | | | |
| Additional Authorized Cost | (58,314) | | | |
| Revised Authorized Cost | \$ 817,460 | | | |
| Percentage Increase Over Original Authorized Cost | -7% | | | |
| Percentage Completion | 96% | | | |
| 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 ART ROOM RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | <u>Prior Period</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|-------------------------|-------------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| Local Donations | \$ 24,000 | | \$ 24,000 | \$ 24,000 |
| Transfers from Capital Reserve | 61,496 | | 61,496 | 61,496 |
| Transfers from (to) Other Projects | (20,400) | - | (20,400) | (20,400) |
| Total Revenues and Other Financing Sources | 65,096 | - | 65,096 | 65,096 |
| Expenditures and Other Financing Uses | | | | |
| Expenditures | | | | |
| Architectural/Engineering Services | 2,155 | | 2,155 | 2,155 |
| Construction Services | 40,940 | | 40,940 | 58,441 |
| Supplies and Materials | 991 | \$ 3,130 | 4,121 | 4,500 |
| Total Expenditures and Other Financing Uses | 44,086 | 3,130 | 47,216 | 65,096 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | \$ 21,010 | \$ (3,130) | \$ 17,880 | \$ - |
| 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 Authorized Cost | - | | | |
| Revised Authorized Cost | \$ 65,096 | | | |
| Percentage Increase Over Original Authorized Cost | 0% | | | |
| Percentage Completion | 73% | | | |
| Original Target Completion Date | June 30, 2023 | | | |
| 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
MIDLAND PARK HIGH SCHOOL ART ROOM #37 RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | <u>Prior Period</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|-------------------------|-------------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfers from Capital Reserve | \$ 100,000 | | \$ 100,000 | \$ 100,000 |
| Transfers from (to) Other Projects | 20,400 | - | 20,400 | 20,400 |
| Total Revenues and Other Financing Sources | 120,400 | - | 120,400 | 120,400 |
| Expenditures and Other Financing Uses | | | | |
| Expenditures | | | | |
| Architectural/Engineering Services | | | - | 2,000 |
| Construction Services | 1,539 | \$ 116,861 | 118,400 | 118,400 |
| Total Expenditures and Other Financing Uses | 1,539 | 116,861 | 118,400 | 120,400 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | \$ 118,861 | \$ (116,861) | \$ 2,000 | \$ - |
| Additional Project Information: | | | | |
| Project Numbers | N/A | | | |
| Grant Date | N/A | | | |
| Bond Authorization Date | N/A | | | |
| Proceeds Issued | N/A | | | |
| Original Authorized Cost | \$ 120,400 | | | |
| Additional Authorized Cost | | | | |
| Revised Authorized Cost | \$ 120,400 | | | |
| Percentage Increase Over Original Authorized Cost | 0% | | | |
| Percentage Completion | 98% | | | |
| 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
MIDLAND PARK HIGH SCHOOL CEILING/LIGHTING REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | <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 | \$ 114,001 | \$ 114,001 |
| Total Revenues and Other Financing Sources | - | 114,001 | 114,001 | 114,001 |
| Expenditures and Other Financing Uses | | | | |
| Expenditures | | | | |
| Architectural/Engineering Services | | | - | 10,000 |
| Construction Services | - | 83,750 | 83,750 | 104,001 |
| Total Expenditures and Other Financing Uses | - | 83,750 | 83,750 | 114,001 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | \$ - | \$ 30,251 | \$ 30,251 | \$ - |
| 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 Authorized Cost | | | | |
| Revised Authorized Cost | \$ | 114,001 | | |
| Percentage Increase Over Original Authorized Cost | | 0% | | |
| Percentage Completion | | 73% | | |
| 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
MIDLAND PARK HIGH SCHOOL ART ROOM #40 RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | <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 | - | \$ 191,134 | \$ 191,134 | \$ 191,134 |
| Total Revenues and Other Financing Sources | - | 191,134 | 191,134 | 191,134 |
| Expenditures and Other Financing Uses | | | | |
| Expenditures | | | | |
| Architectural/Engineering Services | | | - | 15,000 |
| Construction Services | - | 176,134 | 176,134 | 176,134 |
| Total Expenditures and Other Financing Uses | - | 176,134 | 176,134 | 191,134 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | \$ - | \$ 15,000 | \$ 15,000 | \$ - |
| Additional Project Information: | | | | |
| Project Numbers | N/A | | | |
| Grant Date | N/A | | | |
| Bond Authorization Date | N/A | | | |
| Proceeds Issued | N/A | | | |
| Original Authorized Cost | \$ 191,134 | | | |
| Additional Authorized Cost | | | | |
| Revised Authorized Cost | \$ 191,134 | | | |
| Percentage Increase Over Original Authorized Cost | 0% | | | |
| Percentage Completion | 92% | | | |
| 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
MIDLAND PARK HIGH SCHOOL GUIDANCE OFFICE RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | <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 | - | \$ 75,000 | \$ 75,000 | \$ 75,000 |
| Total Revenues and Other Financing Sources | - | 75,000 | 75,000 | 75,000 |
| Expenditures and Other Financing Uses | | | | |
| Expenditures | | | | |
| Construction Services | - | - | - | 75,000 |
| Total Expenditures and Other Financing Uses | - | - | - | 75,000 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | \$ - | \$ 75,000 | \$ 75,000 | \$ - |
| Additional Project Information: | | | | |
| Project Numbers | N/A | | | |
| Grant Date | N/A | | | |
| Bond Authorization Date | N/A | | | |
| Proceeds Issued | N/A | | | |
| Original Authorized Cost | \$ 75,000 | | | |
| Additional Authorized Cost | | | | |
| Revised Authorized Cost | \$ 75,000 | | | |
| Percentage Increase Over Original Authorized Cost | 0% | | | |
| Percentage Completion | 0% | | | |
| 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
MAINTENANCE BUILDING CEMENT FLOOR RESTORATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | <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 | - | \$ 39,865 | \$ 39,865 | \$ 39,865 |
| Total Revenues and Other Financing Sources | - | 39,865 | 39,865 | 39,865 |
| Expenditures and Other Financing Uses | | | | |
| Expenditures | | | | |
| Construction Services | - | 37,124 | 37,124 | 39,865 |
| Total Expenditures and Other Financing Uses | - | 37,124 | 37,124 | 39,865 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | \$ - | \$ 2,741 | \$ 2,741 | \$ - |
| Additional Project Information: | | | | |
| Project Numbers | | N/A | | |
| Grant Date | | N/A | | |
| Bond Authorization Date | | N/A | | |
| Proceeds Issued | | N/A | | |
| Original Authorized Cost | \$ | 39,865 | | |
| Additional Authorized Cost | | | | |
| Revised Authorized Cost | \$ | 39,865 | | |
| Percentage Increase Over Original Authorized Cost | | 0% | | |
| Percentage Completion | | 93% | | |
| 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, 2024**

91

| <u>Issue</u> | <u>Date of Bonds</u> | <u>Amount of Bonds</u> | <u>Annual Maturities</u> | | <u>Interest Rate</u> | <u>Balance</u> | <u>Retired</u> | <u>Balance,</u> |
|------------------------------|----------------------|------------------------|--------------------------|---------------|----------------------|---------------------|-------------------|----------------------|
| | | | <u>Date</u> | <u>Amount</u> | | <u>July 1, 2023</u> | | <u>June 30, 2024</u> |
| 2012 Refunding Bonds | 3/28/2012 | \$ 3,695,000 | | | | \$ 395,000 | \$ 395,000 | |
| 2015 School Bonds | 2/5/2015 | 8,500,000 | 8/15/2024 | \$ 385,000 | 2.000 % | | | |
| | | | 8/15/2025 | 400,000 | 2.000 | | | |
| | | | 8/15/2026 | 415,000 | 2.000 | | | |
| | | | 8/15/2027 | 425,000 | 3.000 | | | |
| | | | 8/15/2028 | 440,000 | 3.000 | | | |
| | | | 8/15/2029 | 460,000 | 3.000 | | | |
| | | | 8/15/2030 | 475,000 | 3.000 | | | |
| | | | 8/15/2031 | 490,000 | 3.000 | | | |
| | | | 8/15/2032 | 505,000 | 3.000 | | | |
| | | | 8/15/2033 | 525,000 | 3.000 | | | |
| | | | 8/15/2034 | 535,000 | 3.000 | | | |
| | | | 8/15/2035 | 540,000 | 3.125 | <u>5,965,000</u> | <u>370,000</u> | <u>\$ 5,595,000</u> |
| | | | | | | <u>\$ 6,360,000</u> | <u>\$ 765,000</u> | <u>\$ 5,595,000</u> |
| Paid by Budget Appropriation | | | | | | | \$ 765,000 | |

**MIDLAND PARK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOT APPLICABLE

**MIDLAND PARK BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | <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 | \$ 931,150 | - | \$ 931,150 | \$ 931,150 | - |
| Total Revenues | 931,150 | - | 931,150 | 931,150 | - |
| EXPENDITURES | | | | | |
| Debt Service | | | | | |
| Principal on Bonds | 765,000 | | 765,000 | 765,000 | |
| Interest on Bonds | 166,150 | - | 166,150 | 166,150 | - |
| Total Expenditures | 931,150 | - | 931,150 | 931,150 | - |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | - | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - | - |
| Fund Balances, Beginning of Year | - | - | - | - | - |
| Fund Balances, End of Year | \$ - | \$ - | \$ - | \$ - | \$ - |

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, | | | | | | | | | |
|--|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| | | | (Restated) | | (Restated) | (Restated) | | | | |
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 5,436,490 | \$ 6,957,794 | \$ 12,872,361 | \$ 12,975,747 | \$ 12,310,956 | \$ 12,487,485 | \$ 12,780,928 | \$ 12,476,120 | \$ 12,518,806 | \$ 13,622,134 |
| Restricted | 1,518,161 | 943,530 | 950,806 | 1,130,708 | 1,375,697 | 2,061,015 | 2,864,280 | 4,091,749 | 5,262,817 | 5,653,857 |
| Unrestricted | (2,925,558) | (2,736,476) | (4,216,835) | (5,247,417) | (5,553,340) | (6,038,684) | (6,195,994) | (4,446,951) | (4,372,436) | (3,961,351) |
| Total governmental activities net position | <u>\$ 4,029,093</u> | <u>\$ 5,164,848</u> | <u>\$ 9,606,332</u> | <u>\$ 8,859,038</u> | <u>\$ 8,133,313</u> | <u>\$ 8,509,816</u> | <u>\$ 9,449,214</u> | <u>\$ 12,120,918</u> | <u>\$ 13,409,187</u> | <u>\$ 15,314,640</u> |
| Business-Type Activities | | | | | | | | | | |
| Investment in Capital Assets | \$ 39,561 | \$ 42,166 | \$ 64,508 | \$ 64,408 | \$ 73,841 | \$ 67,379 | \$ 60,256 | \$ 53,887 | \$ 48,368 | \$ 60,349 |
| Unrestricted | 74,201 | 69,014 | 91,244 | 108,754 | 99,221 | 49,506 | 73,167 | 101,011 | 158,722 | 142,279 |
| Total Business-Type Activities Net Position | <u>\$ 113,762</u> | <u>\$ 111,180</u> | <u>\$ 155,752</u> | <u>\$ 173,162</u> | <u>\$ 173,062</u> | <u>\$ 116,885</u> | <u>\$ 133,423</u> | <u>\$ 154,898</u> | <u>\$ 207,090</u> | <u>\$ 202,628</u> |
| District-Wide | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 5,476,051 | \$ 6,999,960 | \$ 12,936,869 | \$ 13,040,155 | \$ 12,384,797 | \$ 12,554,864 | \$ 12,841,184 | \$ 12,530,007 | \$ 12,567,174 | \$ 13,682,483 |
| Restricted | 1,518,161 | 943,530 | 950,806 | 1,130,708 | 1,375,697 | 2,061,015 | 2,864,280 | 4,091,749 | 5,262,817 | 5,653,857 |
| Unrestricted | (2,851,357) | (2,667,462) | (4,125,591) | (5,138,663) | (5,454,119) | (5,989,178) | (6,122,827) | (4,345,940) | (4,213,714) | (3,819,072) |
| Total District Net Position | <u>\$ 4,142,855</u> | <u>\$ 5,276,028</u> | <u>\$ 9,762,084</u> | <u>\$ 9,032,200</u> | <u>\$ 8,306,375</u> | <u>\$ 8,626,701</u> | <u>\$ 9,582,637</u> | <u>\$ 12,275,816</u> | <u>\$ 13,616,277</u> | <u>\$ 15,517,268</u> |

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

Note 2- Net Position at June 30, 2017 and at June 30, 2019 restated for updated capital asset and accumulated depreciation values.

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

Source: District financial statements

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 9,804,531 | \$ 10,844,538 | \$ 12,073,475 | \$ 12,408,806 | \$ 11,480,682 | \$ 10,958,285 | \$ 12,578,907 | \$ 10,119,644 | \$ 10,032,465 | \$ 10,347,490 |
| Special Education | 5,193,170 | 5,290,136 | 5,921,928 | 6,400,761 | 6,334,943 | 6,136,491 | 6,483,701 | 6,245,391 | 6,081,073 | 6,222,052 |
| Other Instruction | 886,952 | 858,751 | 802,493 | 894,828 | 976,699 | 733,334 | 522,084 | 847,032 | 803,679 | 772,092 |
| School Sponsored Activities and Athletics | 759,684 | 839,587 | 968,669 | 999,843 | 969,669 | 876,174 | 1,038,226 | 693,863 | 957,584 | 1,047,453 |
| Support Services: | | | | | | | | | | |
| Student & Instruction Related Services | 3,310,290 | 3,554,681 | 3,767,826 | 4,370,983 | 4,187,409 | 3,933,264 | 3,905,058 | 4,335,763 | 4,105,761 | 4,361,621 |
| General and Business Administration/Central Svcs. | 1,323,919 | 1,178,620 | 1,338,159 | 1,474,254 | 1,370,557 | 1,456,179 | | | | |
| General Administrative Services | | | | | | | 638,094 | 817,077 | 637,128 | 609,972 |
| School Administrative Services | 1,386,281 | 1,535,558 | 1,762,734 | 1,858,822 | 1,757,201 | 1,703,933 | 1,904,444 | 1,859,455 | 1,858,921 | 1,930,485 |
| Central Services and Admin. Info. Technology | | | | | | | 787,532 | 757,238 | 694,806 | 780,318 |
| Plant Operations and Maintenance | 1,834,810 | 1,901,845 | 2,347,506 | 2,278,130 | 2,435,986 | 2,993,439 | 3,083,847 | 2,730,771 | 3,183,051 | 3,315,391 |
| Pupil Transportation | 539,909 | 589,466 | 509,474 | 602,110 | 753,706 | 639,511 | 526,841 | 872,183 | 912,261 | 1,501,219 |
| Interest on long-term debt | 194,909 | 388,045 | 197,330 | 260,275 | 252,176 | 234,238 | 221,858 | 200,950 | 179,709 | 158,931 |
| Total governmental activities expenses | 25,234,455 | 26,981,227 | 29,689,594 | 31,548,812 | 30,519,028 | 29,664,848 | 31,690,592 | 29,479,367 | 29,446,438 | 31,047,024 |
| Business-type activities: | | | | | | | | | | |
| Food service | 326,525 | 372,199 | 390,965 | 386,879 | 425,642 | 314,026 | 227,624 | 542,249 | 506,675 | 548,111 |
| Total business-type activities expense | 326,525 | 372,199 | 390,965 | 386,879 | 425,642 | 314,026 | 227,624 | 542,249 | 506,675 | 548,111 |
| Total district expenses | \$ 25,560,980 | \$ 27,353,426 | \$ 30,080,559 | \$ 31,935,691 | \$ 30,944,670 | \$ 29,978,874 | \$ 31,918,216 | \$ 30,021,616 | \$ 29,953,113 | \$ 31,595,135 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Instruction (Tuition) | \$ 31,195 | \$ 29,875 | \$ 46,397 | \$ 40,750 | \$ 63,242 | \$ 39,204 | \$ 19,244 | \$ 35,925 | \$ 1,137,663 | \$ 1,147,906 |
| Community School | 708,635 | 672,598 | 637,458 | 702,619 | 841,396 | 572,353 | 128,792 | | 804,757 | 825,435 |
| Student Activities | | | | | | | 120,091 | 29,738 | 243,997 | 239,431 |
| Transportation | | | | | | | | | | 425,561 |
| Operating Grants and Contributions | 4,834,961 | 5,875,726 | 7,546,882 | 8,775,232 | 7,158,857 | 6,470,757 | 9,476,587 | 8,092,488 | 5,400,496 | 5,877,722 |
| Capital Grants and Contributions | 278,254 | 1,160,454 | 1,480,801 | 31,771 | 25,710 | 270,000 | | | 130,439 | 458,507 |
| Total Governmental Activities Program Revenues | 5,853,045 | 7,738,653 | 9,711,538 | 9,550,372 | 8,089,205 | 7,352,314 | 9,744,714 | 8,158,151 | 7,717,352 | 8,974,562 |
| Business-type activities: | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Food Service | 239,912 | 283,963 | 301,684 | 314,309 | 325,257 | 223,782 | 3,418 | 57,557 | 330,093 | 363,396 |
| Operating grants and contributions | 74,471 | 85,579 | 94,894 | 89,773 | 99,459 | 75,762 | 240,614 | 506,087 | 202,085 | 180,253 |
| Total business type activities program revenues | 314,383 | 369,542 | 396,578 | 404,082 | 424,716 | 299,544 | 244,032 | 563,644 | 532,178 | 543,649 |
| Total district program revenues | \$ 6,167,428 | \$ 8,108,195 | \$ 10,108,116 | \$ 9,954,454 | \$ 8,513,921 | \$ 7,651,858 | \$ 9,988,746 | \$ 8,721,795 | \$ 8,249,530 | \$ 9,518,211 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (19,381,410) | \$ (19,242,574) | \$ (19,978,056) | \$ (21,998,440) | \$ (22,429,823) | \$ (22,312,534) | \$ (21,945,878) | \$ (21,321,216) | \$ (21,729,086) | \$ (22,072,462) |
| Business-type activities | (12,142) | (2,657) | 5,613 | 17,203 | (926) | (14,482) | 16,408 | 21,395 | 25,503 | (4,462) |
| Total district-wide net expense | \$ (19,393,552) | \$ (19,245,231) | \$ (19,972,443) | \$ (21,981,237) | \$ (22,430,749) | \$ (22,327,016) | \$ (21,929,470) | \$ (21,299,821) | \$ (21,703,583) | \$ (22,076,924) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes | \$ 18,204,842 | \$ 18,705,258 | \$ 19,079,363 | \$ 19,533,118 | \$ 20,021,446 | \$ 20,421,875 | \$ 20,983,476 | \$ 21,516,844 | \$ 21,947,181 | \$ 22,834,226 |
| Property Taxes levied for debt service | 415,162 | 910,587 | 911,236 | 922,370 | 918,388 | 935,325 | 937,475 | 939,125 | 940,300 | 931,150 |
| Unrestricted grants and contributions | 34,980 | 35,320 | 33,651 | 33,593 | 34,612 | 33,937 | 34,182 | 33,967 | 33,673 | 33,450 |
| Investment earnings | 7,234 | 4,712 | 20,329 | 11,960 | 28,664 | 33,139 | 10,131 | 1,942 | 63,849 | 152,223 |
| Miscellaneous income | 755,081 | 722,452 | 655,332 | 750,105 | 864,436 | 899,834 | 920,012 | 1,501,042 | 32,352 | 26,866 |
| Transfers | | | | | | 42,698 | | | | |
| Total governmental activities | 19,417,299 | 20,378,329 | 20,699,911 | 21,251,146 | 21,867,546 | 22,366,808 | 22,885,276 | 23,992,920 | 23,017,355 | 23,977,915 |
| Business-type activities: | | | | | | | | | | |
| Investment Earnings | 83 | 75 | 76 | 207 | 826 | 1,003 | 130 | 80 | 962 | - |
| Miscellaneous | | | | | | | | | 25,727 | - |
| Transfers | | | | | | (42,698) | | | | |
| Total business-type activities | 83 | 75 | 76 | 207 | 826 | (41,695) | 130 | 80 | 26,689 | - |
| Total district-wide | \$ 19,417,382 | \$ 20,378,404 | \$ 20,699,987 | \$ 21,251,353 | \$ 21,868,372 | \$ 22,325,113 | \$ 22,885,406 | \$ 23,993,000 | \$ 23,044,044 | \$ 23,977,915 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 35,889 | \$ 1,135,755 | \$ 721,855 | \$ (747,294) | \$ (562,277) | \$ 54,274 | \$ 939,398 | \$ 2,671,704 | \$ 1,288,269 | \$ 1,905,453 |
| Business-type activities | (12,059) | (2,582) | 5,689 | 17,410 | (100) | (56,177) | 16,538 | 21,475 | 52,192 | (4,462) |
| Total district | \$ 23,830 | \$ 1,133,173 | \$ 727,544 | \$ (729,884) | \$ (562,377) | \$ (1,903) | \$ 955,936 | \$ 2,693,179 | \$ 1,340,461 | \$ 1,900,991 |

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, | | | | | | | | | |
|------------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| | | | | | | (Restated) | | | | |
| General Fund | | | | | | | | | | |
| Restricted | \$ 1,860,868 | \$ 1,561,986 | \$ 1,578,807 | \$ 1,687,572 | \$ 1,631,058 | \$ 2,137,166 | \$ 3,120,987 | \$ 4,138,826 | \$ 5,006,307 | \$ 5,705,474 |
| Committed | | 1,099,894 | 424,924 | | 98,600 | 226,858 | | | | 132,475 |
| Assigned | 750,726 | 239,122 | 143,643 | 100,839 | 46,774 | 65,239 | 120,767 | 374,016 | 369,823 | 460,546 |
| Unassigned | 371,735 | 381,585 | 402,424 | 402,215 | 419,026 | 408,911 | 410,816 | 1,028,538 | 435,521 | 242,096 |
| Total general fund | <u>\$ 2,983,329</u> | <u>\$ 3,282,587</u> | <u>\$ 2,549,798</u> | <u>\$ 2,190,626</u> | <u>\$ 2,195,458</u> | <u>\$ 2,838,174</u> | <u>\$ 3,652,570</u> | <u>\$ 5,541,380</u> | <u>\$ 5,811,651</u> | <u>\$ 6,540,591</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted | 7,824,556 | 5,184,166 | 2,165,687 | 2,055,872 | 439,924 | 498,849 | 293,293 | 502,923 | 806,510 | 498,383 |
| Total all other governmental funds | <u>\$ 7,824,556</u> | <u>\$ 5,184,166</u> | <u>\$ 2,165,687</u> | <u>\$ 2,055,872</u> | <u>\$ 439,924</u> | <u>\$ 498,849</u> | <u>\$ 293,293</u> | <u>\$ 502,923</u> | <u>\$ 806,510</u> | <u>\$ 498,383</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, | | | | | | | | | |
|---|----------------------------|----------------|----------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Revenues | | | | | | | | | | |
| Property Tax levy | \$ 18,620,004 | \$ 19,615,845 | \$ 19,990,599 | \$ 20,455,488 | \$ 20,939,834 | \$ 21,357,200 | \$ 21,920,951 | \$ 22,455,969 | \$ 22,887,481 | \$ 23,765,376 |
| Tuition Charges | 31,195 | 29,875 | 46,397 | 40,750 | 63,242 | 39,204 | 19,244 | 35,925 | 48,950 | 42,775 |
| Miscellaneous | 1,470,950 | 1,401,021 | 1,313,245 | 1,464,684 | 1,757,308 | 1,780,248 | 1,197,471 | 1,751,723 | 2,301,455 | 2,823,494 |
| State Sources | 2,975,866 | 4,055,059 | 4,832,728 | 4,017,416 | 4,466,999 | 4,811,535 | 5,425,305 | 7,300,986 | 6,455,122 | 7,395,120 |
| Federal Sources | 289,671 | 419,750 | 405,495 | 396,212 | 362,148 | 414,567 | 595,643 | 685,574 | 847,872 | 1,123,690 |
| Total revenue | 23,387,686 | 25,521,550 | 26,588,464 | 26,374,550 | 27,589,531 | 28,402,754 | 29,158,614 | 32,230,177 | 32,540,880 | 35,150,455 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 8,086,962 | 8,694,063 | 9,209,223 | 9,512,086 | 9,691,310 | 10,174,155 | 10,796,411 | 11,040,108 | 11,240,663 | 11,514,097 |
| Special Education Instruction | 4,644,281 | 4,596,055 | 4,911,320 | 5,329,303 | 5,732,392 | 5,824,555 | 5,895,815 | 5,998,908 | 6,361,655 | 6,643,674 |
| Other Instruction | 831,109 | 758,385 | 683,099 | 766,767 | 903,717 | 726,328 | 457,139 | 782,601 | 865,021 | 854,333 |
| School Sponsored Activities and Athletics | 643,844 | 695,288 | 765,323 | 791,643 | 838,244 | 809,431 | 908,365 | 758,284 | 998,776 | 1,075,525 |
| Support Services: | | | | | | | | | | |
| Student and Instruction Related Services | 3,051,762 | 3,207,911 | 3,252,306 | 3,651,007 | 3,692,918 | 3,672,724 | 3,498,719 | 4,354,148 | 4,448,096 | 4,764,060 |
| General Administrative Services | 501,429 | 510,788 | 504,226 | 560,163 | 570,329 | 634,368 | 556,597 | 632,044 | 689,953 | 661,673 |
| School Administrative Services | 1,192,378 | 1,283,252 | 1,401,483 | 1,457,922 | 1,513,780 | 1,575,781 | 1,644,692 | 1,706,536 | 2,041,727 | 2,121,116 |
| Central Services and Admin. Info. Technology | 616,081 | 692,515 | 661,858 | 672,763 | 636,052 | 720,679 | 679,853 | 802,441 | 763,400 | 844,597 |
| Plant Operations and Maintenance | 1,757,337 | 1,782,408 | 2,148,118 | 2,002,056 | 2,230,875 | 1,973,243 | 1,963,449 | 2,091,320 | 2,311,370 | 2,453,365 |
| Pupil Transportation | 522,680 | 558,202 | 462,610 | 535,513 | 710,360 | 598,102 | 480,524 | 761,257 | 953,154 | 1,524,296 |
| Capital Outlay | 1,446,206 | 4,074,043 | 5,346,153 | 701,269 | 1,731,525 | 608,462 | 642,305 | 172,446 | 280,948 | 1,341,756 |
| Debt Service: | | | | | | | | | | |
| Principal | 401,725 | 697,413 | 702,724 | 666,204 | 689,818 | 765,642 | 796,512 | 818,877 | 824,857 | 765,000 |
| Interest and Other Charges | 103,994 | 312,359 | 291,289 | 274,741 | 259,327 | 241,580 | 229,393 | 208,679 | 187,402 | 166,150 |
| Cost of Issuance Bonds | 133,459 | | | | | | | | | |
| Total expenditures | 23,933,247 | 27,862,682 | 30,339,732 | 26,921,437 | 29,200,647 | 28,325,050 | 28,549,774 | 30,127,649 | 31,967,022 | 34,729,642 |
| Excess (Deficiency) of revenues over (under) expenditures | (545,561) | (2,341,132) | (3,751,268) | (546,887) | (1,611,116) | 77,704 | 608,840 | 2,102,528 | 573,858 | 420,813 |
| Other Financing sources (uses) | | | | | | | | | | |
| Serial bonds issued | 8,500,000 | | | | | | | | | |
| Bad Debt Expense | | | | | | | | (4,088) | | |
| Premium on Issuance of Bonds | 134,437 | | | | | | | | | |
| Lease Purchase Proceeds | | | | 77,900 | | 259,010 | | | | |
| Transfers in | 154,439 | 2,105 | 238,947 | | 279,876 | 44,398 | 458,763 | 323,344 | 310,000 | 465,355 |
| Transfers out | (154,439) | (2,105) | (238,947) | | (279,876) | (1,700) | (458,763) | (323,344) | (310,000) | (465,355) |
| Total other financing sources (uses) | 8,634,437 | - | - | 77,900 | - | 301,708 | - | (4,088) | - | - |
| Net Change in Fund Balances | \$ 8,088,876 | \$ (2,341,132) | \$ (3,751,268) | \$ (468,987) | \$ (1,611,116) | \$ 379,412 | \$ 608,840 | \$ 2,098,440 | \$ 573,858 | \$ 420,813 |
| Debt service as a percentage of noncapital expenditures | 2.25% | 4.24% | 3.98% | 3.59% | 3.46% | 3.63% | 3.68% | 3.43% | 3.19% | 2.79% |

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 | Tuition | Interest on Investments | Continuing Education Program Fees | Refunds | Rentals | Miscellaneous | Total |
|---|----------------------------------|----------------|------------------------------------|--|----------------|----------------|----------------------|--------------|
| 2015 | \$ 675,229 | \$ 31,195 | \$ 4,173 | \$ 696,975 | \$ 4,000 | | \$ 87,512 | \$ 1,499,084 |
| 2016 | 690,619 | 29,875 | 4,712 | 672,598 | 8,111 | \$ 700 | 20,917 | 1,427,532 |
| 2017 | 637,123 | 46,397 | 6,042 | 637,458 | 438 | 700 | 17,072 | 1,345,230 |
| 2018 | 732,064 | 40,750 | 11,960 | 702,619 | 5,398 | 1,228 | 11,415 | 1,505,434 |
| 2019 | 848,304 | 63,242 | 28,664 | 841,396 | 8,517 | 801 | 6,814 | 1,797,738 |
| 2020 | 884,801 | 39,204 | 33,139 | 572,353 | 422 | 301 | 14,310 | 1,544,530 |
| 2021 | 908,474 | 19,244 | 11,754 | 128,792 | 3,206 | 3,087 | 3,622 | 1,078,179 |
| 2022 | 947,868 | 35,925 | 8,712 | 498,654 | 36,059 | 14,651 | 1,128 | 1,542,997 |
| 2023 | 1,088,713 | 48,950 | 63,849 | 804,757 | 5,455 | 10,862 | 16,035 | 2,038,621 |
| 2024 | 1,105,131 | 42,775 | 152,223 | 1,250,996 | 10,542 | 9,362 | 6,962 | 2,577,991 |

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 | | | | |
| 2015 | \$ 6,663,100 | \$ 863,292,200 | \$ 140,382,600 | \$ 37,931,400 | \$ 14,160,100 | \$ 1,062,429,400 | | \$ 1,062,429,400 | \$ 1,152,684,604 | 1.846 |
| 2016 | 6,594,300 | 865,538,000 | 141,082,300 | 37,931,400 | 14,160,100 | 1,065,306,100 | | 1,065,306,100 | 1,199,693,915 | 1.877 |
| 2017 | 6,317,300 | 868,299,100 | 141,838,200 | 37,931,400 | 14,160,100 | 1,068,546,100 | | 1,068,546,100 | 1,244,623,991 | 1.914 |
| 2018 | 6,317,300 | 869,806,700 | 140,795,800 | 37,931,400 | 14,160,100 | 1,069,011,300 | | 1,069,011,300 | 1,252,223,630 | 1.960 |
| 2019 | 7,060,100 | 871,583,400 | 140,890,500 | 37,931,400 | 14,160,100 | 1,071,625,500 | | 1,071,625,500 | 1,264,345,838 | 1.993 |
| 2020 | 6,556,300 | 874,237,200 | 141,781,800 | 38,067,700 | 14,160,100 | 1,074,803,100 | | 1,074,803,100 | 1,295,131,426 | 2.040 |
| 2021 | 6,554,700 | 876,542,800 | 140,230,600 | 38,262,100 | 15,436,000 | 1,077,026,200 | | 1,077,026,200 | 1,303,782,513 | 2.085 |
| 2022 | 6,530,000 | 879,848,800 | 142,744,600 | 38,262,100 | 15,436,000 | 1,082,821,500 | | 1,082,821,500 | 1,347,630,989 | 2.110 |
| 2023 | 6,740,100 | 883,314,500 | 143,808,100 | 38,291,000 | 15,436,000 | 1,087,589,700 | | 1,087,589,700 | 1,432,093,851 | 2.185 |
| 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 |

Source: County Abstract of Ratables

N/A - Not Available

a Tax rates are per \$100

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

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

| Calendar Year | Overlapping Rates | | | Total Direct and Overlapping Tax Rate |
|---------------|------------------------------------|--------------|----------|---|
| | Total Direct School Tax Rate | Municipality | County | |
| 2015 | \$ 1.846 | \$ 0.701 | \$ 0.264 | \$ 2.811 |
| 2016 | 1.877 | 0.701 | 0.277 | 2.855 |
| 2017 | 1.914 | 0.719 | 0.294 | 2.927 |
| 2018 | 1.960 | 0.740 | 0.290 | 2.990 |
| 2019 | 1.993 | 0.762 | 0.287 | 3.042 |
| 2020 | 2.040 | 0.779 | 0.299 | 3.118 |
| 2021 | 2.085 | 0.806 | 0.305 | 3.196 |
| 2022 | 2.110 | 0.830 | 0.300 | 3.240 |
| 2023 | 2.185 | 0.881 | 0.315 | 3.381 |
| 2024 | 2.224 | 0.926 | 0.330 | 3.480 |

Source: County Abstract of Ratables

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

| Taxpayer | 2024 | | Taxpayer | 2015 | |
|-------------------------------------|------------------------|--|--------------------------|------------------------|--|
| | Taxable Assessed Value | % of Total District Net Assessed Value | | Taxable Assessed Value | % of Total District Net Assessed Value |
| UB Midland Park LLC | \$ 20,688,900 | 1.90% | Mid Park, Hye Partners | \$ 20,372,400 | 1.92% |
| Marlow Park LLC | 10,781,600 | 0.99% | Marlow Park, LLC | 8,681,600 | 0.82% |
| NW Midland Park Gr c/o Paradigm Tax | 9,849,500 | 0.90% | MW Midpark Grocery, LLC | 9,849,500 | 0.93% |
| 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 | 6,400,500 | 0.59% | 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>\$ 79,542,800</u> | <u>7.29%</u> | | <u>\$ 68,655,100</u> | <u>6.46%</u> |

Source: Municipal Tax Assessor

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

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years |
|-------------------------------------|-------------------------------------|---|-----------------------|---------------------------------------|
| | | Amount | Percentage of Levy | |
| 2015 | \$ 18,620,004 | \$ 18,620,004 | 100.00% | |
| 2016 | 19,615,845 | 19,615,845 | 100.00% | |
| 2017 | 19,990,599 | 19,990,599 | 100.00% | |
| 2018 | 20,455,488 | 20,455,488 | 100.00% | |
| 2019 | 20,939,834 | 20,939,834 | 100.00% | |
| 2020 | 21,357,200 | 21,357,200 | 100.00% | |
| 2021 | 21,920,951 | 21,920,951 | 100.00% | |
| 2022 | 22,455,969 | 22,455,969 | 100.00% | |
| 2023 | 22,887,481 | 22,887,481 | 100.00% | |
| 2024 | 23,765,376 | 23,765,376 | 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> | | | |
| 2015 | \$ 11,810,000 | \$ 175,137 | \$ 11,985,137 | 7,245 | \$ 1,654 |
| 2016 | 11,210,000 | 77,724 | 11,287,724 | 7,262 | 1,554 |
| 2017 | 10,585,000 | | 10,585,000 | 7,255 | 1,459 |
| 2018 | 9,935,000 | 61,696 | 9,996,696 | 7,279 | 1,373 |
| 2019 | 9,260,000 | 46,878 | 9,306,878 | 7,249 | 1,284 |
| 2020 | 8,565,000 | 235,246 | 8,800,246 | 7,218 | 1,219 |
| 2021 | 7,850,000 | 153,734 | 8,003,734 | 7,177 | 1,115 |
| 2022 | 7,115,000 | 69,857 | 7,184,857 | 6,966 | 1,031 |
| 2023 | 6,360,000 | | 6,360,000 | 6,958 | 914 |
| 2024 | 5,595,000 | | 5,595,000 | 6,970 | 803 |

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 | | |
| 2015 | \$ 11,810,000 | \$ 4,439 | \$ 11,805,561 | 1.11% | \$ 1,629 |
| 2016 | 11,210,000 | 6,544 | 11,203,456 | 1.05% | 1,543 |
| 2017 | 10,585,000 | 16,392 | 10,568,608 | 0.99% | 1,457 |
| 2018 | 9,935,000 | 14,287 | 9,920,713 | 0.93% | 1,363 |
| 2019 | 9,260,000 | | 9,260,000 | 0.86% | 1,277 |
| 2020 | 8,565,000 | | 8,565,000 | 0.80% | 1,187 |
| 2021 | 7,850,000 | | 7,850,000 | 0.73% | 1,094 |
| 2022 | 7,115,000 | | 7,115,000 | 0.66% | 1,021 |
| 2023 | 6,360,000 | | 6,360,000 | 0.58% | 914 |
| 2024 | 5,595,000 | | 5,595,000 | 0.51% | 803 |

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, 2023
(Unaudited)**

| | <u>Net Debt</u> |
|---|------------------------|
| Municipal Debt: (1) | |
| Midland Park Board of Education | \$ 5,595,000 |
| Borough of Midland Park | <u>3,190,851</u> |
| | <u>8,785,851</u> |
| Overlapping Debt Apportioned to the Municipality: | |
| Bergen County: | |
| County of Bergen (A) | \$ 10,833,699 |
| Northwest Bergen County Utilities Authority (B) | <u>1,952,516</u> |
| | <u>12,786,215</u> |
| Total Direct and Overlapping Debt | <u>\$ 21,572,066</u> |

Source:

(1) Borough's 2023 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough of Midland Park by dividing the municipality's 2023 equalized value by the total 2023 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

| | |
|------|-------------------------|
| 2023 | \$ 1,523,448,242 |
| 2022 | 1,413,789,659 |
| 2021 | <u>1,340,418,419</u> |
| | <u>\$ 4,277,656,320</u> |

| | |
|---|-------------------------|
| Average equalized valuation of taxable property | <u>\$ 1,425,885,440</u> |
|---|-------------------------|

| | |
|---|----------------------|
| Debt limit (4% of average equalization value) | 57,035,418 |
| Total Net Debt Applicable to Limit | <u>5,595,000</u> |
| Legal debt margin | <u>\$ 51,440,418</u> |

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Debt limit | \$ 46,201,991 | \$ 46,198,007 | \$ 47,516,051 | \$ 48,687,539 | \$ 49,564,433 | \$ 50,238,040 | \$ 35,059,470 | \$ 52,116,102 | \$ 53,909,999 | \$ 57,035,418 |
| Total net debt applicable to limit | <u>11,810,000</u> | <u>11,210,000</u> | <u>10,585,000</u> | <u>9,935,000</u> | <u>9,260,000</u> | <u>8,565,000</u> | <u>7,850,000</u> | <u>7,115,000</u> | <u>6,360,000</u> | <u>5,595,000</u> |
| Legal debt margin | <u>\$ 34,391,991</u> | <u>\$ 34,988,007</u> | <u>\$ 36,931,051</u> | <u>\$ 38,752,539</u> | <u>\$ 40,304,433</u> | <u>\$ 41,673,040</u> | <u>\$ 27,209,470</u> | <u>\$ 45,001,102</u> | <u>\$ 47,549,999</u> | <u>\$ 51,440,418</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 25.56% | 24.27% | 22.28% | 20.41% | 18.68% | 17.05% | 22.39% | 13.65% | 11.80% | 9.81% |

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> |
|-------------|-------------------|---------------------------------------|------------------------------|
| 2015 | 7,245 | \$ 77,323 | 4.60% |
| 2016 | 7,262 | 78,836 | 3.90% |
| 2017 | 7,255 | 81,024 | 3.90% |
| 2018 | 7,279 | 85,191 | 3.30% |
| 2019 | 7,249 | 88,241 | 2.90% |
| 2020 | 7,218 | 91,972 | 8.90% |
| 2021 | 7,177 | 97,343 | 5.10% |
| 2022 | 6,966 | 97,138 | 3.10% |
| 2023 | 6,958 | N/A | 3.30% |
| 2024 | 6,970 | 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)

| 2024 | | 2015 | |
|----------|--|-----------|---|
| Employer | Employees Percentage of Total Municipal Employment | Employees | Percentage of Total Municipal Employment |

NOT AVAILABLE

**MIDLAND PARK BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)**

| <u>Function/Program</u> | <u>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> | <u>2015</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Instruction | | | | | | | | | | |
| Regular Education | 76.9 | 78.5 | 76.3 | 83.2 | 80.0 | 78.1 | 80.3 | 81.5 | 79.1 | 73.2 |
| Special Education | 56.0 | 57.2 | 56.8 | 47.4 | 50.0 | 48.5 | 50.2 | 44.3 | 41.9 | 38.3 |
| Community School Programs | 3.5 | 2.5 | 2.5 | 2.5 | 2.4 | 2.7 | 2.5 | 2.4 | 2.5 | 2.5 |
| Support Services: | | | | | | | | | | |
| Student and Instruction Related Services | 25.2 | 22.6 | 23.5 | 24.8 | 23.7 | 24.8 | 25.0 | 24.8 | 25.3 | 25.2 |
| 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 | 10.2 | 10.0 | 10.3 | 10.0 | 9.5 | 9.5 |
| Central Services | 4.5 | 4.5 | 4.5 | 4.5 | 4.0 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 |
| Plant Operations and Maintenance | 26.0 | 25.6 | 21.1 | 20.5 | 18.5 | 18.5 | 18.5 | 17.0 | 18.0 | 17.1 |
| Pupil Transportation | 6.0 | 6.0 | 3.5 | 3.5 | 4.5 | 4.5 | 4.5 | 4.5 | 5.5 | 6.5 |
| Food Service | | | | | | | | | | |
| Total | <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> | <u>178.8</u> |

Source: District Personnel Records

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

| Fiscal Year | Enrollment ^a | Operating Expenditures ^b | Cost Per Pupil ^c | Percentage Change | Teacher/Pupil Ratio | | | | Average Daily Enrollment (ADE) d | Average Daily Attendance (ADA) d | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|-------------------------|--|--------------------------------|----------------------|---------------------|------------|---------------|-----------------------|-------------------------------------|--|--|----------------------------------|
| | | | | | Teaching Staff | Elementary | Middle School | Senior High School | | | | |
| 2015 | 1,005 | \$ 21,847,863 | \$ 21,739 | #DIV/0! | 121 | 10:1 | 9:1 | 10:1 | 987 | 948 | -0.90% | 96.07% |
| 2016 | 1,035 | 22,778,867 | 22,009 | 1.24% | 114 | 8:1 | 8:1 | 10:1 | 964 | 926 | -2.37% | 96.12% |
| 2017 | 948 | 23,999,566 | 25,316 | 15.03% | 118 | 10:1 | 8:1 | 9:1 | 952 | 911 | -1.23% | 95.70% |
| 2018 | 940 | 25,279,223 | 26,893 | 6.23% | 121 | 11:1 | 7:1 | 9:1 | 936 | 907 | -1.65% | 96.90% |
| 2019 | 914 | 26,519,977 | 29,015 | 7.89% | 119 | 8:1 | 6.6:1 | 7:1 | 915 | 876 | -2.24% | 95.74% |
| 2020 | 889 | 26,709,366 | 30,044 | 3.55% | 105 | 8:1 | 9.1:1 | 9:1 | 885 | 863 | -3.25% | 97.49% |
| 2021 | 858 | 26,881,564 | 31,330 | 4.28% | 114 | 7:1 | 11:1 | 7:1 | 841 | 823 | -5.00% | 97.86% |
| 2022 | 873 | 28,927,647 | 33,136 | 5.76% | 103 | 8:1 | 12:1 | 7:1 | 901 | 823 | 7.13% | 91.34% |
| 2023 | 876 | 30,673,815 | 35,016 | 5.67% | 103 | 8:1 | 12:1 | 7:1 | 858 | 821 | -4.77% | 95.69% |
| 2024 | 886 | 32,456,736 | 36,633 | 4.62% | 121 | 8:1 | 11:1 | 7:1 | 871 | 837 | 1.52% | 96.10% |

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)

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <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 | 512 | 532 | 494 | 494 | 518 | 520 | 495 | 518 | 533 | 518 |
| <u>Jr./Sr. High School</u> | | | | | | | | | | |
| Square Feet | 105,776 | 105,776 | 105,776 | 105,776 | 105,776 | 105,776 | 105,776 | 105,776 | 105,776 | 105,776 |
| Capacity (students) | 586 | 586 | 586 | 586 | 586 | 586 | 586 | 586 | 586 | 586 |
| Enrollment | 479 | 485 | 448 | 439 | 396 | 367 | 363 | 355 | 333 | 336 |
| <u>Number of Schools at June 30, 2024</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>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <u>SCHOOL FACILITIES</u> | | | | | | | | | | |
| Elementary - Godwin/Highland | \$ 165,580 | \$ 109,525 | \$ 117,952 | \$ 278,714 | \$ 196,369 | \$ 370,368 | \$ 429,407 | \$ 167,560 | \$ 273,930 | \$ 206,367 |
| Midland Park Jr/Sr High School | <u>276,925</u> | <u>368,795</u> | <u>396,901</u> | <u>321,144</u> | <u>236,715</u> | <u>96,864</u> | <u>112,305</u> | <u>259,768</u> | <u>251,754</u> | <u>243,344</u> |
| GRAND TOTAL | <u>\$ 442,505</u> | <u>\$ 478,320</u> | <u>\$ 514,853</u> | <u>\$ 599,858</u> | <u>\$ 433,084</u> | <u>\$ 467,232</u> | <u>\$ 541,712</u> | <u>\$ 427,328</u> | <u>\$ 525,684</u> | <u>\$ 449,711</u> |

**MIDLAND PARK BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2024
(Unaudited)**

| | <u>Coverage</u> | <u>Deductible</u> |
|---|-----------------|-------------------|
| School Package Policy - AIG | | |
| Property - Blanket Building & Contents | \$ 41,000,000 | \$ 5,000 |
| General Liability-National Union Fire - (Each Occurrence) | 1,000,000 | 1,000 |
| (General Aggregate) | 5,000,000 | |
| Automobile - National Union Fire | | |
| Liability | 1,000,000 | 10,000 |
| Excess Liability - National Union Fire | | |
| Umbrella Policy | 9,000,000 | |
| Excess Workers Compensation - Safety National Casualty | | |
| Workers Compensation Policy | | |
| Bodily Injury | 1,000,000 | |
| School Board Legal Liability - XL Capital | | |
| Directors and Officers Policy | 1,000,000 | 5,000 |
| Public Employee Dishonesty - Selective Insurance (Per Loss) | 500,000 | 100,000 |
| Company of America (Per Employee) | 100,000 | 5,000 |
| Cyber Liability - Ryan Turner Specialty (Aggregate) | 6,000,000 | 100,000 |

Source: District's records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Midland Park Board of Education as of and for the fiscal year ended June 30, 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 January 22, 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

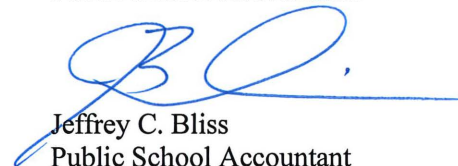
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Midland Park Board of Education's internal control or on compliance. This report is an integral part 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
January 22, 2025



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Midland Park Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Midland Park Board of Education's major federal and state programs for the fiscal year ended June 30, 2024. The Midland Park Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Midland Park Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Report on Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities and each major fund, of the Midland Park Board of Education, as of and for the fiscal year ended June 30, 2024, 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 January 22, 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 federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & BLISS, LLP

LERCH, VINCI & BLISS, LLP

Certified Public Accountants

Public School Accountants



Jeffrey C. Bliss

Public School Accountant

PSA Number CS00932

Fair Lawn, New Jersey
January 22, 2025

MIDLAND PARK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| Federal/Grantor/Pass-Through Grantor/ Program Title | Federal AL Number | FAIN Number | Grant Period | Award Amount | July 1, 2023 | | Accounts Receivable Carryover | Unearned Revenue Carryover | Cash Received | Budgetary Expenditures | Adjustments/ Funds Released | | June 30, 2024 | | MEMO: GAAP Receivable |
|---|-------------------------|----------------|-----------------|-----------------|------------------------|---------------------|-------------------------------------|----------------------------------|------------------|---------------------------|---------------------------------------|------------------------------------|------------------------|---------------------|-----------------------------|
| | | | | | Accounts Receivable | Unearned Revenue | | | | | Accounts Receivable Adjustments | Unearned Revenue Adjustments | Accounts Receivable | Unearned Revenue | |
| U.S. Dept. of Agriculture Passed-through State Department of Agriculture | | | | | | | | | | | | | | | |
| Food Service Fund | | | | | | | | | | | | | | | |
| National School Lunch Program | 10.555 | | | | | | | | | | | | | | |
| Non-Cash Assistance (Food Distribution) | | 241NJ304N1099 | 7/1/23-6/30/24 | \$ 40,259 | | | | | \$ 40,259 | \$ 39,339 | | | | \$ 920 | |
| Non-Cash Assistance (Food Distribution) | | 231NJ304N1099 | 7/1/22-6/30/23 | 40,571 | | \$ 1,911 | | | | 1,911 | | | | | |
| Cash Assistance | | 241NJ304N1099 | 7/1/23-6/30/24 | 90,536 | | | | | 83,356 | 90,536 | | | \$ (7,180) | | \$ (7,180) |
| Cash Assistance | | 231NJ304N1099 | 7/1/22-6/30/23 | 110,702 | \$ (7,175) | | | | 7,175 | | | | | | - |
| Supply Chain Assistance Program | | 241NJ304N1099 | 7/1/23-6/30/24 | 27,085 | | | | | 27,085 | 27,085 | | | | | - |
| Local Food for Schools Cooperative Program | 10.185 | 241NJ304N1099 | 7/1/23-6/30/24 | 2,258 | | | | | 1,825 | 2,258 | | | (433) | | (433) |
| P-EBT Administrative Cost Program | 10.649 | 202225900941 | 7/1/23-6/30/24 | 653 | | | | | 653 | 653 | | | | | - |
| School Breakfast Program | 10.553 | 241NJ304N1099 | 7/1/23-6/30/24 | 6,856 | | | | | 6,453 | 6,856 | | | (403) | | (403) |
| School Breakfast Program | | 231NJ304N1099 | 7/1/22-6/30/23 | 5,306 | (398) | - | - | - | 398 | - | - | - | - | - | - |
| Total Child Nutrition Cluster/Food Service Fund | | | | | (7,573) | 1,911 | - | - | 167,204 | 168,638 | - | - | (8,016) | 920 | (8,016) |
| U.S. Department of Education Passed- through State Dept. of Education Special Revenue Fund | | | | | | | | | | | | | | | |
| IDEA Part B, Basic | 84.027A | H027A230100 | 7/1/23-9/30/24 | 291,808 | | | \$ (34,214) | \$ 34,214 | 248,525 | 256,820 | | | (77,497) | 69,202 | (8,295) |
| IDEA Part B, Basic | 84.027A | H027A220100 | 7/1/22-9/30/23 | 268,643 | (31,002) | 34,214 | 34,214 | (34,214) | 4,615 | | \$ (7,827) | | - | - | - |
| ARP IDEA - Basic | 84.027X | H027X210100 | 7/1/21-9/30/22 | 45,482 | (844) | 844 | | | 844 | 844 | | | - | - | - |
| IDEA Preschool | 84.173A | H173A230114 | 7/1/23-9/30/24 | 22,643 | | | (9,385) | 9,385 | 25,435 | 30,938 | | | (6,593) | 1,090 | (5,503) |
| IDEA Preschool | 84.173A | H173A220114 | 7/1/22-9/30/23 | 22,564 | (19,578) | 11,406 | 9,385 | (9,385) | 2,447 | | 7,746 | \$ (2,021) | - | - | - |
| ARP IDEA - Preschool | 84.173X | H173X210114 | 7/1/21-9/30/22 | 3,883 | (1,071) | 358 | - | - | 1,071 | 358 | - | - | - | - | - |
| Total Special Education Cluster (IDEA) | | | | | (52,495) | 46,822 | - | - | 282,937 | 288,960 | (81) | (2,021) | (84,090) | 70,292 | (13,798) |
| Title I - Part A | 84.010 | S010A230030 | 7/1/23-9/30/24 | 40,072 | | | | | 28,636 | 40,072 | | | (11,436) | - | (11,436) |
| Title I - Part A | 84.010 | S010A220030 | 7/1/22-9/30/23 | 47,003 | (27,334) | | | | 26,897 | | 437 | | - | - | - |
| Title II - Part A | 84.367A | S367A230029 | 7/1/23-9/30/24 | 15,569 | | | | | 13,569 | 15,569 | | | (2,000) | - | (2,000) |
| Title II - Part A | 84.367A | S367A220029 | 7/1/22-9/30/23 | 16,211 | (3,652) | 3,389 | | | 3,652 | 3,389 | | | - | - | - |
| Title IV - Part A | 84.424 | S424A230031 | 7/1/23-9/30/24 | 10,000 | | | | | 8,051 | 6,795 | | | (1,949) | 3,205 | - |
| Title IV - Part A | 84.424 | S424A220031 | 7/1/22-9/30/23 | 10,000 | (4,665) | 3,290 | - | - | 4,665 | 3,290 | - | - | - | - | - |
| Total ESEA Programs | | | | | (35,651) | 6,679 | - | - | 85,470 | 69,115 | 437 | - | (15,385) | 3,205 | (13,436) |
| ESSER II - Coronavirus Response and Relief Supplem. Appropriations | 84.425D | S425D200027 | 3/13/20-9/30/23 | 342,977 | (135,900) | | | | 135,900 | | | | - | - | - |
| American Rescue Plan (ARP) - ESSER III | 84.425U | S425U210027 | 3/13/20-9/30/24 | 770,819 | (573,302) | 177,525 | | | 573,302 | 177,525 | | | - | - | - |
| American Rescue Plan (ARP) - Accelerated Learning Coach and Educator Support | 84.425U | S425U210027 | 3/13/20-9/30/24 | 70,180 | (41,963) | 41,963 | | | 29,635 | 34,790 | | | (12,328) | 7,173 | (5,155) |
| American Rescue Plan (ARP) - Evidence Based Summer Learning and Enrichment | 84.425U | S425U210027 | 3/13/20-9/30/24 | 40,000 | (18,546) | 18,912 | | | 11,946 | 12,312 | | | (6,600) | 6,600 | - |
| American Rescue Plan (ARP) - Evidence Based Comprehensive Beyond the School Day | 84.425U | S425U210027 | 3/13/20-9/30/24 | 40,000 | (21,419) | 21,419 | | | | | 21,419 | (21,419) | - | - | - |
| American Rescue Plan (ARP) - NJTSS Mental Health Support Staffing | 84.425U | S425U210027 | 3/13/20-9/30/24 | 45,000 | (9,440) | - | - | - | 9,440 | - | - | - | - | - | - |
| Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER) | | | | | (800,570) | 259,819 | - | - | 760,223 | 224,627 | 21,419 | (21,419) | (18,928) | 13,773 | (5,155) |
| Additional or Compensatory Special Education and Related Services | 21.027 | S425D200027 | 7/1/23-6/30/24 | 75,004 | | | | | 37,502 | 75,004 | | | (37,502) | - | (37,502) |
| Additional or Compensatory Special Education and Related Services | 21.027 | S425D200027 | 7/1/22-6/30/23 | 132,704 | (42,391) | - | - | - | 42,391 | - | - | - | - | - | - |
| Total ACSERS | | | | | (42,391) | - | - | - | 79,893 | 75,004 | - | - | (37,502) | - | (37,502) |
| Total Special Revenue Fund | | | | | (931,107) | 313,320 | - | - | 1,208,523 | 657,706 | 21,775 | (23,440) | (155,905) | 87,270 | (69,891) |
| Total Federal Financial Assistance | | | | | \$ (938,680) | \$ 315,231 | \$ - | \$ - | \$ 1,375,727 | \$ 826,344 | \$ 21,775 | \$ (23,440) | \$ (163,921) | \$ 88,190 | \$ (77,907) |

MIDLAND PARK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance, July 1, 2023 | Cash Received | Budgetary Expenditures | Refund of Prior Years' Balances | Balance, June 30, 2024 | | | Memo | | |
|--|-------------------------------|----------------|--------------|-----------------------|---------------|------------------------|---------------------------------|------------------------|------------------|----------------|-----------------|-------------------------------|--|
| | | | | | | | | (Accounts Receivable) | Unearned Revenue | 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 | | \$ 31,460 | \$ 33,981 | | \$ (2,521) | | | | \$ 33,981 | |
| Equalization Aid | 23-495-034-5120-078 | 7/1/22-6/30/23 | 33,981 | (1,990) | 1,990 | | | | | | | - | |
| Special Education Aid | 24-495-034-5120-089 | 7/1/23-6/30/24 | 941,467 | | 871,625 | 941,467 | | (69,842) | | | | 941,467 | |
| Special Education Aid | 23-495-034-5120-089 | 7/1/22-6/30/23 | 801,091 | (46,922) | 46,922 | | | | | | | - | |
| Security Aid | 24-495-034-5120-084 | 7/1/23-6/30/24 | 58,146 | | 53,832 | 58,146 | | (4,314) | | | | 58,146 | |
| Security Aid | 23-495-034-5120-084 | 7/1/22-6/30/23 | 58,146 | (3,406) | 3,406 | - | - | - | - | - | - | - | |
| Total State Aid Public Cluster | | | 1,926,812 | (52,318) | 1,009,235 | 1,033,594 | - | (76,677) | - | - | - | 1,033,594 | |
| Transportation Aid | 24-495-034-5120-014 | 7/1/23-6/30/24 | 107,033 | | 99,093 | 107,033 | | (7,940) | | | | 107,033 | |
| Transportation Aid | 23-495-034-5120-014 | 7/1/22-6/30/23 | 107,033 | (6,269) | 6,269 | | | | | | | - | |
| Extraordinary Aid | 24-495-034-5120-473 | 7/1/23-6/30/24 | 588,437 | | | 588,437 | | (588,437) | | | | 588,437 | |
| Extraordinary Aid | 23-495-034-5120-473 | 7/1/22-6/30/23 | 537,794 | (537,794) | 537,794 | | | | | | | - | |
| On Behalf Payments | | | | | | | | | | | | | |
| TPAF Social Security | 24-495-034-5094-003 | 7/1/23-6/30/24 | 741,649 | | 705,698 | 741,649 | | (35,951) | | | \$ (35,951) | 741,649 | |
| TPAF Social Security | 23-495-034-5094-003 | 7/1/22-6/30/23 | 743,212 | (36,763) | 36,763 | | | | | | | - | |
| TPAF Pension and OPEB | | | | | | | | | | | | | |
| Pension - NCGI Premium | 24-495-034-5094-004 | 7/1/23-6/30/24 | 42,026 | | 42,026 | 42,026 | | | | | | 42,026 | |
| Pension Benefit Contribution | 24-495-034-5094-002 | 7/1/23-6/30/24 | 3,685,029 | | 3,685,029 | 3,685,029 | | | | | | 3,685,029 | |
| Post-Retirement Medical Benefit Contribution | 24-495-034-5094-001 | 7/1/23-6/30/24 | 1,014,368 | | 1,014,368 | 1,014,368 | | | | | | 1,014,368 | |
| Long-Term Disability Insurance Premium | 24-495-034-5094-004 | 7/1/23-6/30/24 | 1,245 | - | 1,245 | 1,245 | - | - | - | - | - | 1,245 | |
| Total General Fund | | | | (633,144) | 7,137,520 | 7,213,381 | - | (709,005) | - | - | (35,951) | 7,213,381 | |
| Special Revenue Fund: | | | | | | | | | | | | | |
| Auxiliary Services Ch. 192: | | | | | | | | | | | | | |
| Compensatory Education | 24-100-034-5120-067 | 7/1/23-6/30/24 | 42,976 | | 42,976 | 35,425 | | | | \$ 7,551 | | 35,425 | |
| Compensatory Education | 23-100-034-5120-067 | 7/1/22-6/30/23 | 42,991 | 7,808 | - | | \$ 7,808 | | | | | - | |
| English as a Second Language | 24-100-034-5120-067 | 7/1/23-6/30/24 | 1,831 | | 1,831 | 1,549 | | | | 282 | | 1,549 | |
| English as a Second Language | 23-100-034-5120-067 | 7/1/22-6/30/23 | 7,617 | 4,109 | | | 4,109 | | | | | - | |
| Transportation | 23-100-034-5120-067 | 7/1/22-6/30/23 | 21,423 | 21,423 | - | - | 21,423 | - | - | - | - | - | |
| Total Auxiliary Services (Ch. 192) Cluster | | | 33,340 | 44,807 | 44,807 | 36,974 | 33,340 | - | - | 7,833 | - | 36,974 | |
| Handicapped Services Ch. 193: | | | | | | | | | | | | | |
| Examination and Classification | 24-100-034-5120-066 | 7/1/23-6/30/24 | 44,925 | | 44,925 | 25,394 | | | | 19,531 | | 25,394 | |
| Examination and Classification | 23-100-034-5120-066 | 7/1/22-6/30/23 | 47,386 | 19,335 | | | 19,335 | | | | | - | |
| Corrective Speech | 24-100-034-5120-066 | 7/1/23-6/30/24 | 49,290 | | 49,290 | 38,130 | | | | 11,160 | | 38,130 | |
| Corrective Speech | 23-100-034-5120-066 | 7/1/22-6/30/23 | 52,080 | 7,533 | | | 7,533 | | | | | - | |
| Supplemental Instruction | 24-100-034-5120-066 | 7/1/23-6/30/24 | 17,346 | | 17,346 | 10,903 | | | | 6,443 | - | 10,903 | |
| Supplemental Instruction | 23-100-034-5120-066 | 7/1/22-6/30/23 | 15,694 | 2,395 | - | - | 2,395 | - | - | - | - | - | |
| Total Handicapped Services (Ch. 193) Cluster | | | 29,263 | 111,561 | 111,561 | 74,427 | 29,263 | - | - | 37,134 | - | 74,427 | |
| New Jersey Nonpublic Aid: | | | | | | | | | | | | | |
| Textbook Aid | 24-100-034-5120-064 | 7/1/23-6/30/24 | 14,106 | | 14,106 | 13,519 | | | | 587 | | 13,519 | |
| Textbook Aid | 23-100-034-5120-064 | 7/1/22-6/30/23 | 14,586 | 526 | | | 526 | | | | | - | |
| Nursing Services | 24-100-034-5120-070 | 7/1/23-6/30/24 | 30,360 | | 30,360 | 29,469 | | | | 891 | | 29,469 | |
| Nursing Services | 23-100-034-5120-070 | 7/1/22-6/30/23 | 25,424 | 1,421 | | | 1,421 | | | | | - | |
| Nonpublic Technology | 24-100-034-5120-373 | 7/1/23-6/30/24 | 11,956 | | 11,956 | 11,710 | | | | 246 | | 11,710 | |
| Nonpublic Technology | 23-100-034-5120-373 | 7/1/22-6/30/23 | 9,282 | 2,032 | | | 2,032 | | | | | - | |
| Nonpublic Security | 24-100-034-5120-084 | 7/1/23-6/30/24 | 51,865 | | 51,865 | 50,840 | | | | 1,025 | | 50,840 | |
| Nonpublic Security | 23-100-034-5120-084 | 7/1/22-6/30/23 | 46,535 | - | - | - | - | - | - | - | - | - | |
| Total New Jersey Nonpublic Aid | | | 3,979 | 108,287 | 108,287 | 105,538 | 3,979 | - | - | 2,749 | - | 105,538 | |

**MIDLAND PARK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| <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, 2023</u> | <u>Cash Received</u> | <u>Budgetary Expenditures</u> | <u>Refund of Prior Years' Balances</u> | <u>Balance, June 30, 2024</u> | | | <u>Memo</u> | |
|--|--|-------------------------|-------------------------|----------------------------------|--------------------------|-----------------------------------|--|----------------------------------|-----------------------------|---------------------------|----------------------------|--|
| | | | | | | | | <u>(Accounts Receivable)</u> | <u>Unearned Revenue</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 | - | - | - |
| Total Special Revenue Fund | | | | \$ 66,582 | 285,136 | 216,939 | \$ 66,582 | - | 20,481 | \$ 47,716 | - | \$ 216,939 |
| 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 | | 7,385 | 8,030 | | (645) | - | - | \$ (645) | 8,030 |
| State School Lunch Program | 23-100-010-3350-023 | 7/1/22-6/30/23 | 5,769 | (362) | 362 | | | | | | - | - |
| State School Breakfast Program | 24-100-010-3350-023 | 7/1/23-6/30/24 | 447 | | 423 | 447 | | (24) | - | - | (24) | 447 |
| State School Breakfast Program | 23-100-010-3350-023 | 7/1/22-6/30/23 | 197 | (15) | 15 | - | - | - | - | - | - | - |
| Total Food Service Fund | | | | (377) | 8,185 | 8,477 | - | (669) | - | - | (669) | 8,477 |
| Total State Financial Assistance Subject to Single Audit Determination | | | | \$ (566,939) | \$ 7,430,841 | \$ 7,438,797 | \$ 66,582 | \$ (709,674) | \$ 20,481 | \$ 47,716 | \$ (36,620) | \$ 7,438,797 |
| State Financial Assistance | | | | | | | | | | | | |
| Not Subject to Major Program Determination | | | | | | | | | | | | |
| General Fund | | | | | | | | | | | | |
| On-Behalf TPAF Pension System Contribution - NCGI Premium | 24-495-034-5094-004 | 7/1/23-6/30/24 | (42,026) | | (42,026) | (42,026) | | | | | | (42,026) |
| On-Behalf TPAF Pension System Contribution - Pension Benefit | 24-495-034-5094-002 | 7/1/23-6/30/24 | (3,685,029) | | (3,685,029) | (3,685,029) | | | | | | (3,685,029) |
| On-Behalf TPAF Post-Retirement Medical Benefit Contribution | 24-495-034-5094-001 | 7/1/23-6/30/24 | (1,014,368) | | (1,014,368) | (1,014,368) | | | | | | (1,014,368) |
| On-Behalf TPAF Long-Term Disability Insurance Premium | 24-495-034-5094-004 | 7/1/23-6/30/24 | (1,245) | - | (1,245) | (1,245) | - | - | - | - | - | (1,245) |
| Total State Financial Assistance Subject to Major Program Determination | | | | \$ (566,939) | \$ 2,688,173 | \$ 2,696,129 | \$ 66,582 | \$ (709,674) | \$ 20,481 | \$ 47,716 | \$ (36,620) | \$ 2,696,129 |

**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, 2024**

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 \$76,673 for the general fund and an increase of \$507,457 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 | | \$ 7,136,708 | \$ 7,136,708 |
| Special Revenue Fund | \$ 1,123,690 | 258,412 | 1,382,102 |
| Food Service Fund | <u>168,638</u> | <u>8,477</u> | <u>177,115</u> |
| Total Financial Assistance | <u>\$ 1,292,328</u> | <u>\$ 7,403,597</u> | <u>\$ 8,695,925</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, 2024**

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 \$741,649 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, 2024. The amount reported as TPAF Pension System Contributions in the amount of \$3,727,055, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,014,368 and TPAF Long-Term Disability Insurance in the amount of \$1,245 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024.

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, 2024**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on financial statements Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? yes X no

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

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

Federal Awards Section

Internal Control over major programs:

1) Material weakness(es) identified? yes X no

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

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

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

| <u>AL Number(s):</u> | <u>FAIN Number</u> | <u>Name of Federal Program or Cluster:</u> |
|----------------------|--------------------|--|
| 84.027A | H027A230100 | I.D.E.A. Part B, Basic Regular |
| 84.173A | H173A230114 | I.D.E.A. Part B, Preschool |

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, 2024**

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:

24-495-034-5095-003

Reimbursed TPAF Social Security Contributions

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, 2024**

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, 2024**

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.