

**Comprehensive Annual  
Financial Report**

**of the**

**Borough of North Plainfield Board of Education**

**County of Somerset**

**North Plainfield, New Jersey**

**For the Fiscal Year Ended June 30, 2011**

**Prepared by**

**Borough of North Plainfield, Board of Education  
Finance Department**



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**INTRODUCTORY SECTION**

**North Plainfield Board of Education  
33 Mountain Avenue  
North Plainfield, NJ 07060**

**Dr. Marilyn Birnbaum  
Superintendent of Schools**

**Donald Sternberg  
Business Administrator**

**Phone (908) 769-6060**

**Fax (908) 755-5490**

December 5, 2011

Honorable President and  
Members of the Board of Education  
North Plainfield School District  
County of Somerset, New Jersey 07060

Dear Board Members:

The comprehensive annual financial report of the North Plainfield School District (District) for the fiscal year ended June 30, 2011, 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 Board of Education (Board). 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 and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections:

- The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials.
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section- The district is required to undergo an annual single audit in conformity with the provisions of the Single 'Audit Act Amendments of 1996, P.L. 104-156 and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations" and the New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments." 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:** The North Plainfield School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The North Plainfield Board of Education and all its schools constitute the District's reporting entity.

The North Plainfield Schools' programs are designed to meet the academic and curricular needs of all students Pre-K through 12. Academic programs address specific content areas, gifted and talented enrichment, college preparatory, advanced placement, career readiness, basic skills and special education. Middle and high school programs include a wide selection of elective courses in science, communications, social studies, world languages, music, art, computer sciences, media, home economics, and industrial technologies. To accommodate these offerings, the district maintains safe, well-equipped, professionally functioning buildings that are developmentally appropriate. The district configuration by school is PreK-4, K-4, 5-6, 7-8, and 9-12. The District completed the 2010-11 fiscal year with an enrollment of 3253 students, which is 40 students above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-11	3253	.01
2009-10	3213	-.01
2008-09	3256	.03%
2007-08	3164	0%
2006-07	3158	-.02%
2005-06	3234	.01%
2004-05	3261	0%
2003-04	3260	1.27%
2002/03	3302	5.90%
2001/02	3118	.38%

**2. ECONOMIC CONDITION AND OUTLOOK:** The North Plainfield area continues to be in a period of depressed development. Business closures and residential home foreclosures continue to slow growth in line with the economy as a whole.

**3. MAJOR INITIATIVES:** The district maintains a balance of initiatives which are designed to enhance the educational program, increase community involvement in the schools, preserve the facilities, and promote staff development for all employees.

### **Educational Program**

During the 2010-2011 school year, the Board of Education reaffirmed the following mission statement:

The North Plainfield School District is committed to developing and maintaining a world class learning environment by providing a relevant, integrated, and progressive curriculum that will foster continued intellectual, physical, social, and emotional growth in all students in order to prepare them to succeed in our dynamic, diverse, and technological society while also developing in them an appreciation for the humanistic and aesthetic aspects of life.

To coincide with the mission statement, the Board of Education subsequently reaffirmed its district goals:

1. Continue to improve upon the level of educational excellence for every student.
2. Foster positive perceptions of the district through improved communications at all levels of the school community.
3. Develop a long-range facilities plan that balances program needs with the financial constraints of the district.
4. Continue to incorporate technology into the educational process to enhance the success of students.

### **Curriculum**

In its continued commitment to offering a quality, innovative and comprehensive educational program to all of its students, the district continued to expand, update, and revise all of its curriculum so that it not only aligns with the New Jersey Core Curriculum Content Standards, but also with other national and international standards.

### **Technology**

During 2010-2011, the district expanded the use of its website, continued to implement wireless networks, and continue to integrate technology into all curriculum areas. The district made a commitment to improve communication between the schools and community. The district provides information to the community which is updated regularly such as registration procedures for new students, curriculum resources, and superintendent's reports. Teachers have created their own websites which can be accessed through links from the district web pages, <http://www.nplainfield.org>. The district also continued to expand its use of a telephone communication system in which announcements are made to community members about district and school events, fostering improved communication with the general public.

## **Professional Development Program and Activities**

Dedicated to providing a staff development program that is purposeful, focused, and comprehensive, North Plainfield's underlying objective revolves around improving student achievement. The program is linked with professional improvement plans and evaluations, supplemented through in-service and mentoring activities, and encouraged through the promotion of staff attendance at out-of district workshops/conferences and enrollment in graduate studies. The program is integrated with the development and implementation of new curriculum and the core curriculum content standards and is a vital component in the creation of school-based educational improvement plans.

New Teacher Support Services include:

- a. New Teacher Induction Program
- b. New Teacher Peer Mentoring Program

District In-Service Activities:

- a. Fall Conference
- b. In-Service Days
- c. After-School Programs

## **Community Involvement**

During the 2010-2011 school year, various programs were developed or implemented to support and encourage community involvement in district activities:

- a. School Violence Awareness Week
- b. Read Across America
- c. District Arts Festival
- d. North Plainfield Education Foundation
- e. Smile Train
- f. NPHS NJROTC
- g. Safe Routes To Schools
- h. American Education Week
- i. Harvest, Hispanic Heritage, and Black History Celebrations

## **Parental Involvement**

During the 2010-2011 school year, many programs were developed or implemented to support and encourage parent involvement in the curriculum: In addition, parents experienced the following:

- a. Grandparents' Day
- b. Parent Academy
- c. The Kindergarten Experience
- d. School-Based Planning
- e. Scoop Dinners

- f. Cashola
- g. New Parent Welcome Tea
- h. Gifted and Talented Parent Information Night
- i. End of Year Awards Assemblies all Schools

In addition, during the 2010-2011 school year, the district also conducted the following activities to increase parent participation in the schools:

- Special Days within Each School: Career Interest; Reading; Talent Demonstrations
- Special Education, Academic Support, and Bilingual/ESL Parent Meetings to Foster Program Growth
- Guidance Department Seminars and Orientations
- *Home and School Connection*, and Individual School Newsletters
- Joint PTA/PTO Presidents' Council
- Various Parent Groups at NPHS: Music Parents, *Tunlaw* Parents, and Diamond Club
- Parent-Teacher Conferences
- Back to School Nights
- District Website
- Winter and Spring Music Concerts/Plays
- Family Fun Nights
- District Calendar

### **Facilities**

Major building repair and renovation projects included, but were not limited to:

- a. Boiler Replacement Projects: East End School
- b. Auditorium Lighting Replacement

#### **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 generally accepted accounting principles (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) there are limited resources and that 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.

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 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 general fund, the special revenue fund and the debt service fund. Amendments to the line items within these funds are approved by the Superintendent and subsequently ratified by the Board of Education, in accordance with state statute and Board Policy.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance into subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

**6. ACCOUNTING SYSTEM AND REPORTS:**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds which are explained in "Notes to the Financial Statements," Note 1.

**7. DEBT ADMINISTRATION:**

The District is continually reviewing the cost of the current debt and along with the advice of Bond Council makes determinations as to the refunding potential of current issuances.

**8. 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 2. The District's cash management plan allows it to deposit public funds in public depositories protected from laws under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 and updated in 2009 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.

**9. RISK MANAGEMENT:**

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

**10. OTHER INFORMATION:**

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee Clooney & Company was selected by the Board of Education. In addition to meeting the requirement set forth in state statutes, the audit also was designated to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and state Treasury Circular 04-04 OMB. The auditor’s report on the basic financial statements and combining individual fund statements and schedules 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.

Sincerely,



Superintendent of Schools



Board Secretary/Business Administrator

**BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
BOARD OF EDUCATION  
NORTH PLAINFIELD, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2011**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Linda L. Bond-Nelson, President	2013
David W. Branan, Vice President	2014
Thomas J. Allen	2014
Sandra J. Dodd	2012
Thomas N. Kasper	2013
Kathleen Mullen	2012
Nancy Maynard Szaroleta	2013

**Other Officials**

Dr. Marilyn E. Birnbaum, Superintendent

Dr. Robert Rich, Assistant Superintendent

Donald Sternberg, School Business Administrator/ Board Secretary

Annette Wells, Treasurer

Anthony P. Sciarrillo, Board Attorney

North Plainfield Board of Education  
North Plainfield, New Jersey

Consultants and Advisors  
June 30, 2011

**Architect**

HACBM, LLC  
31 East Darrah Lane  
Lawrenceville, NJ 08648

**Audit Firm**

Suplee, Clooney & Company  
308 East Broad Street  
Westfield, New Jersey 07090

**Attorney**

Anthony P. Sciarrilo  
53 Cardinal Drive  
Westfield, New Jersey 07090

**Bonding Attorney**

McManimon & Scotland  
One Riverfront Plaza 4th Floor  
Newark, New Jersey 07102-5408

**Official Depository**

TD Bank

**Financial Advisors**

Capital Financial Advisors, Inc.  
8000 Midlantic Drive Suite 110S  
Mount Laurel, New Jersey 08054

**FINANCIAL SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Borough of North Plainfield School District  
County of Somerset  
North Plainfield, New Jersey 07060

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of North Plainfield School District, County of Somerset, New Jersey as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and 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 Division of Finance, Department of Education, State of New Jersey and the provisions of U. S. Office of Management and Budget (OMB) Circular A-133 "Audits of State, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate fund information of the Borough of North Plainfield School District, County of Somerset, New Jersey as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

## SUPLEE, CLOONEY & COMPANY

In accordance with Government Auditing Standards, we have also issued our report dated December 5, 2011 on our consideration of the Borough of North Plainfield School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the required supplementary information, as listed in the foregoing table of contents, respectively, are not a required part of the basic financial statements but are supplementary information required by the U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of North Plainfield School District's basic financial statements. The introductory section, combining and individual fund schedules and statements, other schedules, statistical tables and the schedules of expenditures of federal awards and state financial assistance as listed in the table of contents are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; New Jersey OMB's Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and State of New Jersey, Department of Education, Division of Finance and are not a required part of the basic financial statements of the Borough of North Plainfield School District, County of Somerset, New Jersey. Such information, except for the introductory section and that portion marked unaudited on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 948

December 5, 2011

**REQUIRED SUPPLEMENTARY INFORMATION – Part I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

## BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011 UNAUDITED

The discussion and analysis of the Borough of North Plainfield School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34-*Basic Financial Statements and Management's Discussion and Analysis of State and Local Governments* issued in June 1999.

#### **Financial Highlights**

Key financial highlights for 2011 are as follows:

- The state continues to delay the final two state aid payments into the subsequent budget year. Therefore, the final two payments were not reflected on the GAAP basis financial statements for the 2010/2011 school year. The amount of the deferred state aid payments, which were received in July 2011, is \$2,259,388.00.
- In total, net assets for governmental fund increased \$3,279,793.43, which represents a 10% increase from 2010.
- General revenues accounted for \$50,218,275.22 or 85% of all revenues. Program specific revenues in the form of charges for services and operating/capital grants and contributions accounted for \$8,460,073.74 or 15% of all revenues.
- The District had \$55,318,148.24 in expenses that were adequately provided for by general revenues consisting primarily of state aid and property taxes.

#### **Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

## **BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011 UNAUDITED**

The *Statement of Net Assets and Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the district, the General Fund is by far the most significant fund.

#### **Reporting the District as a Whole**

##### **Statement of Net Assets and the Statement of Activities**

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two distinct kinds of activities:

- Government Activities – All of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, student transportation and extracurricular activities.
- Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service program and the Adult Community School program are reported as business activities.

#### **Reporting the District's Most Significant Funds**

##### **Fund Financial Statements**

Fund Financial reports provide detailed information about the District's funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

**BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

**Governmental Funds**

The District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities. These statements closely resemble financial statements of a private sector business entity.

**The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the District as a whole.

Table 1 provides a comparative summary of the District's net assets for 2011 and 2010.

**Table 1  
Net Assets**

	<u>2011</u>	<u>2010</u>
Assets		
Current and Other Assets	\$6,139,991.87	\$6,384,880.38
Capital Assets	<u>47,156,572.95</u>	<u>45,960,315.64</u>
Total Assets	53,296,564.82	52,345,196.02
Liabilities		
Long-Term Liabilities	15,209,811.20	16,895,496.52
Other Liabilities	<u>3,030,316.08</u>	<u>3,753,462.68</u>
Total Liabilities	18,240,127.28	20,648,959.20
Net Assets		
Invested in Capital Assets, Net of Debt	32,332,735.30	30,316,406.98
Restricted	4,729,241.44	791,901.58
Unrestricted (Deficit)	<u>(2,005,539.20)</u>	<u>587,928.26</u>
Total Net Assets	<u>\$35,056,437.54</u>	<u>\$31,696,236.82</u>

**BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

The District's combined net assets were \$35,056,437.54 on June 30, 2011. This was an increase of 10 percent from the prior year. Table 2 shows changes in net assets for fiscal years 2011 and 2010.

**Table 2  
Changes in Net Assets**

	<u>2011</u>	<u>2010</u>
Revenues		
Program Revenues:		
Charges for Services	\$515,935.17	\$618,698.04
Operating Grants and Contributions	7,489,679.54	13,338,625.46
Capital Grants and Contributions	454,459.03	1,669,059.52
General Revenues:		
Property Taxes	28,213,378.00	27,182,559.00
Grants and Entitlements	22,162,577.01	16,434,701.80
Other	<u>(157,679.79)</u>	<u>155,526.97</u>
Total Revenues	<u>58,678,348.96</u>	<u>59,399,170.79</u>
 Program Expenses		
Instruction	32,275,432.02	34,731,233.43
Support Services:		
Student and Instruction Related	7,680,939.89	7,644,115.62
General Administration	1,574,014.18	1,079,632.63
School Administration	2,442,050.64	2,128,213.99
Central Services/Adm. of Technology	449,926.43	465,433.23
Maintenance of Facilities	6,475,865.79	6,464,595.92
Student Transportation	1,322,925.40	1,706,200.42
Business Type Activities	1,308,011.35	1,288,247.75
Other	<u>1,788,982.54</u>	<u>1,684,558.46</u>
Total Expenses	<u>55,318,148.24</u>	<u>57,192,231.45</u>
Increase/ (Decrease) in Net Assets	<u>\$3,360,200.72</u>	<u>\$2,206,939.34</u>

**Government Activities**

The nature of funding public education primarily through property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District budget. Property taxes made up 45.8 percent of revenues for governmental activities in the District. There was a \$1,030,819.00 increase in property taxes or 3.7 percent from the prior year. The District's total revenues were \$57,289,930.32 for the year ended June 30, 2011. Federal, State and local grants accounted for 50.9 percent of revenue.

**BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

Instruction comprises 59.7 percent of district expenses. Support services make up 37.3 percent of the district expenses and other services and expenses make up 3 percent.

**Business-Type Activities**

Revenues for the District's business-type activities were comprised of charges for services and operating grants and contributions in the food service program and the adult community school program. The following are some of our major business type activity results.

- Business type revenues exceeded expenses by \$80,407.29.
- Revenues consist of \$497,376.42 in operating revenue from charges for services and \$890,883.47 in non-operating revenue from State, Federal and other sources.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for 2011. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3  
Net Cost of Services**

	Total Cost of Services 2011	Net Cost of Services 2011
Instruction	\$32,275,432.02	\$27,751,749.78
Support Services:		
Students and Instruction Related	7,680,939.89	6,259,101.20
General Administration, School & Central Admin.	4,465,991.25	4,168,462.57
Maintenance of Facilities	6,475,865.79	5,703,194.47
Student Transportation	1,322,925.40	1,266,991.23
Other	1,788,982.54	1,788,982.54
Business-Type Activities	<u>1,308,011.35</u>	<u>(80,407.29)</u>
Total Net Cost of Services	<u>\$55,318,148.24</u>	<u>\$46,858,074.50</u>

Instruction expenses include activities directly dealing with the teaching of students and the interaction between teacher and student, including extracurricular activities. Tuition paid to other schools for regular and special education students is also included here.

Students and instruction related include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

**BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

General administration, school administration, and central services include expenses associated with administrative and financial management of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings and equipment in an effective operating condition.

Student transportation includes activities with the conveyance of special education students to and from school, school activities and athletic events, as provided by state law.

“Other” includes unallocated depreciation and interest on long term debt.

Business-Type activities include activities in the food service program and the adult community school program.

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$57,517,246.71 and expenditures were \$56,353,430.23.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management, which required significant budget adjustments to contend with state aid reductions. The following schedules, which do not include the Capital Project Fund's activity, present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2011, and the amount and percentage of increase or decrease in relation to prior year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase(Decrease) from FY 2010</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$28,312,039.50	49.59%	\$987,539.21	3.48%
State Sources	26,674,778.48	46.72%	3,483,274.40	13.74%
Federal Sources	2,107,219.70	3.69%	(3,747,654.54)	-253.42%
Total	<u>\$57,094,037.68</u>	<u>100.00%</u>	<u>\$723,159.07</u>	<u>1.31%</u>

**BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2011, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase(Decrease) from FY 2010</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$31,914,562.27	68.15%	(\$2,742,090.58)	-9.40%
Support Services	12,934,598.44	27.62%	(6,606,157.03)	-104.39%
Capital Outlay	490,682.40	1.05%	(437,715.26)	-826.39%
Debt Service	<u>1,490,095.74</u>	<u>3.18%</u>	<u>(863,947.06)</u>	<u>-137.98%</u>
Total	<u>\$46,829,938.85</u>	<u>100.00%</u>	<u>(\$10,649,909.93)</u>	<u>-19.79%</u>

**General Fund Budgeting Highlights**

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the Board of Education, when appropriate, approved budget transfers to keep accounts in balance. Transfers to the budget were made to accurately reflect expenditures according to state guidelines and prevent over-expenditures in specific line item accounts. These revisions bear notation:

- TPAF, which is the State's contribution to the pension fund, post-retirement benefits and the employer's share of FICA costs, is neither a revenue or expenditure item in the budget; however, the School District is required to present this information in the revenue and expenditure sections of the report.
- The Board of Education amended the 2010-2011 budget for additional extraordinary aid. Additionally, funds were transferred to capital outlay for transfer to the capital projects fund.

**BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

**Debt Administration**

At June 30, 2011, the District had \$16,044,834.67 of outstanding long-term liabilities. Of this amount, \$1,058,566.60 is for compensated absences; \$248,837.65 for capital leases; and \$14,737,430.42 of serial bonds for school construction, net of unamortized balances.

**Capital Assets**

At the end of the fiscal year 2011, the District had a net of \$47,156,572.95 invested in land and improvements, building and building improvements, and machinery and equipment. Table 4 shows fiscal year 2011 balances compared to 2010.

**Table 4  
Capital Assets (Net of Depreciation)**

	<u>2011</u>	<u>2010</u>
Governmental Activities Capital Assets, Net:		
Land and Improvements	\$365,461.88	\$378,210.49
Building and Building Improvements	45,665,388.48	44,147,743.59
Machinery and Equipment	<u>987,940.48</u>	<u>1,289,758.63</u>
Total Governmental Activities Capital Assets, Net	<u>47,018,790.84</u>	<u>45,815,712.71</u>
Business Type Activities Capital Assets, Net:		
Machinery and Equipment	<u>137,782.11</u>	<u>144,602.93</u>
Total Business Type Activities Capital Assets, Net:	<u>137,782.11</u>	<u>144,602.93</u>
Total Capital Assets, Net	<u>\$47,156,572.95</u>	<u>\$45,960,315.64</u>

Overall capital assets increased by \$1,196,257.31 from fiscal year 2010 to fiscal year 2011.

## **BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011 UNAUDITED**

#### **Negotiations**

The North Plainfield Board of Education was in labor negotiations for the 2010-2011. However, both the North Plainfield Education Association and the Board of Education were not able to conclude these discussions as of June 30, 2011.

It is anticipated that the 2011-2012 school year budget negotiations will continue and a settlement will be reached. Negotiations with the North Plainfield Education association for contract years 2011 through 2014 will be challenging given the hard cap on the increase in the local tax levy of only 2% and state aid anticipated to be flat for the next school year.

#### **For the Future**

The North Plainfield School District is currently in adequate financial condition. However, regulatory and labor climate continues to be a challenge adding additional administrative and operational burdens without state support for newly created initiatives. Case in point is the newly enacted Anti Bullying Laws requiring extensive and overreaching compliance issues costing the district scarce resources to support this effort. Additionally the increase in Charter Schools continues to put a financial burden on the tax payers of the community by adding directly to the expenses of the district to support these additional under regulated schools for very few students.

#### **Contacting the School District's Financial Management Office**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact Donald Sternberg, Business Administrator/Board Secretary, North Plainfield Board of Education, 33 Mountain Avenue, North Plainfield, NJ 07060. Also, please visit our website to learn more about our School District.

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2011

## DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2011

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$3,791,294.36	\$377,441.76	\$4,168,736.12
Investments	250,000.00		250,000.00
Receivables, net	1,416,233.36	53,943.86	1,470,177.22
Internal Balances	(208,454.51)	208,454.51	
Inventory		7,906.59	7,906.59
Restricted assets:			
Restricted cash and cash equivalents	167,474.72		167,474.72
Deferred Bond Issue Costs, net	75,697.22		75,697.22
Capital assets:			
Other capital assets, net of depreciation	47,018,790.84	137,782.11	47,156,572.95
Total Assets	<u>52,511,035.99</u>	<u>785,528.83</u>	<u>53,296,564.82</u>
LIABILITIES:			
Accounts payable	1,326,528.89	80,248.78	1,406,777.67
Temporary notes payable	250,000.00		250,000.00
Payable to state government	701.93		701.93
Deferred revenue	229,943.69	2,238.23	232,181.92
Accrued interest on bonds	305,631.09		305,631.09
Noncurrent liabilities:			
Due within one year	835,023.47		835,023.47
Due beyond one year	15,209,811.20		15,209,811.20
Total liabilities	<u>18,157,640.27</u>	<u>82,487.01</u>	<u>18,240,127.28</u>
NET ASSETS:			
Invested in capital assets, net of related debt	32,194,953.19	137,782.11	32,332,735.30
Restricted for:			
Capital projects	1,056,342.32		1,056,342.32
Debt service			
Other purposes	3,672,899.12		3,672,899.12
Unrestricted (Deficit)	<u>(2,570,798.91)</u>	<u>565,259.71</u>	<u>(2,005,539.20)</u>
Total net assets	<u>\$34,353,395.72</u>	<u>\$703,041.82</u>	<u>\$35,056,437.54</u>

See accompanying notes to financial statements.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 20,883,028.88		\$ 2,349,402.38		\$ (18,533,626.50)		\$ (18,533,626.50)
Special	7,702,098.92	\$ 18,400.00	1,801,870.43	\$ 31,250.00	(5,850,578.49)		(5,850,578.49)
Other Instruction	3,690,304.22		322,759.43		(3,367,544.79)		(3,367,544.79)
Support services:							
Student & instruction related services	7,680,939.89		1,421,838.69		(6,259,101.20)		(6,259,101.20)
General administrative services	1,574,014.18		71,058.59		(1,502,955.59)		(1,502,955.59)
School administrative services	2,442,050.64		191,206.49		(2,250,844.15)		(2,250,844.15)
Central services	434,797.70		35,263.60		(399,534.10)		(399,534.10)
Administration information technology	15,128.73				(15,128.73)		(15,128.73)
Plant operations and maintenance	6,475,865.79		349,462.29	423,209.03	(5,703,194.47)		(5,703,194.47)
Pupil transportation	1,322,925.40		55,934.17		(1,266,991.23)		(1,266,991.23)
Interest on Long-Term Debt	695,572.83				(695,572.83)		(695,572.83)
Unallocated depreciation and amortization	1,093,409.71				(1,093,409.71)		(1,093,409.71)
Total governmental activities	<u>54,010,136.89</u>	<u>18,400.00</u>	<u>6,598,796.07</u>	<u>454,459.03</u>	<u>(46,938,481.79)</u>		<u>(46,938,481.79)</u>
<b>Business-type activities</b>							
Food Service	1,307,736.35	497,376.42	890,883.47			\$ 80,523.54	80,523.54
Community School	275.00	158.75				(116.25)	(116.25)
Total business-type activities	<u>1,308,011.35</u>	<u>497,535.17</u>	<u>890,883.47</u>			<u>80,407.29</u>	<u>80,407.29</u>
Total primary government	<u>\$ 55,318,148.24</u>	<u>\$ 515,935.17</u>	<u>\$ 7,489,679.54</u>	<u>\$ 454,459.03</u>	<u>(46,938,481.79)</u>	<u>80,407.29</u>	<u>(46,858,074.50)</u>
<b>General Revenues:</b>							
Taxes:							
Property taxes, levied for general purposes, net					26,847,204.00		26,847,204.00
Taxes levied for debt service					1,366,174.00		1,366,174.00
Federal and state aid not restricted					22,162,577.01		22,162,577.01
Miscellaneous income					69,636.60		69,636.60
Disposal of capital asset (net)					(227,316.39)		(227,316.39)
Total general revenues and special items					<u>50,218,275.22</u>		<u>50,218,275.22</u>
Change in net assets					3,279,793.43	80,407.29	3,360,200.72
Net Assets - beginning					<u>31,073,602.29</u>	<u>622,634.53</u>	<u>31,696,236.82</u>
Net Assets ending					<u>\$ 34,353,395.72</u>	<u>\$ 703,041.82</u>	<u>\$ 35,056,437.54</u>

See accompanying notes to financial statements.

## **MAJOR FUND FINANCIAL STATEMENTS**

The Individual Fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 2,266,762.19		\$ 1,518,405.00	\$ 6,127.17	\$ 3,791,294.36
Investments	250,000.00				250,000.00
Cash, capital reserve	167,474.72				167,474.72
Accounts receivable:					
Federal		\$ 687,590.43			687,590.43
State	289,827.67	91,541.00	316,794.93		698,163.60
Interfunds	30,479.33		791,550.06		822,029.39
	<u>3,004,543.91</u>	<u>779,131.43</u>	<u>2,626,749.99</u>	<u>6,127.17</u>	<u>6,416,552.50</u>
<b>Total assets</b>					
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts payable	145,178.30	5,915.92	1,175,434.67		1,326,528.89
Temporary note payable			250,000.00		250,000.00
Interfund payable	248,101.65	751,902.92			1,000,004.57
Intergovernmental payables:					
State		701.93			701.93
Deferred revenue		84,970.69	144,973.00		229,943.69
	<u>393,279.95</u>	<u>843,491.46</u>	<u>1,570,407.67</u>		<u>2,807,179.08</u>
<b>Total liabilities</b>					
<b>Fund balances:</b>					
<b>Restricted for:</b>					
Capital reserve account	162,474.72				162,474.72
Excess surplus	3,039,291.71				3,039,291.71
Excess surplus - designated for subsequent year's expenditures	471,132.69				471,132.69
Committed for year-end encumbrances			1,073,082.55		1,073,082.55
Committed for Debt Service				358.17	358.17
Assigned for year-end encumbrances	158,982.31				158,982.31
Committed for subsequent years expenditures	0.31			5,769.00	5,769.31
<b>Unassigned:</b>					
General fund (deficit)	(1,220,617.78)				(1,220,617.78)
Special revenue fund (deficit)		(64,360.03)			(64,360.03)
Capital projects fund (deficit)			(16,740.23)		(16,740.23)
	<u>2,611,263.96</u>	<u>(64,360.03)</u>	<u>1,056,342.32</u>	<u>6,127.17</u>	<u>3,609,373.42</u>
<b>Total fund balances</b>					
<b>Total liabilities and fund balances</b>	<u>\$ 3,004,543.91</u>	<u>\$ 779,131.43</u>	<u>\$ 2,626,749.99</u>	<u>\$ 6,127.17</u>	<u>\$ 6,416,552.50</u>

See accompanying notes to financial statements.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

Total Fund Balances (Brought Forward)		\$3,609,373.42
<p>Amounts Reported for Governmental Activities in the Statement of Net Assets (A-1) are different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Cost of Assets	\$60,891,143.41	
Accumulated Depreciation	<u>(13,872,352.57)</u>	47,018,790.84
<p>Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
Serial bonds payable	(14,575,000.00)	
Original Issue Premium, net	(414,194.08)	
Deferred Amount on Refunding Bonds, net	251,763.66	
Bond Issue Costs, net	75,697.22	
Capital leases payable	(248,837.65)	
Compensated absences payable	<u>(1,058,566.60)</u>	(15,969,137.45)
<p>Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.</p>		
Accrued Interest Payable		<u>(305,631.09)</u>
Net Assets of Governmental Activities		<u><u>\$34,353,395.72</u></u>

See accompanying notes to financial statements.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 26,847,204.00			\$ 1,366,174.00	\$ 28,213,378.00
Interest earned on capital reserve funds	12.81				12.81
Miscellaneous	87,665.20	\$ 10,624.90		358.59	98,648.69
Total - local sources	26,934,882.01	10,624.90		1,366,532.59	28,312,039.50
State sources	25,914,961.06	759,817.42	\$ 423,209.03		27,097,987.51
Federal sources	55,758.90	2,051,460.80			2,107,219.70
Total revenues	52,905,601.97	2,821,903.12	423,209.03	1,366,532.59	57,517,246.71
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	20,728,129.69	594,243.99			21,322,373.68
Special instruction	6,250,782.08	1,275,778.73			7,526,560.81
Other instruction	3,065,627.78				3,065,627.78
Support services:					
Student & instruction related services	6,957,141.35	917,388.43			7,874,529.78
General administrative services	1,478,724.61				1,478,724.61
School administrative services	2,378,649.30				2,378,649.30
Central services	431,077.11				431,077.11
Administrative information technology	15,128.73				15,128.73
Plant operations and maintenance	6,529,304.36				6,529,304.36
Student transportation	1,314,184.55				1,314,184.55
Debt Service:					
Principal	105,385.41			750,000.00	855,385.41
Interest	13,050.33			621,660.00	634,710.33
Capital outlay	459,432.40	31,250.00	2,436,491.38		2,927,173.78
Total expenditures	49,726,617.70	2,818,661.15	2,436,491.38	1,371,660.00	56,353,430.23
Excess (deficiency) of revenues over (under) expenditures	3,178,984.27	3,241.97	(2,013,282.35)	(5,127.41)	1,163,816.48
Other financing sources (uses):					
Operating transfers in/out	(2,445,185.00)		2,445,185.00		
Capital leases (non-budgeted)	130,314.40				130,314.40
Total other financing sources	(2,314,870.60)		2,445,185.00		130,314.40
Net change in fund balances	864,113.67	3,241.97	431,902.65	(5,127.41)	1,294,130.88
Fund balances/(deficit), July 1, 2010	1,747,150.29	(67,602.00)	624,439.67	11,254.58	2,315,242.54
Fund balances/(deficit), June 30, 2011	\$ 2,611,263.96	\$ (64,360.03)	\$ 1,056,342.32	\$ 6,127.17	\$ 3,609,373.42

See accompanying notes to financial statements.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Total net change in fund balances - governmental funds (from B-2) \$ 1,294,130.88

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period

Depreciation expense	\$	(1,316,854.26)	
Capital outlays		2,927,173.78	
Less: Capital outlays not capitalized		(179,925.00)	
			1,430,394.52

Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Capital lease proceeds			(130,314.40)
Original Issue Premium on Refunding Bonds			39,478.07
Deferred Amount on Refunding Bond Payments to Escrow Agent			(23,996.34)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Payment of capital lease principle		105,385.41	
Payment of bond principle		750,000.00	
			855,385.41

Bond Issue costs are reported in the Governmental Funds as expenditures in the year the bonds are issued. However, on the Statement of Activities the costs are amortized over the life of the Bonds (7,214.93)

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (227,316.39)

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

Increase in accrued interest payable			(60,862.50)
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In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In 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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Decrease in compensated absences payable			110,109.11
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Change in net assets of governmental activities			\$ 3,279,793.43
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See accompanying notes to financial statements.

OTHER FUNDS

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
<b>ASSETS:</b>	
Current assets:	
Cash and cash equivalents	\$ 377,441.76
Accounts receivable:	
Federal	52,717.50
State	1,226.36
Interfunds	208,454.51
Inventories	<u>7,906.59</u>
Total current assets	<u>647,746.72</u>
Noncurrent assets:	
Furniture, machinery & equipment	326,758.21
Less accumulated depreciation	<u>(188,976.10)</u>
Total noncurrent assets	<u>137,782.11</u>
Total assets	<u>785,528.83</u>
<b>LIABILITIES:</b>	
Current liabilities:	
Accounts payable	80,248.78
Deferred revenue	<u>2,238.23</u>
Total current liabilities	<u>82,487.01</u>
Total liabilities	<u>82,487.01</u>
<b>NET ASSETS:</b>	
Invested in capital assets	137,782.11
Unrestricted	<u>565,259.71</u>
Total net assets	<u>\$ 703,041.82</u>

See accompanying notes to financial statements.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
<b>OPERATING REVENUES:</b>	
Charges for services:	
Daily sales	\$ 495,714.82
Miscellaneous	1,820.35
	497,535.17
Total operating revenues	497,535.17
<b>OPERATING EXPENSES:</b>	
Cost of sales	715,671.84
Salaries and employee benefits	499,102.08
Other Purchased services	22,145.00
Supplies and materials	6,360.14
Miscellaneous	46,111.47
Depreciation	18,620.82
	1,308,011.35
Total operating expenses	1,308,011.35
Operating loss	(810,476.18)
<b>NONOPERATING REVENUES:</b>	
State Sources	
State school lunch program	17,651.24
Federal Sources	
National school lunch program	710,392.02
National school breakfast program	75,111.48
National food distribution commodities	87,728.73
	890,883.47
Total nonoperating revenues	890,883.47
Change in net assets	80,407.29
Total net assets - beginning	622,634.53
Total net assets - ending	\$ 703,041.82

See accompanying notes to financial statements.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
Cash flows from operating activities:	
Receipts from customers	\$ 497,535.17
Payments to employees and employee benefits	(505,556.58)
Payments to suppliers	<u>(703,894.20)</u>
Net cash provided by (used for) operating activities	<u>(711,915.61)</u>
Cash flows from noncapital financing activities:	
State Sources	19,322.96
Federal Sources	795,211.34
Interfund Transactions	<u>(81,804.19)</u>
Net cash provided by noncapital financing activities:	<u>732,730.11</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	<u>(11,800.00)</u>
Net cash provided by (used for) capital and related financing activities	<u>(11,800.00)</u>
Net decrease in cash and cash equivalents	9,014.50
Cash and cash equivalents, July 1, 2010	<u>368,427.26</u>
Cash and cash equivalents, June 30, 2011	<u>\$ 377,441.76</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ (810,476.18)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation and net amortization	18,620.82
National food distribution commodities	87,728.73
Change in assets and liabilities:	
(Increase) decrease in inventories	4,026.79
Increase (decrease) in deferred revenue	(1,796.97)
Increase (decrease) in accounts payable	<u>(10,018.80)</u>
	<u>98,560.57</u>
Net cash provided by (used for) operating activities	<u>\$ (711,915.61)</u>

See accompanying notes to financial statements.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>AGENCY FUNDS</u>	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>DEFIBULATOR TRUST FUND</u>	<u>PRIVATE PURPOSE SCHOLARSHIP FUNDS</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 593,564.86	\$ 119,646.05	\$ 1,024.27	\$ 8,139.33
<b>Total assets</b>	<u>593,564.86</u>	<u>119,646.05</u>	<u>1,024.27</u>	<u>8,139.33</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	30,001.23			
Summer Pay	410,997.70			
Due to student groups	122,086.60			
Interfund	<u>30,479.33</u>			
<b>Total liabilities</b>	<u>\$ 593,564.86</u>			
<b>NET ASSETS:</b>				
Held in trust for unemployment claims and other purposes		<u>119,646.05</u>	<u>1,024.27</u>	<u>8,139.33</u>
<b>Total net assets</b>		<u>\$ 119,646.05</u>	<u>\$ 1,024.27</u>	<u>\$ 8,139.33</u>

See accompanying notes to financial statements.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRIVATE PURPOSE SCHOLARSHIP FUNDS</u>	<u>DEFIBULATOR TRUST FUND</u>	<u>UNEMPLOYMENT COMPENSATION TRUST</u>
<b>ADDITIONS:</b>			
Contributions:			
Other			\$ 358,268.10
Total contributions			358,268.10
Investment earnings:			
Interest earned	\$ 33.44	\$ 3.97	564.83
Net investment earnings	33.44	3.97	564.83
Total additions	33.44	3.97	358,832.93
<b>DEDUCTIONS:</b>			
Other purposes	500.00		
Unemployment claims			392,707.37
Total deductions	500.00		392,707.37
Change in net assets	(466.56)	3.97	(33,874.44)
Net assets beginning of year	8,605.89	1,020.30	153,520.49
Net assets end of year	\$ 8,139.33	\$ 1,024.27	\$ 119,646.05

See accompanying notes to financial statements.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the North Plainfield School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below:

**Reporting Entity**

The School District is a Type II District located in Somerset County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The North Plainfield School District is governed by a seven member board, which is the primary governing authority of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discretely presented as component units:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. The financial statements include all funds of the District over which the Board exercises operating control.

The operations of the District include pre-kindergarten through high school education, along with an adult education program. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation**

The District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

*District-wide Statements:* The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activities of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

*Fund Financial Statements:* During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements are presented for each fund category—governmental, proprietary, and fiduciary. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE as the oversight entity believes that the presentation of all funds as major is important for the public interest and to promote consistency among District financial reporting models.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Funds**

**General Fund** The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non instructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. U.S. Generally Accepted Accounting Principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to the current expense by Board resolution; in certain instances approval by the County Superintendent of Schools may also be required.

**Special Revenue Fund** The special revenue fund is used to account for the proceeds of specific revenue sources from State and Federal Government (other than those for major capital projects, debt service or proprietary funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Funds** The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Debt Service Fund** The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on debt issued to finance major property acquisition, construction and improvement programs.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Proprietary Funds**

**Enterprise Fund** The enterprise fund accounts for all revenues and expenses pertaining to the District's Food Service and Community School program operations. These funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (*i.e.* expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

**Fiduciary Funds**

**Agency Funds** The agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District. The agency funds included are as follows:

**Payroll and Student Activities Funds** These are agency funds used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

**Private Purpose Trust Funds** These trust funds are used to account for assets donated by individuals that will provide for the payment of awards and other purposes.

**Unemployment Insurance Trust Funds** An expendable trust fund used to account for unemployment compensation claims as they arise.

**Basis of Accounting-Measurement Focus**

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting-Measurement Focus (Continued)**

**District-wide, Proprietary, and Fiduciary Fund Financial Statements:**

The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation for expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Governmental Fund Financial Statements:** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Account Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts 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. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2011 totaled \$163,151.50, representing the balance of June 30, 2010 general fund encumbrances and additional extraordinary aid.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of deferred State Aid payments for budgetary purposes only and the accounting treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration in 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 recognized 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 records.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Encumbrance Accounting**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditures 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 reservations of 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.

Open encumbrances in the special revenue and capital project funds for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**Interfunds**

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available expendable resources.

**Inventories and Prepaid Expenses**

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures in the year of purchase.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and a estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

	<b>Estimated</b>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & computer equipment	5-10
Instructional equipment	10
Grounds equipment	15

**Compensated Absences**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and/or collective bargaining unit contracts. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave and vacation days that are expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences (Continued)**

For the district-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

**Deferred Revenue**

Deferred revenue in the special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is an allowable practice under generally accepted accounting principles.

**Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the district-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long term debt is recognized as a liability on the fund financial statements when due.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Reserves**

In fiscal year 2011, the District implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement modifies fund balance reporting and clarifies fund type definitions. This new Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently. The restricted fund balance classification includes amounts that are subject to externally enforceable legal restriction such as by constitutional provision, enabling legislation or other government imposed restrictions. The committed fund balance classification includes amounts constrained for a specific purpose by a government using its highest decision-making authority. The assigned fund balance classification includes amounts for all funds, other than the general fund with any remaining positive balances not already classified as restricted or committed. For the general fund, amounts constrained with the intent to be used for a specific purpose by the governing board or an official delegated authority by the board. The unassigned fund balance classification includes for the general fund, amounts not classified as restricted, committed or assigned. The general fund is the only fund that will report a positive unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned. Fund balance restrictions have been established for excess surplus, excess surplus-designated for subsequent year's expenditures and tuition reserve.

**Revenues Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means within sixty days of the fiscal year end.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues Exchange and Non-exchange Transactions(Continued)**

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales and program fees in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Allocation of Indirect Expenses**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities.

**Extraordinary and Special Items**

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**Management Estimates**

The preparation of financial statements in conformity with GAAP requires management to make assumptions that affect the amounts reported as revenue and expenditures/expenses during the reporting period. These estimates may differ from actual results.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS**

The District considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

**Deposits**

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

*Custodial Credit Risk- Deposits* – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2011, based upon the coverage provided by FDIC and NJGUDPA, \$349,735.78 of cash equivalents was exposed to custodial credit risk. Of the \$6,168,426.32 cash and cash equivalents on deposit, \$251,024.87 was covered by Federal Depository Insurance, \$5,567,665.67 was covered under the provisions of NJGUDPA and \$349,735.78 was uninsured, collateralized on deposit in government money market mutual funds.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Deposits (Continued)**

As of June 30, 2011, cash and cash equivalents of the District consisted of the following:

<b>Fund Type:</b>	<b>Bank Balance</b>	<b>Reconciling Items:</b>		<b>Reconciled Balance</b>
		<b>Additions</b>	<b>Deletions</b>	
Governmental	\$4,866,179.62	\$2,917.60	\$910,328.14	\$3,958,769.08
Proprietary	378,601.90	0.00	1,160.14	377,441.76
Fiduciary	923,644.80	0.00	201,270.29	722,374.51
	<u>\$6,168,426.32</u>	<u>\$2,917.60</u>	<u>\$1,112,758.57</u>	<u>\$5,058,585.35</u>

**Investments**

The types of investments which may be purchased by the District are strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. These funds are also required to be rated by a nationally recognized statistical rating organization.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

3. 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 obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. 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); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

At June 30, 2011, the District had no outstanding investments that were not considered "cash equivalents".

Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 3: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Transfers/ Deletions	Ending Balance
Governmental Activities:				
Site improvements	\$819,041.48	\$11,650.00		\$830,691.48
Buildings & Building Improvements	53,705,737.84	2,591,491.38	(\$31,810.14)	56,265,419.08
Machinery & Equipment	3,999,726.70	144,107.40	(348,801.25)	3,795,032.85
Totals at historical cost	<u>58,524,506.02</u>	<u>2,747,248.78</u>	<u>(380,611.39)</u>	<u>60,891,143.41</u>
Gross Assets (Memo only)	<u>58,524,506.02</u>	<u>2,747,248.78</u>	<u>(380,611.39)</u>	<u>60,891,143.41</u>
Less: Accumulated Depreciation				
Site improvements	(440,830.99)	(24,398.61)		(465,229.60)
Buildings & Building Improvements	(9,557,994.25)	(1,042,036.35)		(10,600,030.60)
Machinery & Equipment	(2,709,968.07)	(250,419.30)	153,295.00	(2,807,092.37)
Total Depreciation	<u>(12,708,793.31)</u>	<u>(1,316,854.26)</u>	<u>153,295.00</u>	<u>(13,872,352.57)</u>
Total capital assets being depreciated, net of depreciation	<u>45,815,712.71</u>	<u>1,430,394.52</u>	<u>(227,316.39)</u>	<u>47,018,790.84</u>
Total Governmental Fund Activities	<u>\$45,815,712.71</u>	<u>\$1,430,394.52</u>	<u>(\$227,316.39)</u>	<u>\$47,018,790.84</u>
Proprietary Activities:				
Machinery & Equipment	\$314,958.21	\$11,800.00	\$0.00	\$326,758.21
Totals at historical cost	<u>314,958.21</u>	<u>11,800.00</u>	<u>0.00</u>	<u>326,758.21</u>
Less: Accumulated Depreciation				
Machinery & Equipment	(170,355.28)	(18,620.82)		(188,976.10)
Total Depreciation	<u>(170,355.28)</u>	<u>(18,620.82)</u>	<u>0.00</u>	<u>(188,976.10)</u>
Total Proprietary Fund Activities	<u>\$144,602.93</u>	<u>(\$6,820.82)</u>	<u>\$0.00</u>	<u>\$137,782.11</u>

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 3: CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functional expenses areas of the District as follows:

Instruction:	
Regular	\$147,961.08
Support services:	
School administrative services	43,765.00
Plant operations and maintainance	8,286.04
Pupil transportation	15,165.63
Direct Expense of various functions	<u>1,101,676.51</u>
	<u><u>\$1,316,854.26</u></u>

**NOTE 4: LONG-TERM DEBT**

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 4: LONG-TERM DEBT (CONTINUED)**

**Debt Capacity**

Under New Jersey Statutes the District may incur debt in an amount not to exceed 4% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2011, the District borrowing capacity under N.J.S. 18A:24-19 is as follows:

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2010	\$1,776,852,786
2009	1,832,489,635
2008	1,927,676,891
	<u>\$5,537,019,312</u>
 Average equalized valuation	 <u>\$1,845,673,104</u>
 School borrowing margin (4% of \$1,845,673,104)	  \$73,826,924
Net school debt as of June 30, 2011	<u>14,575,000</u>
 School borrowing power available	 <u>\$59,251,924</u>

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 4: LONG-TERM DEBT (CONTINUED)**

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2011:

	Bonds Payable	Original Issue Premium	Deferred Amount on Refunding	Capital Leases Payable	Compensated Absences Payable	Total
Balance June 30, 2010	\$15,325,000.00	\$453,672.15	(\$275,760.00)	\$223,908.66	\$1,168,675.71	\$16,895,496.52
Additions				130,314.40		130,314.40
Reductions	<u>(750,000.00)</u>	<u>(39,478.07)</u>	<u>23,996.34</u>	<u>(105,385.41)</u>	<u>(110,109.11)</u>	<u>(980,976.25)</u>
Balance June 30, 2011	<u>\$14,575,000.00</u>	<u>\$414,194.08</u>	<u>(\$251,763.66)</u>	<u>\$248,837.65</u>	<u>\$1,058,566.60</u>	<u>\$16,044,834.67</u>
Amounts due within						
one year	<u>\$780,000.00</u>			<u>\$55,023.47</u>		<u>\$835,023.47</u>

**Debt Service Requirements:**

The annual requirements to amortize all debt outstanding as of June 30, 2011, including interest payments on issued debt, are as follows:

Fiscal Year June 30,	Principal	Interest	Total
FY2012	\$780,000.00	\$583,368.76	\$1,363,368.76
FY2013	770,000.00	555,168.76	1,325,168.76
FY2014	800,000.00	525,556.26	1,325,556.26
FY2015	800,000.00	489,731.26	1,289,731.26
FY2016	815,000.00	455,518.76	1,270,518.76
FY2017	830,000.00	420,643.76	1,250,643.76
FY2018	845,000.00	383,156.26	1,228,156.26
FY2019	910,000.00	346,043.76	1,256,043.76
FY2020	940,000.00	309,043.76	1,249,043.76
FY2021	985,000.00	270,543.76	1,255,543.76
FY2022	1,020,000.00	230,443.76	1,250,443.76
FY2023	1,025,000.00	189,031.26	1,214,031.26
FY2024	1,025,000.00	146,878.13	1,171,878.13
FY2025	1,020,000.00	104,700.00	1,124,700.00
FY2026	1,010,000.00	62,831.25	1,072,831.25
FY2027	<u>1,000,000.00</u>	<u>21,000.00</u>	<u>1,021,000.00</u>
	<u>\$14,575,000.00</u>	<u>\$5,093,659.50</u>	<u>\$19,668,659.50</u>

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 4: LONG-TERM DEBT (CONTINUED)**

General obligation school and refunding bonds payable with their outstanding balances are comprised of the following individual issues:

<u>Issue</u>	<u>Amount Outstanding June 30, 2011</u>
\$19,797,000.00 in 2001 General Obligation Bonds due in a remaining annual installment of \$750,000.00 ending August 15, 2011 with interest at 4.25%	\$750,000.00
\$9,375,000.00 in 2006 Refunding Bonds due in remaining annual installments ranging between \$30,000.00 and \$1,025,000.00 beginning August 15, 2011 and ending August 15, 2026 with interest at 3.75% to 4.2%	9,180,000.00
\$4,645,000.00 in 2010 Refunding Bonds due in remaining annual installments ranging between \$740,000.00 and \$805,000.00 beginning August 15, 2012 and ending August 15, 2017 with interest at 3.0% to 4.5%	<u>4,645,000.00</u>
	<u>\$14,575,000.00</u>

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 4: LONG-TERM DEBT (CONTINUED)**

**Capital Leases Payable**

The District is leasing communications and copier equipment under capital leases. The capital leases are for terms up to five years. The following is a schedule of the future minimum lease payments under the capital leases and the present value of the net minimum lease payments at June 30, 2011:

Fiscal Year Ended	<u>Amount</u>
<u>June 30,</u>	
2012	\$60,750.76
2013	89,593.25
2014	89,593.25
2015	<u>28,842.49</u>
Total Minimum Lease Payments	268,779.75
Less: Amount Representing Interest	<u>(19,942.10)</u>
Present Value of Lease Payments	<u><u>\$248,837.65</u></u>

**Advanced Refunding of Debt**

On February 2, 2011, the District issued \$4,645,000 principal amount School District Refunding Bonds have interest rates of 3.00% to 4.50%. These bonds were issued to advance refund certain principal maturities and certain interest payments of the District's series 2001 school bonds. The total bond principal defeased was \$4,740,000 and the total interest payments defeased was \$430,295. The net proceeds of \$5,015,760 (after payment of issuance costs) were used to purchase U.S. Government Securities. The securities were deposited with an escrow agent in an irrevocable trust to provide for all future debt service payments; therefore, the advance refunding met the requirements of an in-substance debt defeasance and the refunded bond liability was removed from the statement of net assets of the governmental activities. The reacquisition price exceeded the net carrying amount of the old debt by \$275,760. This amount is being netted against the new debt and will be amortized over the remaining life of the old debt. The advance refunding was undertaken to reduce total debt service payments over the next six years by \$282,179.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 5: PENSION PLANS**

**Description of Plans** All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund (TPAF)** The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Public Employees' Retirement System (PERS)** The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provision of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state administered retirement system or other state or local jurisdiction.

**Vesting and Benefit Provisions** The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years).

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Vesting and Benefit Provisions (Continued)** Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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.

**Significant Legislation** Chapter 89- P.L. 2008 - Members of either system who became members before July 1, 2007 may retire at age 55 years with 25 years of service or at age 60 with any number of years of service without a reduction in the amount of retirement allowance the members' receive. There is a reduction in such an allowance if the member is under 55 with 25 years of service. There is also a reduction in an allowance for members of either system who became members on or after July 1, 2007 and who retire between age 55 and 60 years with 25 or more years of service.

**Contribution Requirements** The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS currently provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e. the State of new Jersey makes the employer contribution on behalf of public school districts.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 5: PENSION PLANS (CONTINUED)**

Three Year Trend Information for PERS

Year Ended <u>June 30,</u>	Annual Pension Cost <u>(APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
2011	\$601,688.00	100%	\$601,688.00
2010	419,301.00	100%	419,301.00
2009	363,558.00	100%	363,558.00

During the fiscal years ended June 30, 2011, 2010 and 2009, the State of New Jersey did not contribute to the TPAF pension system on behalf of the District.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,706,359.06 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 6: OTHER POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2010 there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The state is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2011, 2010 and 2009 were, \$1,542,018, \$1,426,523 and \$1,384,749 respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 7: LITIGATION**

The District's counsel advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the School District and which might materially affect the District's financial position, except as described below.

The District is involved in litigation regarding its school facilities construction project. The District is involved in suits and countersuits involving its general contractor and sub-contractors. Each of these various parties has alleged damages due to design, construction, delays, etc. The District's construction counsel has advised that the amount of recovery, if any which the District may receive and the amount of damages, if any for which the District may be liable, cannot presently be estimated.

**NOTE 8: CONTINGENCIES**

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2010-2011 fiscal year were subject to the U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$500,000. Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 9: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** The District maintains insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

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

Year Ended <u>June 30,</u>	Interest <u>Earnings</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2011	\$564.83	\$358,268.10	\$392,707.37	\$119,646.05
2010	1,267.29	64,238.03	79,313.55	153,520.49
2009	2,502.68	68,477.87	33,098.13	167,328.72

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 10: COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g. unused vacation and sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net assets. As of June 30, 2011, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Assets of \$1,058,566.60.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011 no liability existed for compensated absences in the proprietary funds.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

**NOTE 11: FUND BALANCE APPROPRIATED**

**General Fund** Of the \$2,611,263.96 in General Fund Balance at June 30, 2011, \$158,982.31 has been assigned for encumbrances; \$162,474.72 has been restricted in the Capital Reserve account and \$3,510,424.40 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7. \$471,132.69 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2011.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 12: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS**

**Calculation of Excess Surplus** In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance- Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent year's budget. The excess fund balance at June 30, 2011 is \$3,510,424.45, consisting of \$471,132.74 from June 30, 2010 and \$3,039,291.71 from June 30, 2011 as calculated below.

**EXCESS SURPLUS CALCULATION**

**Section 1- 2% Calculation of Excess Surplus**

Adjusted 2010-11 General Fund Expenditures	<u>\$48,720,511.24</u>
2% of Adjusted 2010-11 General Fund Expenditures	<u>\$974,410.22</u>
Greater of 2% or \$250,000	974,410.22
Increased by: Allowable Adjustment	<u>0.00</u>
Maximum Unassigned Fund Balance	<u>\$ 974,410.22</u>

**Section 2**

Total General Fund Balances at June 30, 2011 (Ex C-1)	<u>\$4,806,291.96</u>
Decreased by:	
Assigned Year-End Encumbrances	158,982.31
Legally Restricted- Designated for Subsequent Year's Expenditures	0.31
Excess Surplus- Designated for Subsequent Year's Expenditures	471,132.69
Other Restricted Fund Balances	<u>162,474.72</u>
	<u>792,590.03</u>
Total Unassigned Fund Balance	<u>\$4,013,701.93</u>

**Section 3**

Restricted Fund Balance- Excess Surplus	<u>\$3,039,291.71</u>
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**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 12: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS (CONTINUED)**

Based on the above calculation, as of June 30, 2011 \$471,132.69 is reported as Reserved Fund Balance-Excess Surplus Designated for Subsequent Year's Expenditure and was required to be appropriated for property tax relief in the 2011-12 budget. \$3,039,291.71 is reported as Reserved Fund Balance- Excess Surplus and is required to be appropriated for property tax relief in the 2012-13 budget.

**NOTE 13: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2011:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$30,479.33	\$248,101.65
Special Revenue Fund		751,902.92
Capital Projects Fund	791,550.06	
Enterprise Funds	208,454.51	
Fiduciary Funds		30,479.33
	<u>\$1,030,483.90</u>	<u>\$1,030,483.90</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 14: CAPITAL RESERVE ACCOUNT**

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department of Education, 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 (June 1 to June 30) of any unanticipated revenue or unexpended line item appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special election dates authorized by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve during the year ended June 30, 2011, is as follows:

Balance, July 1, 2010	\$167,461.91
Interest Earnings	12.81
Deposits:	
Board Resolution dated 6/15/11	<u>150,000.00</u>
	\$317,474.72
Withdrawals:	
Approval at April 2010 Election	<u>(155,000.00)</u>
Balance, June 30, 2011	<u>\$162,474.72</u>

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 15: DEFICIT FUND BALANCE**

The District has a deficit of unassigned fund balance of \$1,220,617.78 in the General Fund and \$64,360.03 in the Special Revenue Fund as of June 30, 2011 as reported in the GAAP fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, *i.e.*, if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the delayed state aid payments in the subsequent fiscal year, the school district cannot recognize the delayed state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the delayed state aid payments, the General Fund and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a result from a delay in state aid payments until the following fiscal year, is not considered a violation of New Jersey statute. The deficit in the General Fund and Special Revenue Fund is equal to or less than the delayed state aid payment and; therefore, no violation of new Jersey Statute or regulation exists; nor is there a need for corrective action.

**NOTE 16: INVENTORY**

Inventory in the Food Service Fund at June 30, 2011 consisted of the following:

Food and Supplies	<u>\$7,906.59</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**North Plainfield School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2011**

**NOTE 17: DEFERRED COMPENSATION**

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2011.

**REQUIRED SUPPLEMENTARY INFORMATION – Part II**

**BUDGETARY COMPARISON SCHEDULES**

NORTH PLAINFIELD BOARD OF EDUCATION  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>REVENUES:</b>					
<b>Local sources:</b>					
Local tax levy	\$ 26,847,204.00		\$ 26,847,204.00	\$ 26,847,204.00	
Interest earned on capital reserve funds				12.81	\$ 12.81
Miscellaneous	40,000.00		40,000.00	87,665.20	47,665.20
<b>Total-local sources</b>	<b>26,887,204.00</b>		<b>26,887,204.00</b>	<b>26,934,882.01</b>	<b>47,678.01</b>
<b>State sources:</b>					
Equalization Aid	20,222,370.00		20,222,370.00	20,222,370.00	
Special education aid	1,891,566.00		1,891,566.00	1,891,566.00	
Extraordinary aid	100,002.00	\$ 105,185.00	205,187.00	205,187.00	
On-behalf TPAF Non-contributory Insurance (non-budgeted)				72,600.00	72,600.00
On-behalf TPAF Post retirement medical (non-budgeted)				1,542,018.00	1,542,018.00
Reimbursed TPAF social security contributions (non-budgeted)				1,706,359.06	1,706,359.06
<b>Total - state sources</b>	<b>22,213,938.00</b>	<b>105,185.00</b>	<b>22,319,123.00</b>	<b>25,640,100.06</b>	<b>3,320,977.06</b>
<b>Federal sources:</b>					
Special education medicaid initiative (SEMI)	42,511.00		42,511.00	55,758.90	13,247.90
<b>Total - federal sources</b>	<b>42,511.00</b>		<b>42,511.00</b>	<b>55,758.90</b>	<b>13,247.90</b>
<b>Total revenues</b>	<b>49,143,653.00</b>	<b>105,185.00</b>	<b>49,248,838.00</b>	<b>52,630,740.97</b>	<b>3,381,902.97</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
<b>Instruction - regular programs:</b>					
<b>Salaries of teachers:</b>					
Preschool/kindergarten	741,803.00	22,002.28	763,805.28	757,224.03	6,581.25
Grades 1-5	4,488,223.00	(226,756.62)	4,261,466.38	4,226,514.11	34,952.27
Grades 6-8	3,546,590.00	121,694.58	3,668,284.58	3,641,840.29	26,444.29
Grades 9-12	4,343,207.00	122,659.54	4,465,866.54	4,465,866.54	
<b>Regular programs - home instruction:</b>					
Salaries of teachers	35,000.00	11,396.12	46,396.12	46,396.12	
Purchased professional educational services	40,000.00		40,000.00	35,355.39	4,644.61
<b>Regular programs - undistributed instruction:</b>					
Other salaries for instruction	728,558.00	(104,597.66)	623,960.34	611,900.70	12,059.64
Purchased professional - educational services	10,765.00		10,765.00	1,153.00	9,612.00
Purchased technical services	171,830.00	(19,240.00)	152,590.00	127,479.60	25,110.40
Other purchased services (400 - 500 series)	15,150.00	750.00	15,900.00	10,224.94	5,675.06
General supplies	406,900.00	(30.76)	406,869.24	308,098.91	98,770.33
Textbooks	260,000.00	(10,000.00)	250,000.00	191,395.66	58,604.34
Other objects	20,500.00		20,500.00	1,870.34	18,629.66
<b>Total regular programs</b>	<b>14,808,526.00</b>	<b>(82,122.52)</b>	<b>14,726,403.48</b>	<b>14,425,319.63</b>	<b>301,083.85</b>
<b>Learning and/or language disabilities:</b>					
Salaries of teachers	290,588.00	(20,000.00)	270,588.00	261,152.22	9,435.78
General supplies	7,000.00		7,000.00	2,768.02	4,231.98
Textbooks	1,000.00		1,000.00		1,000.00
<b>Total neurologically impaired</b>	<b>298,588.00</b>	<b>(20,000.00)</b>	<b>278,588.00</b>	<b>263,920.24</b>	<b>14,667.76</b>
<b>Resource room:</b>					
Salaries of teachers	2,657,400.00	(236,386.52)	2,421,013.48	2,403,230.40	17,783.08
General supplies	15,000.00		15,000.00	9,878.68	5,121.32
Textbooks	2,000.00		2,000.00	1,195.64	804.36
<b>Total resource room</b>	<b>2,674,400.00</b>	<b>(236,386.52)</b>	<b>2,438,013.48</b>	<b>2,414,304.72</b>	<b>23,708.76</b>
<b>Preschool handicapped - full-time:</b>					
Purchased professional - educational services	55,000.00	(9,044.51)	45,955.49	28,248.50	17,706.99
General supplies	1,000.00		1,000.00	886.30	113.70
<b>Total preschool handicapped - full time</b>	<b>56,000.00</b>	<b>(9,044.51)</b>	<b>46,955.49</b>	<b>29,134.80</b>	<b>17,820.69</b>
<b>Total special education</b>	<b>3,028,988.00</b>	<b>(265,431.03)</b>	<b>2,763,556.97</b>	<b>2,707,359.76</b>	<b>56,197.21</b>
<b>Basic skills/remedial:</b>					
Salaries of teachers	863,275.00	81,232.17	944,507.17	944,507.17	
General supplies	3,200.00		3,200.00	3,070.00	130.00
Textbooks	3,000.00		3,000.00	2,906.53	93.47
<b>Total basic skills/remedial</b>	<b>869,475.00</b>	<b>81,232.17</b>	<b>950,707.17</b>	<b>950,483.70</b>	<b>223.47</b>

NORTH PLAINFIELD BOARD OF EDUCATION  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Bilingual education:					
Salaries of teachers	\$ 679,470.00	\$ 56,565.60	\$ 736,035.60	\$ 736,035.60	\$
General supplies	4,500.00		4,500.00	3,641.22	858.78
Textbooks	2,200.00		2,200.00	2,149.50	50.50
Total bilingual education	<u>686,170.00</u>	<u>56,565.60</u>	<u>742,735.60</u>	<u>741,826.32</u>	<u>909.28</u>
School sponsored cocurricular activities:					
Salaries	99,801.00	8,744.51	108,545.51	103,512.63	5,032.88
Purchased Services		15,000.00	15,000.00	14,317.00	683.00
General Supplies	32,000.00	2,300.00	34,300.00	18,292.17	16,007.83
Total school sponsored cocurricular activities	<u>131,801.00</u>	<u>26,044.51</u>	<u>157,845.51</u>	<u>136,121.80</u>	<u>21,723.71</u>
School sponsored athletics:					
Salaries	265,359.00	4,000.00	269,359.00	268,741.05	617.95
Purchased services (300 - 500 series)	142,700.00	10,301.47	153,001.47	140,028.55	12,972.92
Supplies and materials	67,000.00		67,000.00	60,164.88	6,835.12
Total school sponsored athletics	<u>475,059.00</u>	<u>14,301.47</u>	<u>489,360.47</u>	<u>468,934.48</u>	<u>20,425.99</u>
Summer School Instruction					
Salaries	10,000.00	41,278.84	51,278.84	51,278.84	
	<u>10,000.00</u>	<u>41,278.84</u>	<u>51,278.84</u>	<u>51,278.84</u>	
Total other instructional programs	<u>2,172,505.00</u>	<u>219,422.59</u>	<u>2,391,927.59</u>	<u>2,348,645.14</u>	<u>43,282.45</u>
Total - instruction	<u>20,010,019.00</u>	<u>(128,130.96)</u>	<u>19,881,888.04</u>	<u>19,481,324.53</u>	<u>400,563.51</u>
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular	384,462.00	(207,853.00)	176,609.00	61,793.36	114,815.64
Tuition to other LEA's within the state-special	885,180.00		885,180.00	585,197.37	299,982.63
Tuition to county vocational school district-regular	29,604.00		29,604.00	17,500.00	12,104.00
Tuition to CSSD & Reg. Day School	46,527.00		46,527.00		46,527.00
Tuition to private schools for the handicapped w/in state	2,404,006.00	150,000.00	2,554,006.00	1,665,017.20	888,988.80
Tuition-state facilities	22,199.00		22,199.00	22,199.00	
Total undistributed expenditures - instruction	<u>3,771,978.00</u>	<u>(57,853.00)</u>	<u>3,714,125.00</u>	<u>2,351,706.93</u>	<u>1,362,418.07</u>
Attendance and social work services:					
Salaries	67,788.00	7,775.00	75,563.00	60,075.75	15,487.25
Total attendance and social work services	<u>67,788.00</u>	<u>7,775.00</u>	<u>75,563.00</u>	<u>60,075.75</u>	<u>15,487.25</u>
Health services:					
Salaries	529,709.00		529,709.00	525,005.00	4,704.00
Purchased professional and technical services	10,500.00	(1,400.00)	9,100.00	5,482.00	3,618.00
Supplies and materials	8,000.00		8,000.00	7,849.12	150.88
Other objects	8,000.00	1,400.00	9,400.00	9,355.88	44.12
Total health services	<u>556,209.00</u>	<u>1,400.00</u>	<u>556,209.00</u>	<u>547,692.00</u>	<u>8,517.00</u>
Other support services - speech, ot/pt & related services:					
Salaries	271,590.00	(7,775.00)	263,815.00	186,564.43	77,250.57
Purchased professional - educational services	130,000.00		130,000.00	130,000.00	
Supplies and materials	3,500.00		3,500.00	3,467.84	32.16
Total other support services - speech, ot/pt & related services	<u>405,090.00</u>	<u>(7,775.00)</u>	<u>397,315.00</u>	<u>320,032.27</u>	<u>77,282.73</u>
Other support services - students - extra services					
Purchased professional - educational services	250,000.00		250,000.00	249,953.00	47.00
Total other support services - students - extra services	<u>250,000.00</u>		<u>250,000.00</u>	<u>249,953.00</u>	<u>47.00</u>
Guidance:					
Salaries of other professional staff	869,998.00		869,998.00	867,521.90	2,476.10
Salaries of secretarial and clerical assistants	102,000.00	4,152.61	106,152.61	106,152.61	
Other objects	500.00		500.00		500.00
Total guidance	<u>972,498.00</u>	<u>4,152.61</u>	<u>976,650.61</u>	<u>973,674.51</u>	<u>2,976.10</u>
Child Study Teams					
Salaries of other professional staff	1,108,253.00	(55,025.96)	1,053,227.04	1,046,391.24	6,835.80
Salaries of secretarial and clerical assistants	153,200.00	787.42	153,987.42	153,987.42	
Purchased professional - educational services	40,000.00	850.00	40,850.00	40,491.00	359.00
Supplies and materials	15,000.00	85.93	15,085.93	15,085.93	
Other objects	3,000.00		3,000.00	1,948.96	1,051.04
Total child study teams	<u>1,319,453.00</u>	<u>(53,302.61)</u>	<u>1,266,150.39</u>	<u>1,257,904.55</u>	<u>8,245.84</u>

NORTH PLAINFIELD BOARD OF EDUCATION  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Improvement of instruction services/ other support services-instructional staff:					
Salaries of supervisors of instruction	\$ 894,923.00	\$ (271,421.03)	\$ 623,501.97	\$ 623,501.97	
Salaries of other professional staff	190,000.00	(94,894.73)	95,105.27	64,946.96	\$ 30,158.31
Salaries of secretarial and clerical assistants	254,400.00	28,910.20	283,310.20	283,310.20	
Total improvement of instruction services/ other support services-instructional staff	<u>1,339,323.00</u>	<u>(337,405.56)</u>	<u>1,001,917.44</u>	<u>971,759.13</u>	<u>30,158.31</u>
Educational media services/school library:					
Salaries	416,390.00	(936.00)	415,454.00	407,186.92	8,267.08
Salaries of Technological Coordinators	185,355.00	2,556.44	187,911.44	187,911.44	
Other purchased services (400 - 500 series)	71,100.00	(1,620.44)	69,479.56	37,995.32	31,484.24
Supplies and materials	109,400.00		109,400.00	91,077.69	18,322.31
Other objects	14,610.00		14,610.00	14,113.17	496.83
Total educational media services/school library	<u>796,855.00</u>	<u></u>	<u>796,855.00</u>	<u>738,264.54</u>	<u>58,570.46</u>
Instructional staff training services:					
Salaries of supervisors of instruction	48,000.00		48,000.00		48,000.00
Salaries of secretarial and clerical assistants	3,200.00		3,200.00		3,200.00
Other purchased professional - educational services	14,000.00		14,000.00	1,921.10	12,078.90
Other objects	13,400.00	1,000.00	14,400.00	7,798.76	6,601.24
Total instructional staff training services	<u>78,600.00</u>	<u>1,000.00</u>	<u>79,600.00</u>	<u>9,719.86</u>	<u>69,880.14</u>
Support services general administration:					
Salaries	508,272.00	95,296.08	603,568.08	603,568.08	
Legal services	200,000.00	(1,800.00)	198,200.00	193,329.85	4,870.15
Audit fees	21,400.00		21,400.00	20,050.00	1,350.00
Architectural/Engineering services	10,000.00		10,000.00		10,000.00
Other purchased professional services	11,500.00	(1,100.00)	10,400.00		10,400.00
Communications / telephone	75,400.00	69,850.76	145,250.76	122,929.44	22,321.32
BOE other purchased services	9,600.00		9,600.00	3,914.02	5,685.98
Miscellaneous purchased services	5,500.00		5,500.00	1,915.00	3,585.00
General Supplies	12,000.00	334.76	12,334.76	12,334.76	
BOE in-house training / meeting supplies	2,000.00	(134.76)	1,865.24	35.31	1,829.93
Judgements Against The School District	350,001.00	(112,262.08)	237,738.92	200,000.00	37,738.92
Miscellaneous expenditures	114,576.00	(4,061.25)	110,514.75	31,941.10	78,573.65
BOE membership dues and fees	27,341.00	3,861.25	31,202.25	31,202.25	
Total support services general administration	<u>1,347,590.00</u>	<u>49,984.76</u>	<u>1,397,574.76</u>	<u>1,221,219.81</u>	<u>176,354.95</u>
Support services school administration:					
Salaries of principals/asst. principals	834,684.00		834,684.00	811,233.95	23,450.05
Salaries of other professional staff	298,759.00	387,405.56	686,164.56	469,760.36	216,404.20
Salaries of secretarial and clerical assistants	365,350.00		365,350.00	343,103.81	22,246.19
Other purchased services (400 - 500 series)	8,000.00		8,000.00	779.98	7,220.02
Supplies and materials	40,300.00	994.15	41,294.15	34,878.52	6,415.63
Other objects	37,000.00	1,152.33	38,152.33	25,991.44	12,160.89
Total support services school administration	<u>1,584,093.00</u>	<u>389,552.04</u>	<u>1,973,645.04</u>	<u>1,685,748.06</u>	<u>287,896.98</u>
	738,041.17				
Central service:					
Salaries	301,330.00	169.16	301,499.16	299,527.23	1,971.93
Supplies and materials	10,000.00		10,000.00	7,419.74	2,580.26
Interest on current loans	8,037.00	(7,513.79)	523.21	500.00	23.21
Interest on Bond Anticipation Notes (BANs)	500.00		500.00	500.00	
Total central services	<u>319,867.00</u>	<u>(7,344.63)</u>	<u>312,522.37</u>	<u>307,946.97</u>	<u>4,575.40</u>
Administrative information technology:					
Purchased technical services	14,000.00		14,000.00	13,225.00	775.00
Supplies and materials	2,000.00		2,000.00	65.80	1,934.20
Other Objects	3,800.00		3,800.00	1,837.93	1,962.07
Total administrative information technology	<u>19,800.00</u>	<u></u>	<u>19,800.00</u>	<u>15,128.73</u>	<u>4,671.27</u>
Required maintenance for school facilities:					
Salaries	386,525.00	4,306.75	390,831.75	362,946.16	27,885.59
Cleaning, repair and maintenance services	227,246.00	72,720.00	299,966.00	238,508.35	61,457.65
General supplies	94,200.00	20,360.00	114,560.00	112,980.16	1,569.84
Total required maintenance for school facilities	<u>707,971.00</u>	<u>97,376.75</u>	<u>805,347.75</u>	<u>714,434.67</u>	<u>90,913.08</u>

NORTH PLAINFIELD BOARD OF EDUCATION  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other operation and maint. of plant :					
Salaries	\$ 1,844,443.00	\$ 42,041.18	\$ 1,886,484.18	\$ 1,867,327.46	\$ 19,156.72
Salaries of Non-Instructional Aides	507,396.00	230,645.17	738,041.17	738,041.17	
Purchased professional and technical services	86,200.00	(23,846.41)	62,353.59	60,628.28	1,725.31
Cleaning, repair and maint. services	359,026.00	93,764.53	452,790.53	428,352.17	24,438.36
Other purchased property services	30,000.00	20,399.10	50,399.10	50,399.10	
Insurance	354,000.00	(25,090.00)	328,910.00	328,910.00	
Miscellaneous purchased services	9,300.00	(7,750.00)	1,550.00		1,550.00
General supplies	68,600.00	1,754.61	70,354.61	67,888.90	2,465.71
Energy (natural gas)	314,618.00	(313,668.04)	949.96		949.96
Energy (electricity)	595,282.00	364,820.22	960,102.22	960,102.22	
Energy (oil)	216,553.00	(215,866.12)	686.88		686.88
Other objects	9,100.00	250.00	9,350.00	9,295.78	54.22
<b>Total other operation and maint. of plant</b>	<b>4,394,518.00</b>	<b>167,454.24</b>	<b>4,561,972.24</b>	<b>4,510,945.08</b>	<b>51,027.16</b>
Care and Upkeep of Grounds					
Cleaning, repair and maint. services	70,000.00	27,500.00	97,500.00	74,916.50	22,583.50
General Supplies	5,000.00		5,000.00	4,473.56	526.44
<b>Total Care and Upkeep of Grounds</b>	<b>75,000.00</b>	<b>27,500.00</b>	<b>102,500.00</b>	<b>79,390.06</b>	<b>23,109.94</b>
Security					
Salaries	15,825.00		15,825.00	15,825.00	
<b>Total Security</b>	<b>15,825.00</b>		<b>15,825.00</b>	<b>15,825.00</b>	
Student transportation services:					
Salaries for pupil transportation (between home and school) - special ed	245,125.00	(10,393.38)	234,731.62	234,731.62	
Cleaning, repair and maintenance services	6,800.00	6,000.00	12,800.00	12,054.04	745.96
Contracted services (between home & school) - vendors	47,000.00	5,304.00	52,304.00	50,898.00	1,406.00
Contracted services (other than between home and school) - vendors	114,000.00	(6,606.62)	107,393.38	106,340.50	1,052.88
Contracted services (reg students) - ESCs & CTSA's					
Contracted services (spec ed students) - ESCs & CTSA's	1,095,539.00	(103,083.81)	992,455.19	782,554.66	209,900.53
Transportation Supplies	37,500.00	(7,500.00)	30,000.00	27,460.41	2,539.59
<b>Total student transportation services</b>	<b>1,545,964.00</b>	<b>(116,279.81)</b>	<b>1,429,684.19</b>	<b>1,214,039.23</b>	<b>215,644.96</b>
Unallocated benefits - employee benefits:					
Group insurance	1,775,630.00	7,000.00	1,782,630.00	1,748,873.35	33,756.65
Social security contributions	369,791.00	142,673.57	512,464.57	512,464.57	
Other retirement contributions - regular	386,908.00	214,780.00	601,688.00	601,688.00	
Unemployment Compensation	500,000.00	(174,469.93)	325,530.07	320,432.29	5,097.78
Workmen's compensation	335,842.00	1,566.00	337,408.00	337,408.00	
Health benefits	5,139,413.00	(323,429.46)	4,815,983.54	4,762,072.39	53,911.15
Tuition reimbursements	180,000.00	(39,236.20)	140,763.80	131,038.35	9,725.45
Other employee benefits	140,700.00	159,819.66	300,519.66	299,727.23	792.43
<b>Total unallocated benefits - employee benefits:</b>	<b>8,828,284.00</b>	<b>(11,296.36)</b>	<b>8,816,987.64</b>	<b>8,713,704.18</b>	<b>103,283.46</b>
Total On-behalf TPAF contributions:					
On-behalf TPAF Non-contributory Insurance (non-budgeted)				72,600.00	(72,600.00)
On-behalf TPAF Post retirement medical (non-budgeted)				1,542,018.00	(1,542,018.00)
Reimbursed TPAF social security contributions (non-budgeted)				1,706,359.06	(1,706,359.06)
<b>Total On-behalf TPAF contributions</b>				<b>3,320,977.06</b>	<b>(3,320,977.06)</b>
<b>Total undistributed expenditures</b>	<b>28,396,706.00</b>	<b>153,538.43</b>	<b>28,550,244.43</b>	<b>29,280,161.39</b>	<b>(729,916.96)</b>
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<b>48,406,725.00</b>	<b>25,407.47</b>	<b>48,432,132.47</b>	<b>48,761,485.92</b>	<b>(329,353.45)</b>
CAPITAL OUTLAY:					
Equipment:					
Undistributed expenditures:					
Required maintenance of school facilities		13,793.00	13,793.00	13,793.00	
<b>Total equipment</b>		<b>13,793.00</b>	<b>13,793.00</b>	<b>13,793.00</b>	
Facilities acquisition and construction services:					
Architectural/Engineering services		2,500.00	2,500.00		2,500.00
Construction services		11,650.00	11,650.00	11,650.00	
Lease purchase agreements - principal	53,237.00	(53,236.97)	0.03		0.03
Bldgs. Other than Lease Purchase Agreements	155,000.00		155,000.00	155,000.00	
Other Objects	148,675.00		148,675.00	148,675.00	
<b>Total facilities acquis. and const. services</b>	<b>356,912.00</b>	<b>(39,086.97)</b>	<b>317,825.03</b>	<b>315,325.00</b>	<b>2,500.03</b>
<b>Total assets acquired under capital leases (non-budgeted)</b>				<b>130,314.40</b>	<b>(130,314.40)</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>356,912.00</b>	<b>(25,293.97)</b>	<b>331,618.03</b>	<b>459,432.40</b>	<b>(127,814.37)</b>

NORTH PLAINFIELD BOARD OF EDUCATION  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(Continued from prior page)

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>SPECIAL SCHOOLS:</b>					
Accredited evening/adult h.s./post-grad - instruction					
Salaries of teachers	\$ 150,000.00	\$ 15,351.00	\$ 165,351.00	\$ 165,351.00	
Purchased professional and technical services	1,500.00		1,500.00		\$ 1,500.00
Other purchased services (400 - 500 series)	2,000.00		2,000.00	100.00	1,900.00
General supplies	13,500.00	(12,005.00)	1,495.00	671.96	823.04
Textbooks		2,005.00	2,005.00	1,633.94	371.06
Total accredited evening/adult h.s. post-grad - instruction	<u>167,000.00</u>	<u>5,351.00</u>	<u>172,351.00</u>	<u>167,756.90</u>	<u>4,594.10</u>
Accredited evening/adult h.s./post-grad - support services					
Salaries of teachers	199,198.00	15,247.86	214,445.86	178,297.84	36,148.02
Purchased professional and technical services	14,500.00	(9,398.86)	5,101.14	5,026.25	74.89
Other purchased services (400 - 500 series)	13,000.00	(10,447.42)	2,552.58		2,552.58
Supplies and materials	802.00	3,447.42	4,249.42	4,178.39	71.03
Other objects	5,500.00	(4,200.00)	1,300.00		1,300.00
Total accredited evening/adult h.s./post-grad - support services	<u>233,000.00</u>	<u>(5,351.00)</u>	<u>227,649.00</u>	<u>187,502.48</u>	<u>40,146.52</u>
Total accredited evening/adult h.s./post-grad	<u>400,000.00</u>		<u>400,000.00</u>	<u>355,259.38</u>	<u>44,740.62</u>
TOTAL SPECIAL SCHOOLS	<u>400,000.00</u>		<u>400,000.00</u>	<u>355,259.38</u>	<u>44,740.62</u>
TRANSFER OF FUNDS TO CHARTER SCHOOLS	<u>92,587.00</u>	<u>57,853.00</u>	<u>150,440.00</u>	<u>150,440.00</u>	
TOTAL EXPENDITURES	<u>49,256,224.00</u>	<u>57,966.50</u>	<u>49,314,190.50</u>	<u>49,726,617.70</u>	<u>(412,427.20)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(112,571.00)</u>	<u>47,218.50</u>	<u>(65,352.50)</u>	<u>2,904,123.27</u>	<u>2,969,475.77</u>
Other financing sources (uses)					
Proceeds from Capital Lease (non-budgeted)				130,314.40	130,314.40
Transfers out - capital projects fund	<u>(2,340,000.00)</u>	<u>(105,185.00)</u>	<u>(2,445,185.00)</u>	<u>(2,445,185.00)</u>	
Total other financing sources	<u>(2,340,000.00)</u>	<u>(105,185.00)</u>	<u>(2,445,185.00)</u>	<u>(2,314,870.60)</u>	<u>130,314.40</u>
Excess of revenues and other financing sources over expenditures and other financing sources	<u>(2,452,571.00)</u>	<u>(57,966.50)</u>	<u>(2,510,537.50)</u>	<u>589,252.67</u>	<u>3,099,790.17</u>
Fund balances, July 1	<u>4,217,039.29</u>		<u>4,217,039.29</u>	<u>4,217,039.29</u>	
Fund balances, June 30	<u>\$ 1,764,468.29</u>	<u>\$ (57,966.50)</u>	<u>\$ 1,706,501.79</u>	<u>\$ 4,806,291.96</u>	<u>\$ 3,099,790.17</u>
Recapitulation:					
Assigned - year-end encumbrances				\$ 158,982.31	
Committed - designated for subsequent years expenditures				0.31	
Restricted - excess surplus - designated for subsequent year's expenditures				471,132.69	
Restricted - excess surplus - current year				3,039,291.71	
Restricted - capital reserve				162,474.72	
Unassigned fund balance				<u>974,410.22</u>	
				4,806,291.96	
Reconciliation to governmental funds statements (GAAP):					
Last state aid payment not recognized on GAAP basis				<u>(2,195,028.00)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 2,611,263.96</u>	

BOROUGH OF NORTH PLAINFIELD  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR FISCAL YEARS ENDED JUNE 30, 2011

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>BUDGET TRANSFERS/</u> <u>AMENDMENTS</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FINAL TO ACTUAL</u>
<b>REVENUES:</b>					
State sources	\$ 858,308.00	\$ (97,537.97)	\$ 760,770.03	\$ 756,575.45	\$ (4,194.58)
Federal sources	1,459,101.00	821,803.84	2,280,904.84	2,094,831.84	(186,073.00)
Other sources	<u>15,008.61</u>	<u>15,008.61</u>	<u>15,008.61</u>	<u>11,517.04</u>	<u>(3,491.57)</u>
Total revenues	<u>\$ 2,317,409.00</u>	<u>\$ 739,274.48</u>	<u>\$ 3,056,683.48</u>	<u>\$ 2,862,924.33</u>	<u>\$ (193,759.15)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	\$ 545,524.00	\$ 62,342.77	\$ 607,866.77	\$ 562,066.15	\$ 45,800.62
Purchased professional & technical services	109,075.00	(71,426.64)	37,648.36	36,946.40	701.96
Tuition	787,176.00	458,996.00	1,246,172.00	1,212,747.54	33,424.46
Supplies and materials	41,409.00	58,661.16	100,070.16	79,763.06	20,307.10
Textbooks	<u>12,044.00</u>	<u>(4,769.00)</u>	<u>7,275.00</u>	<u>7,275.00</u>	<u></u>
Total instruction	<u>1,495,228.00</u>	<u>503,804.29</u>	<u>1,999,032.29</u>	<u>1,898,798.15</u>	<u>100,234.14</u>
Support services:					
Salaries of supervisors of instruction	2,000.00	(1,000.00)	1,000.00	1,000.00	
Salaries of secretarial and clerical asst.		200.00	200.00	200.00	
Other salaries	122,819.00	44,354.03	167,173.03	156,875.12	10,297.91
Purchased prof. & educ. services	546,408.00	(6,706.85)	539,701.15	539,201.15	500.00
Purchased prof. and tech. services	22,787.00	20,124.00	42,911.00	18,470.00	24,441.00
Personal services - employee benefits	86,460.00	6,870.00	93,330.00	93,330.00	
Other purchased services	6,000.00	77,876.01	83,876.01	83,876.01	
Transportation	11,307.00	(11,307.00)			
General supplies	<u>24,400.00</u>	<u>7,431.00</u>	<u>31,831.00</u>	<u>21,590.00</u>	<u>10,241.00</u>
Total support services	<u>822,181.00</u>	<u>137,841.19</u>	<u>960,022.19</u>	<u>914,542.28</u>	<u>45,479.91</u>
Capital Outlay:					
Building Use		<u>97,629.00</u>	<u>97,629.00</u>	<u>49,583.90</u>	<u>48,045.10</u>
Total Capital Outlay		<u>97,629.00</u>	<u>97,629.00</u>	<u>49,583.90</u>	<u>48,045.10</u>
Total expenditures	<u>\$ 2,317,409.00</u>	<u>\$ 739,274.48</u>	<u>\$ 3,056,683.48</u>	<u>\$ 2,862,924.33</u>	<u>\$ 193,759.15</u>

NORTH PLAINFIELD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO RS!  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Note A - Explanation of difference between budgetary inflows and outflows and GAAP revenues and expenditures

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$52,630,740.97	\$2,862,924.33
<b>Difference - budget to GAAP:</b>		
State aid payment recognized for GAAP statements in the current year, previously it was recognized for budgetary purposes.	2,469,889.00	67,602.00
The last state aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(2,195,028.00)	(64,360.03)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
<b>Adjust for encumbrances:</b>		
Add prior year encumbrances		50,276.56
Less prior year encumbrances canceled		(14,109.08)
Less current year encumbrances		(80,430.66)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$52,905,601.97</u>	<u>\$2,821,903.12</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$49,726,617.70	\$2,862,924.33
<b>Difference - budget to GAAP:</b>		
<b>Adjust for encumbrances:</b>		
Add prior year encumbrances		50,276.56
Less prior year encumbrances canceled		(14,109.08)
Less current year encumbrances		(80,430.66)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$49,726,617.70</u>	<u>\$2,818,661.15</u>

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

BOROUGH OF NORTH PLAINFIELD - SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>NON-PUBLIC TEXTBOOKS</u>	<u>NONPUBLIC NURSING SERVICES</u>	<u>NONPUBLIC SUPPL. INST.</u>	<u>NONPUBLIC EXAM. AND CLASS.</u>	<u>NONPUBLIC SPEECH CORRECTION</u>	<u>NONPUBLIC COMP EDUCATION</u>
REVENUES:						
State sources	\$ 7,275.00	\$ 8,621.00	\$ 1,399.32	\$ 11,639.00	\$ 19,090.00	\$ 443.75
Federal sources						
Local sources						
Total revenues	<u>7,275.00</u>	<u>8,621.00</u>	<u>1,399.32</u>	<u>11,639.00</u>	<u>19,090.00</u>	<u>443.75</u>
EXPENDITURES:						
Instruction:						
Salaries of teachers						
Purchased prof. & tech. services			1,399.32	11,639.00	19,090.00	443.75
Tuition						
General supplies						
Textbooks	<u>7,275.00</u>					
Total instruction	<u>7,275.00</u>		<u>1,399.32</u>	<u>11,639.00</u>	<u>19,090.00</u>	<u>443.75</u>
Support services:						
Salaries of supervisors of instruction						
Salaries of secretarial and clerical asst.						
Other salaries						
Personal services - employee benefits						
Purchased prof. and ed. services						
Purchased prof. & tech. services		8,621.00				
Other purchased services						
Supplies and materials						
Total support services		<u>8,621.00</u>				
Capital Outlay:						
Building Use						
Total capital outlay						
Total expenditures	<u>7,275.00</u>	<u>8,621.00</u>	<u>1,399.32</u>	<u>11,639.00</u>	<u>19,090.00</u>	<u>443.75</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

(Continued on next page)

BOROUGH OF NORTH PLAINFIELD - SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRESCHOOL EDUCATION PROGRAM AID</u>	<u>PRESCHOOL EDUCATION PROGRAM AID-C/O</u>	<u>LOCAL GRANTS</u>	<u>OTHER LOCAL</u>	<u>TITLE III</u>	<u>TITLE III CARRYOVER</u>
REVENUES:						
State sources	\$ 708,072.03	\$ 35.35				
Federal sources					\$ 44,671.00	\$ 10,448.00
Local sources			\$ 10,468.58	\$ 1,048.46		
Total revenues	<u>708,072.03</u>	<u>35.35</u>	<u>10,468.58</u>	<u>1,048.46</u>	<u>44,671.00</u>	<u>10,448.00</u>
EXPENDITURES:						
Instruction:						
Salaries of teachers	173,910.00		2,750.00			10,448.00
Purchased prof. & tech. services			4,133.33			
Tuition						
General supplies	3,510.88	35.35	3,385.25	1,048.46	3,741.00	
Textbooks						
Total instruction	<u>177,420.88</u>	<u>35.35</u>	<u>10,268.58</u>	<u>1,048.46</u>	<u>3,741.00</u>	<u>10,448.00</u>
Support services:						
Salaries of supervisors of instruction						
Salaries of secretarial and clerical asst.			200.00			
Other salaries					34,071.00	
Personal services - employee benefits					6,859.00	
Purchased prof. and ed. services	530,651.15					
Purchased prof. & tech. services						
Other purchased services						
Supplies and materials						
Total support services	<u>530,651.15</u>		<u>200.00</u>		<u>40,930.00</u>	
Capital Outlay:						
Building Use						
Total capital outlay						
Total expenditures	<u>708,072.03</u>	<u>35.35</u>	<u>10,468.58</u>	<u>1,048.46</u>	<u>44,671.00</u>	<u>10,448.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

(Continued on next page)

BOROUGH OF NORTH PLAINFIELD - SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	TITLE IIA	TITLE I CARRYOVER	TITLE I	TITLE IID CARRYOVER	TITLE IID	IDEA PRESCHOOL
REVENUES:						
State sources						
Federal sources	\$ 128,033.00	\$ 52,073.84	\$ 429,081.44	\$ 112.00	\$ 1,234.00	\$ 18,903.00
Local sources						
Total revenues	<u>128,033.00</u>	<u>52,073.84</u>	<u>429,081.44</u>	<u>112.00</u>	<u>1,234.00</u>	<u>18,903.00</u>
EXPENDITURES:						
Instruction:						
Salaries of teachers	52,815.00	28,358.80	293,784.35			
Purchased prof. & tech. services						
Tuition						18,903.00
General supplies			17,330.00			
Textbooks						
Total instruction	<u>52,815.00</u>	<u>28,358.80</u>	<u>311,114.35</u>			<u>18,903.00</u>
Support services:						
Salaries of supervisors of instruction					1,000.00	
Salaries of secretarial and clerical asst.						
Other salaries	53,641.00	20,765.03	20,318.09			
Personal services - employee benefits	20,673.00	2,217.00	61,233.00		76.00	
Purchased prof. and ed. services		550.00	8,000.00			
Purchased prof. & tech. services						
Other purchased services		183.01	8,000.00			
Supplies and materials	904.00		20,416.00	112.00	158.00	
Total support services	<u>75,218.00</u>	<u>23,715.04</u>	<u>117,967.09</u>	<u>112.00</u>	<u>1,234.00</u>	
Capital Outlay:						
Building Use						
Total capital outlay						
Total expenditures	<u>128,033.00</u>	<u>52,073.84</u>	<u>429,081.44</u>	<u>112.00</u>	<u>1,234.00</u>	<u>18,903.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

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BOROUGH OF NORTH PLAINFIELD - SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	ARRA IDEA - PART B BASIC	ARRA IDEA PRESCHOOL	IDEA - PART B BASIC	TITLE IV CARRYOVER	TITLE I ARRA	Totals
REVENUES:						
State sources						\$ 756,575.45
Federal sources	\$ 596,571.02	\$ 18,670.00	\$ 763,091.54	\$ 241.00	\$ 31,702.00	2,094,831.84
Local sources						11,517.04
<b>Total revenues</b>	<b>596,571.02</b>	<b>18,670.00</b>	<b>763,091.54</b>	<b>241.00</b>	<b>31,702.00</b>	<b>2,862,924.33</b>
EXPENDITURES:						
Instruction:						
Salaries of teachers						562,066.15
Purchased prof. & tech. services				241.00		36,946.40
Tuition	439,102.00		754,742.54			1,212,747.54
General supplies	35,792.09	13,570.03			1,350.00	79,763.06
Textbooks						7,275.00
<b>Total instruction</b>	<b>474,894.09</b>	<b>13,570.03</b>	<b>754,742.54</b>	<b>241.00</b>	<b>1,350.00</b>	<b>1,898,798.15</b>
Support services:						
Salaries of supervisors of instruction						1,000.00
Salaries of secretarial and clerical asst.						200.00
Other salaries					28,080.00	156,875.12
Personal services - employee benefits					2,272.00	93,330.00
Purchased prof. and ed. services						539,201.15
Purchased prof. & tech. services	1,500.00		8,349.00			18,470.00
Other purchased services	75,693.00					83,876.01
Supplies and materials						21,590.00
<b>Total support services</b>	<b>77,193.00</b>		<b>8,349.00</b>		<b>30,352.00</b>	<b>914,542.28</b>
Capital Outlay:						
Building Use	44,483.93	5,099.97				49,583.90
<b>Total capital outlay</b>	<b>44,483.93</b>	<b>5,099.97</b>				<b>49,583.90</b>
<b>Total expenditures</b>	<b>596,571.02</b>	<b>18,670.00</b>	<b>763,091.54</b>	<b>241.00</b>	<b>31,702.00</b>	<b>2,862,924.33</b>
Excess (deficiency) of revenues over (under) expenditures	-0-	-0-	-0-	-0-	-0-	-0-

SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

DISTRICT-WIDE TOTAL

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 177,437.97	\$ 173,910.00	\$ 3,527.97
Supplies	3,546.23	3,546.23	
Total instruction	<u>180,984.20</u>	<u>177,456.23</u>	<u>3,527.97</u>
Support services:			
Purchased professional-educational services	<u>530,651.15</u>	<u>530,651.15</u>	
Total support services	<u>530,651.15</u>	<u>530,651.15</u>	
Total expenditures	<u>\$ 711,635.35</u>	<u>\$ 708,107.38</u>	<u>\$ 3,527.97</u>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2010-11 Preschool Education Aid Allocation	\$ 711,600.00
Add: Actual ECP/PEA Carryover (June 30, 2010)	35.35
Add: Budgeted Transfer from the General Fund 2010-11	
Total Preschool Education Aid Funds Available for 2010-11 Budget	
Less: 2010-11 Budgeted Preschool Education Aid (Including Prior Year budget carryover)	<u>(711,635.35)</u>
Available and unbudgeted Preschool Education Aid Funds as of June 30, 2011	
Add: June 30, 2011 Unexpended Preschool Education Aid	<u>3,527.97</u>
2010-11 Carryover- Preschool Education Aid	<u>\$ 3,527.97</u>
2010-11 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2011-12	<u>\$</u>

## **CAPITAL PROJECTS FUND DETAIL STATEMENTS**

The capital projects fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS  
AS OF JUNE 30, 2011

<u>ISSUE/PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES/ OTHER FINANCING USES TO DATE</u>		<u>UNEXPENDED PROJECT BALANCE</u>
			<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
Capital Improvements to East End, West End, Watchung, Harrison, Stony Brook and Middle/High Schools	2000	\$ 36,741,327.65	\$ 35,138,408.07	\$ 1,570,409.59	\$ 32,509.99
East End Elementary HVAC Project	2010	1,436,311.79	1,304,340.00	24,292.01	107,679.78
School Bathroom Renovation Project	2010	211,417.00	188,890.00	6,392.00	16,135.00
Harrison Elementary A/C Chiller Project	2011	125,258.00	0.00	15,500.00	109,758.00
Stoney Brook Elementary A/C Chiller Project	2011	<u>124,900.00</u>	<u>0.00</u>	<u>12,750.00</u>	<u>112,150.00</u>
Totals		\$ <u>38,639,214.44</u>	\$ <u>36,631,638.07</u>	\$ <u>1,629,343.60</u>	\$ <u>378,232.77</u>
				Unexpended Project Balance	\$ 378,232.77
				Less: Unearned SDA Revenue	<u>(144,973.00)</u>
				Fund Balance (GAAP)- Ex B-1	\$ <u>233,259.77</u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

REVENUES AND OTHER FINANCING SOURCES:	
SDA Grants	\$ (64,051.00)
Capital outlay transfer to Capital Projects Fund	<u>2,445,185.00</u>
Total revenues and other financing sources	<u>2,381,134.00</u>
EXPENDITURES AND OTHER FINANCING USES:	
Purchased professional and technical services	35,750.00
Legal services	1,570,409.59
Construction services	<u>23,184.01</u>
Total expenditures and other financing uses	<u>1,629,343.60</u>
Excess (deficiency) of revenues over (under) expenditures	751,790.40
Fund balance - July 1	<u>(623,557.63)</u>
Fund balance - June 30	<u>\$ 128,232.77</u>
<u>Reconciliation to GAAP Financial Statements:</u>	
Fund Balance- Budgetary Basis (Exhibit F-2)	\$ 128,232.77
Decreased by: Unrealized revenue from SDA Grants	<u>(144,973.00)</u>
Fund Balance- GAAP Basis (Exhibit B-1)	<u>\$ (16,740.23)</u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS  
BUDGETARY BASIS - REFERENDUM  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
State sources - SCC grant	\$ 10,544,174.65	\$	\$ 10,544,174.65	\$ 10,544,174.65
ECPA	1,200,000.00		1,200,000.00	1,200,000.00
Bonds proceeds and transfers	19,797,000.00		19,797,000.00	19,797,000.00
Funded by budget	80,000.00		80,000.00	80,000.00
Temporary notes paid by budget	930,000.00	250,000.00	1,180,000.00	1,180,000.00
Transfer from capital outlay	1,600,153.00	2,340,000.00	3,940,153.00	3,940,153.00
	<u>34,151,327.65</u>	<u>2,590,000.00</u>	<u>36,741,327.65</u>	<u>36,741,327.65</u>
Total revenues and other financing sources				
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Unallocated	17,063,119.52		17,063,119.52	17,107,021.86
Legal Services	3,664,575.96	1,570,409.59	5,234,985.55	4,190,153.00
Purchased professional and technical services	1,447,299.78		1,447,299.78	1,427,634.39
Construction services	12,358,967.38		12,358,967.38	13,412,072.97
Equipment	604,445.43		604,445.43	604,445.43
	<u>35,138,408.07</u>	<u>1,570,409.59</u>	<u>36,708,817.66</u>	<u>36,741,327.65</u>
Total expenditures and other financing uses				
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(987,080.42)</u>	\$ <u>1,019,590.41</u>	\$ <u>32,509.99</u>	

**ADDITIONAL PROJECT INFORMATION:**

Project number	G5-0301/304-D01
Grant date	
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	\$19,797,000.00
Original authorized cost	\$32,250,000.00
Additional authorized cost	4,491,327.65
Revised authorized cost	\$36,741,327.65
Percentage change over original authorized cost	13.93%
Percentage completion	95.00%
Original target completion date	6/05
Revised target completion date	6/08

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS  
BUDGETARY BASIS - EAST END SCHOOL HVAC  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SDA grant	\$ 1,009,934.00	(209,024.00)	\$ 800,910.00	\$ 800,910.00
Transfer from capital outlay	635,401.79		635,401.79	635,401.79
	<u>1,645,335.79</u>	<u>(209,024.00)</u>	<u>1,436,311.79</u>	<u>1,436,311.79</u>
Total revenues and other financing sources				
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	158,715.00		158,715.00	158,715.00
Construction services	1,145,625.00	24,292.01	1,169,917.01	1,277,596.79
	<u>1,304,340.00</u>	<u>24,292.01</u>	<u>1,328,632.01</u>	<u>1,436,311.79</u>
Total expenditures and other financing uses				
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 340,995.79</u>	<u>(233,316.01)</u>	<u>\$ 107,679.78</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	3670-110-09-1003			
Grant date	11/4/10			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$1,674,300.00			
Additional authorized cost	(237,988.21)			
Revised authorized cost	\$1,436,311.79			
Percentage change over original authorized cost	-14.21%			
Percentage completion	93%			
Original target completion date	1/11			
Revised target completion date	1/11			

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS  
BUDGETARY BASIS - SCHOOL BATHROOM RENOVATIONS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Transfer from capital outlay	28,964.21		28,964.21	28,964.21
Transfer from capital reserve	182,452.79		182,452.79	182,452.79
<b>Total revenues and other financing sources</b>	<b>211,417.00</b>		<b>211,417.00</b>	<b>211,417.00</b>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Purchased professional and technical services	42,500.00	7,500.00	50,000.00	50,000.00
Construction services	146,390.00	(1,108.00)	145,282.00	161,417.00
<b>Total expenditures and other financing uses</b>	<b>188,890.00</b>	<b>6,392.00</b>	<b>195,282.00</b>	<b>211,417.00</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 22,527.00	(6,392.00)	\$ 16,135.00	
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project number	3670-050-10-2000			
Grant date	N/A			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$211,417.00			
Additional authorized cost				
Revised authorized cost	\$211,417.00			
Percentage change over original authorized cost	0.00%			
Percentage completion	100%			
Original target completion date	08/10			
Revised target completion date	12/10			

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS  
BUDGETARY BASIS - HARRISON SCHOOL - A/C CHILLER  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
State sources - SDA grant	\$	\$ 69,634.00	\$ 69,634.00	\$ 69,634.00
Transfer from capital outlay		55,624.00	55,624.00	55,624.00
		<hr/>	<hr/>	<hr/>
Total revenues and other financing sources		125,258.00	125,258.00	125,258.00
		<hr/>	<hr/>	<hr/>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Purchased professional and technical services		15,500.00	15,500.00	15,500.00
Construction services				109,758.00
		<hr/>	<hr/>	<hr/>
Total expenditures and other financing uses		15,500.00	15,500.00	125,258.00
		<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	\$	\$ 109,758.00	\$ 109,758.00	
		<hr/> <hr/>	<hr/> <hr/>	
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project number		3670-X02-10-G0ZY		
Grant date		9/30/11		
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorized cost		\$125,258.00		
Additional authorized cost				
Revised authorized cost		\$125,258.00		
Percentage change over original authorized cost				
Percentage completion		12.37%		
Original target completion date		8/12		
Revised target completion date		8/12		

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS  
BUDGETARY BASIS - STONEY BROOK ELEMENTARY - A/C CHILLER  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
State sources - SDA grant		75,339.00	75,339.00	75,339.00
Transfer from capital outlay		49,561.00	49,561.00	49,561.00
Total revenues and other financing sources		124,900.00	124,900.00	124,900.00
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Purchased professional and technical services		12,750.00	12,750.00	12,750.00
Construction services				112,150.00
Total expenditures and other financing uses		12,750.00	12,750.00	124,900.00
Excess (deficiency) of revenues over (under) expenditures	\$	112,150.00	\$	112,150.00
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project number	3670-090-10-1007			
Grant date	N/A			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$124,900.00			
Additional authorized cost				
Revised authorized cost	\$124,900.00			
Percentage change over original authorized cost				
Percentage completion	10%			
Original target completion date	8/12			
Revised target completion date	8/12			

## PROPRIETARY FUND DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**FOOD SERVICES FUND:**

This fund provides for the operation of food services within the school district.

**COMMUNITY SCHOOL FUND:**

This fund provides for the operation of a Community School within the school district.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
COMBINING STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
JUNE 30, 2011

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE FUND	COMMUNITY SCHOOL FUND	TOTALS
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 357,862.60	\$ 19,579.16	\$ 377,441.76
Accounts receivable:			
Federal	52,717.50		52,717.50
State	1,226.36		1,226.36
Interfunds	143,196.41	65,258.10	208,454.51
Inventories	7,906.59		7,906.59
Total current assets	562,909.46	84,837.26	647,746.72
Noncurrent assets:			
Furniture, machinery & equipment	326,758.21		326,758.21
Less accumulated depreciation	(188,976.10)		(188,976.10)
Total noncurrent assets	137,782.11		137,782.11
Total assets	700,691.57	84,837.26	785,528.83
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	80,248.78		80,248.78
Deferred revenue	2,238.23		2,238.23
Total current liabilities	82,487.01		82,487.01
Total liabilities	82,487.01		82,487.01
<b>NET ASSETS</b>			
Restricted for:			
Invested in capital assets	137,782.11		137,782.11
Unrestricted	480,422.45	84,837.26	565,259.71
Total net assets	\$ 618,204.56	\$ 84,837.26	\$ 703,041.82

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE FUND	COMMUNITY SCHOOL FUND	TOTALS
OPERATING REVENUES:			
Charges for services:			
Daily sales	\$ 495,714.82	\$	\$ 495,714.82
Miscellaneous	1,661.60	158.75	1,820.35
Total operating revenues	<u>497,376.42</u>	<u>158.75</u>	<u>497,535.17</u>
OPERATING EXPENSES:			
Cost of sales	715,671.84		715,671.84
Salaries and employee benefits	499,102.08		499,102.08
Other Purchased Service	22,145.00		22,145.00
Supplies and materials	6,360.14		6,360.14
Miscellaneous expenditures	45,836.47	275.00	46,111.47
Depreciation	18,620.82		18,620.82
Total operating expenses	<u>1,307,736.35</u>	<u>275.00</u>	<u>1,308,011.35</u>
Operating Income (loss)	<u>(810,359.93)</u>	<u>(116.25)</u>	<u>(810,476.18)</u>
NONOPERATING REVENUES:			
State Sources			
State School Lunch Program	17,651.24		17,651.24
Federal Sources			
National School Lunch Program	710,392.02		710,392.02
National School Breakfast Program	75,111.48		75,111.48
National food distribution commodities	87,728.73		87,728.73
Total nonoperating revenues	<u>890,883.47</u>		<u>890,883.47</u>
Net (loss) before contributions & transfers	<u>80,523.54</u>	<u>(116.25)</u>	<u>80,407.29</u>
Change in net assets	80,523.54	(116.25)	80,407.29
Total net assets - beginning	<u>537,681.02</u>	<u>84,953.51</u>	<u>622,634.53</u>
Total net assets - ending	<u>\$ 618,204.56</u>	<u>\$ 84,837.26</u>	<u>\$ 703,041.82</u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
PROPRIETARY FUND  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>FOOD SERVICE</u>	<u>COMMUNITY SCHOOL</u>	<u>TOTALS</u>
Cash flows from operating activities:			
Receipts from customers	\$ 497,376.42	\$ 158.75	\$ 497,535.17
Payments for employees and employee benefits	(505,556.58)		(505,556.58)
Payments to suppliers	(703,619.20)	(275.00)	(703,894.20)
Net cash provided (used) by operating activities	<u>(711,799.36)</u>	<u>(116.25)</u>	<u>(711,915.61)</u>
Cash flows from noncapital financing activities:			
State sources	19,322.96		19,322.96
Federal sources	795,211.34		795,211.34
Interfund Transactions	(81,804.19)		(81,804.19)
Net cash provided (used) by noncapital financing activities	<u>732,730.11</u>		<u>732,730.11</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	(11,800.00)		(11,800.00)
Net cash provided (used) by capital and related financing activities	<u>(11,800.00)</u>		<u>(11,800.00)</u>
Net increase in cash and cash equivalents	9,130.75	(116.25)	9,014.50
Cash and cash equivalents, July 1	<u>348,731.85</u>	<u>19,695.41</u>	<u>368,427.26</u>
Cash and cash equivalents, June 30	<u>\$ 357,862.60</u>	<u>\$ 19,579.16</u>	<u>\$ 377,441.76</u>
Operating income (loss)	\$ (810,359.93)	\$ (116.25)	\$ (810,476.18)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation and net amortization	18,620.82		18,620.82
National food distribution commodities	87,728.73		87,728.73
Change in assets and liabilities:			
Increase (Decrease) in deferred revenue	(1,796.97)		(1,796.97)
(Increase) Decrease in inventory	4,026.79		4,026.79
Increase (Decrease) in accounts payable	(10,018.80)		(10,018.80)
Net cash provided (used) by operating activities	<u>\$ (711,799.36)</u>	<u>\$ (116.25)</u>	<u>\$ (711,915.61)</u>

**FIDUCIARY FUNDS DETAIL STATEMENTS**

Fiduciary funds are used to account for assets when a school district is functioning either as a trustee or as an agent for another party.

**Unemployment Compensation Insurance Trust Fund:** This trust fund is used to account for board contributions which are utilized to pay unemployment compensation claims as they arise.

**Scholarship Trust Fund:** This trust fund is used to account for assets held by the district for grants to students where there are no restrictions regarding the use of principal and interest.

**Student Activity Fund:** This agency fund is used to account for student funds held at the schools.

**Payroll Agency Fund:** This agency fund is used to account for the payroll transactions of the school district.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2011

	<u>AGENCY FUNDS</u>		UNEMPLOYMENT	DEFIBULATOR	PRIVATE	TOTALS
	<u>STUDENT</u>	<u>PAYROLL</u>	<u>COMPENSATION</u>	<u>TRUST</u>	<u>PURPOSE</u>	<u>TOTALS</u>
	<u>ACTIVITY</u>	<u>AGENCY</u>	<u>TRUST</u>	<u>FUND</u>	<u>SCHOLARSHIP</u>	<u>2011</u>
					<u>FUNDS</u>	
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 122,086.60	\$ 471,478.26	\$ 119,646.05	\$ 1,024.27	\$ 8,139.33	\$ 722,374.51
Total assets	<u>\$ 122,086.60</u>	<u>\$ 471,478.26</u>	<u>119,646.05</u>	<u>1,024.27</u>	<u>8,139.33</u>	<u>\$ 722,374.51</u>
<b>LIABILITIES:</b>						
Payroll deductions and withholdings		\$ 30,001.23				\$ 30,001.23
Summer Payroll		410,997.70				410,997.70
Interfund		30,479.33				30,479.33
Due to student groups	\$ 122,086.60					122,086.60
Total liabilities	<u>\$ 122,086.60</u>	<u>\$ 471,478.26</u>				<u>593,564.86</u>
<b>NET ASSETS:</b>						
Held in trust for unemployment claims and other purposes			<u>119,646.05</u>	<u>1,024.27</u>	<u>8,139.33</u>	<u>128,809.65</u>
Total net assets			<u>\$ 119,646.05</u>	<u>\$ 1,024.27</u>	<u>\$ 8,139.33</u>	<u>\$ 128,809.65</u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	PRIVATE PURPOSE SCHOLARSHIP FUNDS	DEFIBULATOR TRUST FUND	UNEMPLOYMENT COMPENSATION TRUST	TOTALS
ADDITIONS:				
Contributions:				
Other	_____	_____	\$ 358,268.10	\$ 358,268.10
Total contributions	_____	_____	358,268.10	358,268.10
Investment earnings:				
Interest earned	\$ 33.44	\$ 3.97	564.83	602.24
Net investment earnings	33.44	3.97	564.83	602.24
Total additions	33.44	3.97	358,832.93	358,870.34
DEDUCTIONS:				
Other purposes	500.00			500.00
Unemployment claims	_____	_____	392,707.37	392,707.37
Total deductions	500.00	_____	392,707.37	393,207.37
Change in net assets	(466.56)	3.97	(33,874.44)	(34,337.03)
Net assets beginning of year	8,605.89	1,020.30	153,520.49	163,146.68
Net assets end of year	\$ 8,139.33	\$ 1,024.27	\$ 119,646.05	\$ 128,809.65

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BALANCE</u> <u>JULY 1, 2011</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2011</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ <u>113,852.94</u>	\$ <u>279,868.17</u>	\$ <u>271,634.51</u>	\$ <u>122,086.60</u>
Total assets	\$ <u><u>113,852.94</u></u>	\$ <u><u>279,868.17</u></u>	\$ <u><u>271,634.51</u></u>	\$ <u><u>122,086.60</u></u>
<b>LIABILITIES:</b>				
Due student groups:				
High school	\$ <u>113,852.94</u>	\$ <u>279,868.17</u>	\$ <u>271,634.51</u>	\$ <u>122,086.60</u>
	\$ <u><u>113,852.94</u></u>	\$ <u><u>279,868.17</u></u>	\$ <u><u>271,634.51</u></u>	\$ <u><u>122,086.60</u></u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
PAYROLL AGENCY FUNDS  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BALANCE</u> <u>JULY 1, 2011</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2011</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 727,058.43	\$ 14,491,343.15	\$ 14,746,923.32	\$ 471,478.26
Total assets	<u>\$ 727,058.43</u>	<u>\$ 14,491,343.15</u>	<u>\$ 14,746,923.32</u>	<u>\$ 471,478.26</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$ 248,362.18	\$ 14,051,254.90	\$ 14,269,615.85	\$ 30,001.23
Summer Payroll	455,641.43	409,608.92	454,252.65	410,997.70
Intrafund	23,054.82		23,054.82	
Interfund		30,479.33		30,479.33
Total liabilities	<u>\$ 727,058.43</u>	<u>\$ 14,491,343.15</u>	<u>\$ 14,746,923.32</u>	<u>\$ 471,478.26</u>

## LONG-TERM DEBT SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Capital Leases.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2011

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>MATURITIES</u>		<u>RATE OF INTEREST</u>	<u>BALANCE JULY 1, 2010</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2011</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Various School Improvements	8/15/01	\$19,797,000.00	8/15/11	\$ 750,000.00	4.250%	\$ 1,470,000.00	\$ 720,000.00	\$ 750,000.00
Refunding Bonds	4/13/2006	9,375,000.00	8/15/11	30,000.00	3.750%			
			8/15/12	30,000.00	4.000%			
			8/15/13	35,000.00	4.000%			
			8/15/14	35,000.00	4.000%			
			8/15/15	35,000.00	4.000%			
			8/15/16	40,000.00	4.000%			
			8/15/17	40,000.00	4.000%			
			8/15/18	910,000.00	4.000%			
			8/15/19	940,000.00	4.000%			
			8/15/20	985,000.00	4.000%			
			8/15/21	1,020,000.00	4.000%			
			8/15/22	1,025,000.00	4.100%			
			8/15/23	1,025,000.00	4.125%			
			8/15/24	1,020,000.00	4.125%			
			8/15/25	1,010,000.00	4.125%			
				8/15/26	1,000,000.00			
Refunding Bonds	2/4/2011	4,645,000.00	8/15/12	740,000.00	3.000%			
			8/15/13	765,000.00	4.500%			
			8/15/14	765,000.00	4.500%			
			8/15/15	780,000.00	4.000%			
			8/15/16	790,000.00	4.500%			
			8/15/17	805,000.00	4.500%			
						\$ 15,325,000.00	\$ 750,000.00	\$ 14,575,000.00

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
AS OF JUNE 30, 2011

<u>SERIES</u>	AMOUNT OUTSTANDING <u>JUNE 30, 2010</u>	<u>INCREASE</u>	<u>DECREASE</u>	AMOUNT OUTSTANDING <u>JUNE 30, 2011</u>
Ricoh Copiers		\$ 130,314.40	\$ 52,148.44	\$ 78,165.96
TD Leasing (Communications)	\$ <u>223,908.66</u>		<u>53,236.97</u>	<u>170,671.69</u>
	\$ <u><u>223,908.66</u></u>	\$ <u><u>130,314.40</u></u>	\$ <u><u>105,385.41</u></u>	\$ <u><u>248,837.65</u></u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>TRANSFERS</u>	<u>MODIFIED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 1,366,174.00		\$ 1,366,174.00	\$ 1,366,174.00	
Miscellaneous				358.59	\$ 358.59
Total revenues	<u>1,366,174.00</u>		<u>1,366,174.00</u>	<u>1,366,532.59</u>	<u>358.59</u>
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	621,660.00		621,660.00	621,660.00	
Redemption of principal	<u>750,000.00</u>		<u>750,000.00</u>	<u>750,000.00</u>	
Total regular debt service-expenditures	<u>1,371,660.00</u>		<u>1,371,660.00</u>	<u>1,371,660.00</u>	
Excess (deficiency) of revenues over (under) expenditures	(5,486.00)		(5,486.00)	(5,127.41)	358.59
Excess (deficiency) of revenues & other financing sources over(under) expenditures	(5,486.00)			(5,127.41)	358.59
Fund balance, July 1	<u>11,254.58</u>		<u>11,254.58</u>	<u>11,254.58</u>	
Fund balance, June 30	<u>\$ 5,768.58</u>		<u>\$ 11,254.58</u>	<u>\$ 6,127.17</u>	<u>\$ 358.59</u>

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**STATISTICAL SECTION**  
**(UNAUDITED)**

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BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
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-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 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 to 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 comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
NET ASSETS BY COMPONENT  
LAST EIGHT FISCAL YEARS  
*(accrual basis of accounting)*  
UNAUDITED

	Fiscal Year Ending June 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities								
Invested in capital assets, net of related debt	\$32,194,953	\$30,171,804	\$25,082,092	\$21,108,609	\$21,015,008	\$19,193,731	\$17,383,048	\$15,743,673
Restricted	4,729,241	791,902	1,088,078	6,389,385	4,915,051	3,851,465	4,985,148	3,278,648
Unrestricted	(2,570,799)	109,897	2,908,527	(1,602,928)	(1,132,223)	(1,318,453)	(1,744,504)	(1,218,471)
Total governmental activities net assets	<u>34,353,396</u>	<u>31,073,602</u>	<u>29,078,698</u>	<u>25,895,066</u>	<u>24,797,836</u>	<u>21,726,743</u>	<u>20,623,692</u>	<u>17,803,850</u>
Business-type activities								
Invested in capital assets, net of related debt	137,782	144,603	122,799	139,630	156,462	173,293	8,880	167,747
Restricted							180,800	167,747
Unrestricted	565,260	478,032	287,801	170,559	79,608	63,853	59,011	150,470
Total business-type activities net assets	<u>703,042</u>	<u>622,635</u>	<u>410,600</u>	<u>310,189</u>	<u>236,069</u>	<u>237,146</u>	<u>248,691</u>	<u>318,217</u>
District-wide								
Invested in capital assets, net of related debt	\$32,332,735	\$30,316,407	\$25,204,891	\$21,248,239	\$21,171,470	\$19,367,024	\$17,391,928	\$15,743,673
Restricted	4,729,241	791,902	1,088,078	6,389,385	4,915,051	4,399,465	5,165,948	3,446,395
Unrestricted	(2,005,539)	587,928	3,196,328	(1,432,369)	(1,052,615)	(1,254,600)	(1,685,493)	(1,068,001)
Total district net assets	<u>\$35,056,438</u>	<u>\$31,696,237</u>	<u>\$29,489,297</u>	<u>\$26,205,255</u>	<u>\$25,033,906</u>	<u>\$22,511,889</u>	<u>\$20,872,384</u>	<u>\$18,122,067</u>

Source: CAFR Schedule A-1

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
LAST EIGHT YEARS  
(accrual basis of accounting)  
UNAUDITED

	Fiscal Year Ending June 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses</b>								
<b>Governmental activities</b>								
Instruction								
Regular	\$20,883,028.88	\$22,390,899.79	\$20,520,603.98	\$20,052,366.67	\$19,130,534.78	\$17,392,927.82	\$17,582,422.52	\$16,333,670.49
Special education	7,702,098.92	8,777,754.32	7,455,380.85	6,851,276.60	6,230,204.19	5,561,868.48	5,973,260.89	3,570,953.10
Other instruction	3,690,304.22	3,562,579.32	4,189,566.81	3,775,893.31	3,578,560.95	4,253,279.65	3,160,662.96	3,190,468.26
Support Services:								
Tuition								2,567,105.11
Student & instruction related services	7,680,939.89	7,644,115.62	7,561,368.31	9,132,725.61	7,485,296.95	7,110,172.74	7,899,723.82	3,894,959.38
General administrative services	1,574,014.18	1,079,632.63	1,176,581.16	1,275,643.93	1,274,105.08	1,371,680.09	1,678,665.23	3,653,446.65
School administrative services	2,442,050.64	2,128,213.99	2,115,217.07	2,139,029.31	2,131,201.45	1,876,756.35	1,622,366.17	2,136,871.12
Central Services	434,797.70	450,753.48	428,683.06	511,817.88	490,230.33	460,731.88	344,343.98	451,974.50
Administrative technology information	15,128.73	14,679.75	11,736.38	13,478.72	27,107.50	32,132.00	25,428.00	
Plant operations and maintenance	6,475,865.79	6,464,595.92	6,184,278.97	6,160,043.31	5,629,396.06	5,343,374.01	4,104,754.44	5,134,462.71
Student transportation services	1,322,925.40	1,706,200.42	1,537,303.00	1,547,132.04	1,394,363.93	1,357,623.76	1,165,326.38	1,291,765.18
Interest on long-term debt	695,572.83	677,257.96	714,765.83	716,170.95	727,568.23	755,833.21	851,720.48	1,049,191.03
Unallocated depreciation	1,093,409.71	1,007,300.50	1,015,671.99	941,973.73	922,584.32	935,208.22	781,204.12	6,580.20
Total governmental activities expenses	<u>54,010,136.89</u>	<u>55,903,983.70</u>	<u>52,911,157.41</u>	<u>53,117,552.06</u>	<u>49,021,153.77</u>	<u>46,451,588.21</u>	<u>45,189,878.99</u>	<u>43,281,447.73</u>
<b>Business-type activities:</b>								
Food service	1,307,736.35	1,271,917.75	1,161,290.19	1,114,548.72	1,043,006.47	1,027,852.99	983,321.14	768,003.54
Adult Community School	275.00	16,330.00	38,217.96	100,046.46	218,117.18	144,795.26	166,926.90	141,119.93
Total business-type activities expense	<u>1,308,011.35</u>	<u>1,288,247.75</u>	<u>1,199,508.15</u>	<u>1,214,595.18</u>	<u>1,261,123.65</u>	<u>1,172,648.25</u>	<u>1,150,248.04</u>	<u>909,123.47</u>
<b>Total district expenses</b>	<u>\$55,318,148.24</u>	<u>\$57,192,231.45</u>	<u>\$54,110,665.56</u>	<u>\$54,332,147.24</u>	<u>\$50,282,277.42</u>	<u>\$47,624,236.46</u>	<u>\$46,340,127.03</u>	<u>\$44,190,571.20</u>
<b>Program Revenues</b>								
<b>Governmental activities:</b>								
Charges for services	\$18,400.00	\$20,061.14						
Operating grants and contributions	6,598,796.07	12,476,617.91	\$8,747,610.39	\$9,240,234.89	\$8,692,807.98	\$6,888,283.36	\$6,642,577.58	\$5,961,474.04
Capital grants and contributions	454,459.03	1,669,059.52						
Total governmental activities program revenues	<u>7,071,655.10</u>	<u>14,165,738.57</u>	<u>8,747,610.39</u>	<u>9,240,234.89</u>	<u>8,692,807.98</u>	<u>6,888,283.36</u>	<u>6,642,577.58</u>	<u>5,961,474.04</u>
<b>Business-type activities:</b>								
Charges for services								
Food service	497,376.42	538,841.68	529,112.40	518,908.25	492,068.48	456,477.39	399,106.72	413,980.39
Adult Community School	158.75	59,795.22	52,725.19	126,770.72	167,321.80	154,548.08	186,126.26	119,537.10
Operating grants and contributions	890,883.47	862,007.55	718,021.47	642,972.92	578,558.18	549,894.69	495,406.43	371,880.58
Total business type activities program revenues	<u>1,388,418.64</u>	<u>1,460,644.45</u>	<u>1,299,859.06</u>	<u>1,288,651.89</u>	<u>1,237,948.46</u>	<u>1,160,920.16</u>	<u>1,080,639.41</u>	<u>905,398.07</u>
<b>Total district program revenues</b>	<u>\$8,460,073.74</u>	<u>\$15,626,383.02</u>	<u>\$10,047,469.45</u>	<u>\$10,528,886.78</u>	<u>\$9,930,756.44</u>	<u>\$8,049,203.52</u>	<u>\$7,723,216.99</u>	<u>\$6,866,872.11</u>
<b>Net (Expense)/Revenue</b>								
Governmental activities	(46,938,481.79)	(41,738,245.13)	(44,163,547.02)	(43,877,317.17)	(40,328,345.79)	(39,563,304.85)	(38,547,301.41)	(37,319,973.69)
Business-type activities	80,407.29	172,396.70	100,350.91	74,056.71	(23,175.19)	(11,728.09)	(69,608.63)	(3,725.40)
<b>Total district-wide net expense</b>	<u>(\$46,858,074.50)</u>	<u>(\$41,565,848.43)</u>	<u>(\$44,063,196.11)</u>	<u>(\$43,803,260.46)</u>	<u>(\$40,351,520.98)</u>	<u>(\$39,575,032.94)</u>	<u>(\$38,616,910.04)</u>	<u>(\$37,323,699.09)</u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
LAST EIGHT YEARS  
(accrual basis of accounting)  
UNAUDITED

	Fiscal Year Ending June 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental activities:								
Property taxes levied for general purposes, i	\$26,847,204.00	\$25,814,619.00	\$25,814,619.00	\$26,293,674.00	\$25,591,705.00	\$23,646,367.00	\$22,472,330.00	\$20,348,835.00
Taxes levied for debt service	1,366,174.00	1,367,940.00	1,306,138.00	1,749,462.00	1,585,261.00	15,600,200.00	1,542,500.00	1,459,450.00
Federal and state aid not restricted	22,162,577.01	16,434,701.80	20,055,446.69	17,589,812.55	15,872,779.00	15,778,149.03	15,318,914.00	15,153,105.50
Federal and state aid restricted							2,136,675.00	686,610.00
Miscellaneous income	69,636.60	115,888.76	170,975.33	343,419.49	371,794.66	229,637.86	233,698.87	492,530.62
Transfers					(22,000.00)			(21,087.28)
Cancel accounts receivable				(845,341.79)				
Disposal of Capital assets (net)	(227,316.39)			(156,579.62)				(197,678.11)
Total governmental activities	<u>50,218,275.22</u>	<u>43,733,149.56</u>	<u>47,347,179.02</u>	<u>44,974,446.63</u>	<u>43,399,539.66</u>	<u>55,254,353.89</u>	<u>41,704,117.87</u>	<u>37,921,765.73</u>
Business-type activities:								
Miscellaneous income		39,638.21	59.69	63.13	98.10	183.14	83.13	73.76
Transfers					22,000.00			21,087.28
Total business-type activities		<u>39,638.21</u>	<u>59.69</u>	<u>63.13</u>	<u>22,098.10</u>	<u>183.14</u>	<u>83.13</u>	<u>21,161.04</u>
Total district-wide	<u>\$50,218,275.22</u>	<u>\$43,772,787.77</u>	<u>\$47,347,238.71</u>	<u>\$44,974,509.76</u>	<u>\$43,421,637.76</u>	<u>\$55,254,537.03</u>	<u>\$41,704,201.00</u>	<u>\$37,942,926.77</u>
<b>Change in Net Assets</b>								
Governmental activities	\$3,279,793.43	\$1,994,904.43	\$3,183,632.00	\$1,097,129.46	\$3,071,193.87	\$15,691,049.04	\$3,156,816.46	\$601,792.04
Business-type activities	80,407.29	212,034.91	100,410.60	74,119.84	(1,077.09)	(11,544.95)	(69,525.50)	17,435.64
Total district	<u>\$3,360,200.72</u>	<u>\$2,206,939.34</u>	<u>\$3,284,042.60</u>	<u>\$1,171,249.30</u>	<u>\$3,070,116.78</u>	<u>\$15,679,504.09</u>	<u>\$3,087,290.96</u>	<u>\$619,227.68</u>

Source: CAFR Schedule A-2

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST EIGHT YEARS  
 (modified accrual basis of accounting)  
 UNAUDITED

	Fiscal Year Ending June 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
General Fund								
Restricted	\$3,672,899.12							
Assigned	158,982.62							
Unassigned (Deficit)	(1,220,617.78)							
Reserved		\$2,994,132.46	\$6,074,219.91	\$4,176,039.76	\$4,176,039.76	\$2,528,471.14	\$1,314,101.36	\$184,605.15
Unreserved		(1,246,982.17)	(1,424,620.67)	143,735.31	143,735.31	3,337.74	439,591.52	998,501.13
Total general fund	<u>\$2,611,263.96</u>	<u>\$1,747,150.29</u>	<u>\$4,649,599.24</u>	<u>\$4,319,775.07</u>	<u>\$4,319,775.07</u>	<u>\$2,531,808.88</u>	<u>\$1,753,692.88</u>	<u>\$1,183,106.28</u>
All Other Governmental Funds								
Committed	1,073,082.55							
Assigned	5,769.00							
Unassigned	(80,742.09)							
Reserved		\$1,880,230.33	\$3,089,142.83	\$1,090,837.26	\$1,090,837.26	\$1,648,279.67	\$1,228,301.95	\$2,121,231.19
Unreserved, reported in:								
Special revenue fund		(67,602.00)	(66,565.90)	(22,871.05)	(22,871.05)	(22,871.05)	(98,513.50)	(26,721.28)
Capital projects fund		(1,255,790.66)	(1,092,084.51)	667,710.11	667,710.11	254,647.11	2,060,778.04	373,420.45
Debt service fund		11,254.58	26,486.55	76,522.55	76,522.55	44,460.95	37,698.59	185,878.79
Total all other governmental funds	<u>\$998,109.46</u>	<u>\$568,092.25</u>	<u>\$1,956,978.97</u>	<u>\$1,812,198.87</u>	<u>\$1,812,198.87</u>	<u>\$1,924,516.68</u>	<u>\$3,228,265.08</u>	<u>\$2,653,809.15</u>

Source: CAFR Schedule B-1

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
CHANGES IN GOVERNMENTAL FUND BALANCES, GOVERNMENTAL FUNDS  
LAST EIGHT YEARS  
UNAUDITED

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Revenues</b>								
Tax levy	\$ 28,213,378	\$ 27,182,559	\$ 27,120,757	\$ 28,043,136	\$27,176,966	\$25,206,567	\$24,014,830	\$21,808,285
Interest earned on capital reserve funds	13		900	3,452	4,584	3,619	3,913	3,066
Miscellaneous	98,649	141,941	187,182	344,718	380,254	231,085	237,786	501,747
State sources	27,097,988	24,694,877	27,241,451	25,346,444	22,714,264	21,104,746	22,754,116	20,510,721
Federal sources	2,107,220	5,854,874	1,544,499	1,478,853	1,838,280	1,556,621	1,599,075	1,278,187
Total revenue	<u>57,517,247</u>	<u>57,874,251</u>	<u>56,094,789</u>	<u>55,216,603</u>	<u>52,114,348</u>	<u>48,102,638</u>	<u>48,609,721</u>	<u>44,102,005</u>
<b>Expenditures</b>								
Instruction								
Regular Instruction	21,322,374	22,302,558	20,592,595	20,357,542	14,767,272	13,585,711	14,026,247	13,119,612
Special education instruction	7,526,561	8,790,372	7,500,279	6,803,351	5,121,525	5,299,139	5,028,098	2,748,372
Other instruction	3,065,628	3,563,723	4,201,713	3,500,802	2,610,648	2,559,215	2,458,709	1,778,859
Support Services:								
Tuition								2,567,105
Student & instruction related services	7,874,530	7,668,399	7,614,616	9,001,521	5,796,980	5,919,382	4,822,627	3,250,067
General administrative services	1,478,725	1,083,157	1,189,053	1,191,954	1,494,967	1,243,716	1,678,665	3,123,936
School administrative services	2,378,649	2,161,500	2,112,442	2,130,750	1,102,632	1,399,160	1,551,702	1,543,634
Central services	431,077	465,857	438,478	502,479	367,902	368,195	348,254	361,287
Administrative information technology	15,129	14,680	11,736	13,479	27,107	32,132	25,428	
Plant operations and maintenance	6,529,304	6,456,526	6,228,165	6,079,023	4,512,748	4,467,987	4,155,990	4,285,493
Student transportation services	1,314,185	1,690,637	1,520,552	1,534,503	1,302,366	1,255,869	1,170,724	1,234,959
Unallocated employee benefits					10,537,835	8,762,641	8,222,853	7,153,583
Special Schools								591,854
Capital outlay	2,927,174	6,252,808	2,793,444	903,104	626,906	2,366,643	4,276,057	4,938,018
Debt service:								
Principal	855,385	1,306,694	1,206,207	1,111,300	1,128,385	867,420	627,191	601,963
Interest and other charges	634,710	688,677	725,636	726,723	694,719	825,111	856,103	1,061,861
Total expenditures	<u>56,353,430</u>	<u>62,445,587</u>	<u>56,134,917</u>	<u>53,856,530</u>	<u>50,091,992</u>	<u>48,952,323</u>	<u>49,248,649</u>	<u>48,360,603</u>
Excess (Deficiency) of revenues over (under) expenditures	1,163,816	(4,571,336)	(40,127)	1,360,073	2,022,356	(849,685)	(638,928)	(4,258,598)
<b>Other Financing sources (uses)</b>								
Capital leases (non-budgeted)	130,314	280,000					2,383,971	566,227
Transfers to enterprise fund					(22,000)			(21,087)
Accounts receivable canceled				(845,342)				
Total other financing sources (uses)	<u>130,314</u>	<u>280,000</u>		<u>(845,342)</u>	<u>(22,000)</u>		<u>2,383,971</u>	<u>545,140</u>
Net change in fund balances	<u>\$ 1,294,131</u>	<u>\$ (4,291,336)</u>	<u>\$ (40,127)</u>	<u>\$ 514,731</u>	<u>\$2,000,356</u>	<u>(\$849,685)</u>	<u>\$1,745,044</u>	<u>(\$3,713,458)</u>
Debt service as a percentage of noncapital expenditures	2.8%	3.6%	3.6%	3.5%	4%	3%	3%	3%

Source: CAFR Schedule B-2

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
 GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
 LAST TEN FISCAL YEARS  
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Rental</u> <u>of</u> <u>Facilities</u>	<u>Tuition</u>	<u>E-Rate</u> <u>Rebates</u>	<u>Trailer</u> <u>Sale</u>	<u>Insurance</u> <u>Refunds/</u> <u>Reimbursements</u>	<u>Lease</u> <u>Refund</u>	<u>Misc.</u>	<u>Total</u>
2002	\$102,048.76	\$6,337.64				\$50,625.00	\$59,272.11	\$30,780.38	\$249,063.89
2003	45,126.48	12,024.45			\$40,000.00			31,120.47	128,271.40
2004	27,143.73	35,908.00		\$15,416.00		312,705.26		55,695.46	446,868.45
2005	68,051.68	48,135.50						54,272.48	170,459.66
2006	132,840.00							96,797.86	229,637.86
2007	246,595.59							108,679.61	355,275.20
2008	212,441.81							117,716.74	330,158.55
2009	60,446.02	34,351.76				17,063.84		52,727.68	164,589.30
2010	43,242.29	35,625.43	20,061.14			22,902.69		8,849.06	130,680.61
2011	19,862.95	23,567.97	18,400.00			137.56		25,696.72	87,665.20

Source: District Records

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

Calendar Year	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2002	\$2,840,900	\$651,229,500	\$116,136,200	\$1,505,800	\$57,716,700	\$829,429,100	\$1,301,419	\$830,730,519	2.15	\$946,218,048
2003	2,909,500	652,167,500	116,390,775	1,505,800	59,956,700	832,930,275	1,237,524	834,167,799	2.43	1,028,610,209
2004	3,076,600	652,293,100	116,227,775	1,505,800	60,861,100	833,964,375	1,014,733	834,979,108	2.73	1,181,572,825
2005	2,910,900	652,604,700	118,305,475	1,505,800	61,016,300	836,343,175	827,988	837,171,163	2.94	1,360,786,877
2006	2,963,500	652,711,250	120,006,475	1,505,800	61,016,300	838,203,325	632,852	838,836,177	3.12	1,616,739,184
2007	2,957,500	654,089,250	117,655,575	1,505,800	61,016,300	837,224,425	565,609	837,790,034	3.31	1,830,286,311
2008	2,770,500	654,339,350	116,728,725	1,505,800	68,399,800	843,744,175	555,108	844,299,283	3.30	1,957,040,899
2009	5,283,000	1,315,561,800	309,230,800	4,819,100	159,662,400	1,794,557,100	1,375,834	1,795,932,934	1.51	1,933,919,446
2010	5,275,000	1,312,210,300	300,749,600	4,819,100	159,662,400	1,782,716,400	1,324,809	1,784,041,209	1.55	1,820,398,652
2011	5,035,400	1,309,121,900	290,995,550	4,088,200	154,653,400	1,763,894,450	1,354,719	1,765,249,169	1.62	1,733,539,176

Source: District records Tax list summary & Municipal Tax Assessor

\* Not available at time of audit

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Revaluations of real property occur when ordered by the County Board of Taxation. A revaluation became effective in 2010.

**a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN CALENDAR YEARS  
(rate per \$100 of assessed value)

UNAUDITED

Calendar Year Ended Dec. 31	Borough of North Plainfield School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General	Total Direct	Borough of North Plainfield	County	
		Obligation Debt Service <sup>b</sup>				
2002	\$ 2.149	*	\$ 2.149	\$ 0.95	\$ 0.51	3.600
2003	2.427	*	2.427	0.97	0.52	3.920
2004	2.729	*	2.729	1.01	0.57	4.300
2005	2.760	0.176	2.936	1.27	0.61	4.820
2006	2.920	0.202	3.122	1.36	0.69	5.170
2007	3.122	0.190	3.312	1.48	0.60	5.394
2008	3.099	0.199	3.298	1.63	0.62	5.551
2009	1.438	0.073	1.511	0.80	0.36	2.671
2010	1.474	0.072	1.546	0.88	0.34	2.767
2011	1.621	0.071	1.692	0.94	0.28	2.912

Source: District Records and Municipal Tax Collector

\* Not available at time of audit

**Note:**

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calcu

**a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable

**b** Rates for debt service are based on each year's requirements.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAX PAYERS  
 CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Vornado, Inc.	\$42,800,000	1	2.38%	\$19,000,000	1	2.29%
Greenbrook Realty Co.	37,515,000	2	2.09%	14,245,400	2	1.72%
Cypress Garden Apts Inc.	18,006,200	3	1.00%	6,392,300	3	0.77%
Vince, William P trust	15,146,200	4	0.84%	6,292,000	4	0.76%
H&W Gardens	15,065,100	5	0.84%			
Global Motors	13,459,600	6	0.75%	3,930,100	6	0.47%
Home Properties	11,700,000	7	0.65%			
Wm Crystal Ridge	11,492,300	8	0.64%			
Levin Properties	8,737,700	9	0.49%			
North Drive Arms	8,356,000	10	0.47%	2,850,000	8	0.34%
U.N. NP LLC				6,142,000	5	0.74%
MGD Holdings Watch LLC				3,505,000	7	0.42%
West End Garden Apartments				2,812,000	9	0.34%
Greenwood Garden Apartments				2,797,500	10	0.34%
<b>Total</b>	<u>\$182,278,100</u>		<u>10.15%</u>	<u>\$67,966,300</u>		<u>8.19%</u>

(1) Not Available at time of Audit

Source: District CAFR J11 & Municipal Tax Assessor

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
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	
2002	\$16,113,623	\$16,113,623	100.00%	-
2003	18,910,336	18,910,336	100.00%	-
2004	21,808,285	21,808,285	100.00%	-
2005	24,014,830	24,014,830	100.00%	-
2006	25,206,567	25,206,567	100.00%	-
2007	27,176,966	27,176,966	100.00%	-
2008	28,043,136	28,043,136	100.00%	-
2009	27,120,757	24,969,539	92.07%	\$2,151,218
2010	27,182,559	24,917,346	91.67%	2,265,213
2011	28,213,378	28,213,378	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

**Note:** School taxes are collected by the Municipal Tax Collector. Under New Jersey State Stat a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Capital Leases	Notes Payable			
2002	\$19,797,000.00	\$879,231.95		\$20,676,231.95	0.28%	\$57,510
2003	19,287,000.00	477,979.32		19,764,979.32	0.29%	56,404
2004	18,767,000.00	629,908.50	\$900,000.00	20,296,908.50	0.28%	55,888
2005	18,217,000.00	2,725,703.38	750,000.00	21,692,703.38	0.26%	56,812
2006	18,185,000.00	2,272,561.72	570,000.00	21,027,561.72	0.29%	59,932
2007	17,490,000.00	1,670,350.60	270,000.00	19,430,350.60	0.32%	62,248
2008	16,825,000.00	1,051,809.43		17,876,809.43	0.38%	67,455
2009	16,140,000.00	530,602.60		16,670,602.60	0.43%	71,564
2010	15,325,000.00	223,908.66		15,548,908.66	0.46%	72,201
2011	14,575,000.00	248,837.65		14,823,837.65	0.48%	70,949

Source: District CAFR Schedules I-1

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

<sup>a</sup> See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

\* Not available at time of audit

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
RATIOS OF NET BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Total Municipal Assessed Value	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding			
2002	\$19,797,000.00	-0-	\$19,797,000.00	\$830,730,519	2.38%	\$946.09
2003	19,287,000.00	-0-	19,287,000.00	834,167,799	2.31%	921.02
2004	18,767,000.00	-0-	18,767,000.00	834,979,108	2.25%	899.15
2005	18,217,000.00	-0-	18,217,000.00	837,171,163	2.18%	873.59
2006	18,185,000.00	-0-	18,185,000.00	838,836,177	2.17%	875.92
2007	17,490,000.00	-0-	17,490,000.00	837,790,034	2.09%	843.30
2008	16,825,000.00	-0-	16,825,000.00	844,299,283	1.99%	810.84
2009	16,140,000.00	-0-	16,140,000.00	1,795,932,934	0.90%	777.98
2010	15,420,000.00	-0-	15,420,000.00	1,784,041,209	0.86%	736.35
2011	14,575,000.00		14,575,000.00	1,765,249,169	0.83%	671.78

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-14.

\* Not available at time of audit

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2010  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
North Plainfield Borough	\$12,877,122.00	100.00%	\$ 12,877,122
<b>Other debt</b>			
Somerset County	135,950,155.00	3.32%	<u>4,513,545</u>
Subtotal, overlapping debt			17,390,667
<b>North Plainfield Borough School District Direct Debt</b>			<u>14,575,000</u>
<b>Total direct and overlapping debt</b>			<u>\$ 31,965,667</u>

**Sources:** Borough Chief Finance Office & County Treasurers Office

\* Not available at time of audit

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of North Plainfield. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

**a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS  
UNAUDITED

EXHIBIT "J-13"

Legal Debt Margin Calculation for Calendar Year 2010

	Equalized valuation basis	
	2010	\$ 1,776,852,781
	2009	1,832,489,639
	2008	1,927,676,891
	[A]	<u>\$ 5,537,019,311</u>
Average equalized valuation of taxable property	[A/3]	\$ 1,845,673,104
Debt limit (4 % of	[B]	73,826,924 a
Net bonded school debt	[C]	14,575,000
Legal debt margin	[B-C]	<u>\$ 59,251,924</u>

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 31,360,400	\$ 32,607,178	\$ 36,511,852	\$ 41,354,069	\$ 48,227,540	\$ 63,809,439	\$ 71,600,825	\$ 75,866,732	\$ 75,945,941	\$ 73,826,924
Total net debt applicable to limit	<u>7,039,677</u>	<u>11,564,316</u>	<u>10,226,927</u>	<u>1,063,277</u>	<u>13,477,592</u>	<u>17,490,718</u>	<u>17,760,000</u>	<u>16,140,000</u>	<u>15,420,000</u>	<u>14,575,000</u>
Legal debt margin	<u>\$ 24,320,723</u>	<u>\$ 21,042,862</u>	<u>\$ 26,284,925</u>	<u>\$ 40,290,792</u>	<u>\$ 34,749,948</u>	<u>\$ 46,318,721</u>	<u>\$ 53,840,825</u>	<u>\$ 59,726,732</u>	<u>\$ 60,525,941</u>	<u>\$ 59,251,924</u>
Total net debt applicable to the limit as a percentage of debt limit	22.45%	35.47%	28.01%	2.57%	27.95%	27.41%	24.80%	21.27%	20.30%	19.74%

\* Not available at time of audit

Source: Abstract of Ratables and District Records CAFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS  
UNAUDITED

Year Ended December 31	Unemployment Rate <sup>d</sup>	Somerset County Per Capita Income	School District Population
2001	3.0%	57,510	20,925
2002	4.9%	56,404	20,941
2003	4.7%	55,888	20,872
2004	4.1%	56,812	20,853
2005	4.4%	59,932	20,761
2006	4.7%	62,248	20,740
2007	4.2%	67,455	20,750
2008	5.6%	71,564	20,746
2009	9.8%	72,201	20,941
2010	6.4%	70,949	21,696

Source: N.J. Department of Labor



BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS  
UNAUDITED

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction										
Regular	*	244	251	275	275	275	282	290	270	270
Special education	*	25	28	21	21	21	26	27	71	71
Support Services:										
Student & instruction related services	*	53	54	56	56	56	56	46	49	49
General administrative services	*	5	5	4	4	4	4	4	5	5
School administrative services	*	19	19	16	16	16	16	18	18	18
Business administrative services	*	5	5	4	4	4	4	4	4	4
Plant operations and maintenance	*	57	54	39	39	39	39	39	39	39
Pupil transportation	*	6	6	7	7	7	7	6	6	6
Total	-	<u>414</u>	<u>422</u>	<u>422</u>	<u>422</u>	<u>422</u>	<u>434</u>	<u>434</u>	<u>462</u>	<u>462</u>

Source: District Personnel Records

\* Not available at time of audit

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School/ High School				
2002	3,118	\$35,209,924	\$11,292	6.88%	278	183	95	3,118	2,961	0.39%	94.96%
2003	3,302	38,132,999	11,548	2.27%	288	190	98	3,302	3,129	5.90%	94.76%
2004	3,260	41,758,761	12,809	10.92%	285	188	97	3,260	3,100	-1.27%	95.09%
2005	3,154	43,387,010	13,756	7.39%	253	167	86	3,154	2,994	-3.25%	94.93%
2006	3,123	44,893,148	14,375	4.50%	296	195	101	3,123	2,957	-0.98%	94.68%
2007	3,158	47,511,053	15,045	5.00%	296	194	102	3,158	2,968	1.12%	93.98%
2008	3,135	51,115,403	16,305	8.38%	285	151	134	3,036	2,880	-3.86%	94.86%
2009	3,165	51,409,629	16,243	-0.38%	290	156	134	3,110	2,954	2.44%	94.98%
2010	3,213	54,556,080	16,980	4.14%	341	207	134	3,110	2,954	0.00%	94.98%
2011	3,243	51,936,161	16,015	-1.41%	341	207	134	3,110	2,954	0.00%	94.98%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay;
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
 SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>District Building</u>										
<u>Elementary</u>										
High School										
Square Feet	178,585	178,585	178,585	178,585	178,585	230,788	230,788	230,788	230,788	230,788
Capacity (students)	1,589	1,589	1,589	1,589	1,589	1,589	1,589	1,589	1,589	1,589
Enrollment	1,380	1,482	1,501	1,461	1,399	1,399	1,399	1,399	1,428	1,496
East End Elementary										
Square Feet	41,400	41,400	41,400	41,400	41,400	52,038	52,038	52,038	52,038	52,038
Capacity (students)	323	323	323	323	323	323	323	323	323	323
Enrollment	500	559	529	466	413	413	413	413	482	485
Stony Brook Elementary										
Square Feet	29,300	29,300	29,300	29,300	29,300	28,789	28,789	28,789	28,789	28,789
Capacity (students)	428	428	428	428	428	428	428	428	428	428
Enrollment	343	376	349	235	260	260	260	260	261	257
West End Elementary										
Square Feet	47,520	47,520	47,520	47,520	47,520	56,604	56,604	56,604	56,604	56,604
Capacity (students)	396	396	396	396	396	396	396	396	396	396
Enrollment	641	673	680	561	511	511	511	511	536	
Harrison School										
Square Feet	11,600	11,600	11,600	11,600	11,600	20,000	20,000	20,000	20,000	20,000
Capacity (students)	61	61	61	61	61	61	61	61	61	61
Enrollment	-	-	-	-	-	-	-	-	18	25
Somerset School										
Square Feet	18,000	18,000	18,000	18,000	18,000	101,167	101,167	101,167	101,167	101,167
Capacity (students)	102	102	102	102	102	500	500	500	500	500
Enrollment	229	243	243	538	546	546	546	546	506	488
Watchung School										
Square Feet	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700
Capacity (students)	18	18	18	18	18	18	18	18	18	18
Enrollment	18	18	18	18	18	18	18	18	-	

Number of Schools at June 30, 2011  
 Elementary/Middle/High School = 7

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

\* Not available at time of audit

BOROUGH OF NORTH PLAINFIELD - SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 LAST EIGHT FISCAL YEARS  
 UNAUDITED

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 11-000-261-XXX

School Facilities	Project # (s)	2011	2010	2008	2007	2006	2005	2004	2003
High School	N/A	\$ 249,985	\$ 276,845	\$ 203,658	\$ 282,546	\$ 266,374	\$ 238,047	\$ 248,363	\$ 222,258
East End Elementary	N/A	101,450	118,452	94,611	53,415	48,572	56,462	34,352	53,642
Stony Brook Elementary	N/A	76,000	77,658	68,714	46,892	58,561	46,858	28,639	44,869
West End Elementary	N/A	115,000	115,000	95,631	68,542	63,589	58,599	40,015	54,923
Harrison School	N/A	50,000	45,567	35,072	61,258	43,125	30,352	34,983	29,073
Somerset School	N/A	112,000	112,562	107,133	49,687	45,287	20,377		
Watchung School	N/A	10,000	28,301	47,487	48,813	40,579	3,818	35,651	2,759
Total School Facilities		714,435	774,385	652,306	611,153	566,087	454,513	422,003	407,524
Other Facilities									
Grand Total		\$ 714,435	\$ 774,385	\$ 652,306	\$ 611,153	\$ 566,087	\$ 454,513	\$ 422,003	\$ 407,524

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2011  
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Package Policy - Diploma Joint Insurance Group		
Property - Blanket Building & Contents	\$95,188,293	\$1,000
Comprehensive General Liability (Aggregate)	5,000,000	
Comprehensive Automobile Liability	5,000,000	
Comprehensive Crime Coverage - Loss inside/outside	50,000	1,000
Comprehensive Crime Coverage - Employee Theft	100,000	1,000
	per employee	
	500,000	
	per occurrence	
Boiler and Machinery - Property Damage	Property limit	1,000
Student Accident Insurance - Life Ins. Co.-No. America	25,000	100
Umbrella Liability - Diploma Joint Insurance Fund-Excess	5,000,000	
Excess Umbrella Liability-Diploma Joint Insurance Fund (Shared Limit)	50,000,000	
Workers Compensation		
Diploma Joint Insurance Fund	5,000,000	15,000
Position Bond -Selective Ins. Co.		
Board Secretary	25,000	
Treasurer of School Monies	300,000	
Flood Insurance - Selective Insurance Company	500,000	5,000.00

Source: District records

**SINGLE AUDIT SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-1"

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Honorable President and Members  
of the Board of Education  
Borough of North Plainfield School District  
County of Somerset  
North Plainfield, New Jersey 07060

We have audited the basic financial statements of the Borough of North Plainfield School District, County of Somerset, New Jersey as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated December 5, 2011. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of North Plainfield School District, County of Somerset, New Jersey internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of North Plainfield School District, County of Somerset internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of North Plainfield School District, County of Somerset's internal control over financial reporting.

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 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.

## SUPLEE, CLOONEY & COMPANY

Our consideration of the internal control over financial reporting was limited for the purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of North Plainfield School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. However we noted an immaterial instance of noncompliance that we have reported to the Board of Education of the Borough of North Plainfield School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated December 5, 2011.

This report is intended for the information of the Borough of North Plainfield School District, County of Somerset, New Jersey, the New Jersey State Department of Education and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 948

December 5, 2011



# SUPLEE, CLOONEY & COMPANY

EXHIBIT "K-2"

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL  
AND STATE FINANCIAL ASSISTANCE PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and Members  
of the Board of Education  
Borough of North Plainfield School District  
County of Somerset  
North Plainfield, New Jersey 07060

## Compliance

We have audited the compliance of the Borough of North Plainfield School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the New Jersey State Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended June 30, 2011. The Borough of North Plainfield School District'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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of Borough of North Plainfield School District's management. Our responsibility is to express an opinion on Borough of North Plainfield School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; 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 Division of Finance, Department of Education, State of New Jersey and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough of North Plainfield School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough of North Plainfield School District's compliance with those requirements.

## SUPLEE, CLOONEY & COMPANY

In our opinion, the Borough of North Plainfield School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2011.

### Internal Control Over Compliance

The management of the Borough of North Plainfield School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough of North Plainfield School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB 04-04, but not for the purpose of expressing the opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of North Plainfield School District's internal control over compliance.

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

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

This report is intended solely for the information of the Borough of North Plainfield School District, County of Somerset, New Jersey, the New Jersey State Department of Education, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 948

December 5, 2011

BOROUGH OF NORTH PLAINFIELD - SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT 6/30/2010	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEAR'S BALANCES	(ACCTS RECEIVABLE) DEFERRED REVENUE AT JUNE 30, 2011	DUE TO GRANTOR AT JUNE 30, 2011
<b>Enterprise Funds</b>											
U S Department of Agriculture											
Passed-through State Department of Education											
Food Distribution Commodities Program	10 550	7/1/10-6/30/11	\$85,931 76			\$85,931 76	(\$83,693 53)			\$2,238 23	
Food Distribution Commodities Program	10 550	7/1/09-6/30/10	93,820 71	\$4,035 20			(4,035 20)				
National School Lunch Program	10 555	7/1/10-6/30/11	710,392 02			664,131 50	(710,392 02)			(\$46,260 52)	
National School Lunch Program	10 555	7/1/09-6/30/10	663,918 97	(55,735 14)		55,735 14					
National School Breakfast Program	10 553	7/1/10-6/30/11	75,111 48			68,654 50	(75,111 48)			(6,456 98)	
National School Breakfast Program	10 553	7/1/09-6/30/10	68,331 72	(6,690 29)		6,690 29					
Total U.S. Department of Agriculture				<u>(56,390 14)</u>		<u>881,143 10</u>	<u>(873,232 23)</u>			<u>(52,717 50)</u>	<u>2,238 23</u>
<b>Special Revenue Funds</b>											
U S Department of Education											
Passed-through State Department of Education											
ARRA - Title I	84 389	9/1/09 - 8/31/11	296,963 00	(9,059 00)		31,784 00	(31,702 00)	\$6,359 08		(2,617 92)	
Title I - Carryover	84 010	9/1/08 - 8/31/09	517,364 00	(6,248 51)		6,248 51					
Title I	84 010	9/1/09 - 8/31/10	472,861 00	(90,342 16)		90,342 16					
Title I, Carryover	84 010	9/1/10 - 8/31/11	472,861 00			52,073 84	(52,073 84)				
Title I, Carryover	84 010	9/1/07 - 8/31/09	304,508 00	162 23					(\$162 23)		
Title I	84 010	9/1/10 - 8/31/11	469,508 00			341,064 48	(429,081 44)			(88,016 95)	
Title IIA	84 367	9/1/09 - 8/31/10	125,652 00	(18,196 00)		18,196 00					
Title IIA - Carryover	84 367	9/1/08 - 8/31/09	130,037 00	(405 00)		405 00					
Title IIA	84 367	9/1/10 - 8/31/11	128,033 00			107,154 00	(128,033 00)			(20,879 00)	
Title IID - Carryover	84 318	9/1/08 - 8/31/09	4,125 00	(19 00)		19 00					
Title IID	84 318	9/1/09 - 8/31/10	4,608 00			112 00	(112 00)				
Title IID	84 318	9/1/10 - 8/31/11	1,234 00			1,234 00	(1,234 00)				
Title III - Carryover	84 365	9/1/08 - 8/31/09	64,096 00	(2,320 00)		2,320 00					
Title III	84 365	9/1/09 - 8/31/10	50,408 00	(8,835 00)		8,835 00					
Title III - Carryover	84 365	9/1/10 - 8/31/11	50,408 00			10,448 00	(10,448 00)				
Title III	84 365	9/1/10 - 8/31/11	54,905 00			34,210 00	(44,671 00)			(10,461 00)	
Title IV - Carryover	84 188	9/1/08 - 8/31/09	11,131 00	(278 00)		278 00					
Title IV	84 188	9/1/09 - 8/31/10	9,891 00	(5,150 00)		5,150 00					
Title IV - Carryover	84 188	9/1/10 - 8/31/11	9,891 00			241 00	(241 00)				
U S HISTORY	84 215a	9/1/03 - 8/31/07	839,808 00	1,750 00					(1,750 00)		
I D E A L - Carryover	84 027a	7/1/06 - 6/30/07	234,126 00	2,534 56					(2,534 56)		
I D E A L - Carryover	84 027a	9/1/07 - 8/31/08	85,963 00						(3,366 00)		
ARRA - IDEA part B	84 391	9/1/09 - 8/31/11	863,811 00	(42,700 00)		548,879 00	(596,571 02)	7,750 00		(82,642 02)	
I D E A Part B Basic	84 027	9/1/10 - 8/31/11	796,516 00			309,571 00	(763,091 54)			(453,520 54)	
ARRA - I D E A Part B- Preschool	84 392	9/1/09 - 8/31/11	31,093 00				(18,670 00)			(18,670 00)	
I D E A Part B- Preschool	84 173	9/1/10 - 8/31/11	18,903 00			8,120 00	(18,903 00)			(10,783 00)	
Total U S Department of Education				<u>(175,739 88)</u>		<u>1,576,685 00</u>	<u>(2,094,631 84)</u>	<u>14,109 08</u>	<u>(7,612 79)</u>	<u>(687,580 43)</u>	
<b>General Fund</b>											
U S Department of Health & Human Services											
Medical Assistance Program (SEMI)	93 778	7/1/10- 6/30/11	55,758 90			55,758 90	(55,758 90)				
Total U S Department of Health & Human Services						<u>55,758 90</u>	<u>(55,758 90)</u>				
Total Federal Financial Assistance				<u>(\$234,130 02)</u>		<u>\$2,513,587 00</u>	<u>(\$3,023,822 97)</u>	<u>\$14,109 08</u>	<u>(\$7,612 79)</u>	<u>(\$740,307 93)</u>	<u>\$2,238 23</u>

See accompanying notes to schedules of financial assistance

BOROUGH OF NORTH PLAINFIELD - SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2010			CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2011			MEMO	
				(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR						(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
General Funds:																
State Department of Education																
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	\$20,222,370.00					\$18,208,375.00	(\$20,222,370.00)	\$2,013,995.00				\$2,013,995.00	\$20,222,370.00	
Special Education Aid	11-495-034-5120-089	7/1/10-6/30/11	1,891,566.00					1,710,533.00	(1,891,566.00)	181,033.00				181,033.00	1,891,566.00	
Extraordinary Aid	11-495-034-5120-473	7/1/10-6/30/11	205,187.00						(205,187.00)				(\$205,187.00)	205,187.00	205,187.00	
Extraordinary Aid	10-495-034-5120-473	7/1/09-6/30/10	180,535.00	(\$180,535.00)				180,535.00							180,535.00	
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	7/1/10-6/30/11	1,706,359.06					1,621,718.39	(1,706,359.06)				(\$84,640.67)	(\$84,640.67)	1,706,359.06	
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	7/1/09-6/30/10	1,802,499.97	(88,290.12)				88,290.12							1,802,499.97	
<b>Total General Fund</b>				<b>(268,825.12)</b>				<b>21,809,451.51</b>	<b>(24,025,482.06)</b>	<b>2,195,028.00</b>			<b>(289,827.67)</b>	<b>2,315,674.33</b>	<b>26,008,617.03</b>	
Special Revenue Fund:																
Preschool Education Aid	10-495-034-5120-086	7/1/10-6/30/11	676,020.00					35.35	(35.35)						676,020.00	
Preschool Education Aid	11-495-034-5120-086	7/1/10-6/30/11	711,600.00					643,712.00	(708,072.03)	67,888.00			\$3,527.97	67,888.00	708,072.03	
Character Education Aid	02-100-034-5120-418	7/1/02-6/30/03	8,627.00			\$0.37							(\$0.37)		8,626.63	
Character Education Aid	03-100-034-5120-418	7/1/02-6/30/03	8,690.00			84.54							(84.54)		8,605.46	
Character Education Aid	04-100-034-5120-418	7/1/03-6/30/04	9,066.00			27.65							(27.65)		9,038.35	
Character Education Aid	05-100-034-5120-418	7/1/04-6/30/05	8,837.00			341.50							(341.50)		8,495.50	
Character Education Aid	06-100-034-5120-418	7/1/05-6/30/06	8,708.00			158.41							(158.41)		8,548.59	
Math Intervention Grant		7/1/08-6/30/08	3,897.45	(890.00)				890.00							3,897.45	
NJ Nonpublic Aid:																
Textbook Aid	09-100-034-5120-064	7/1/08-6/30/09	13,898.00			7,758.08							(7,758.08)		6,139.92	
Textbook Aid	11-100-034-5120-064	7/1/10-6/30/11	7,275.00					7,275.00	(7,275.00)						7,275.00	
Nursing Services	11-100-034-5120-070	7/1/10-6/30/11	8,621.00					8,621.00	(8,621.00)						8,621.00	
Technology Equipment	08-100-034-5120-373	7/1/07-6/30/08	11,480.00			5,011.15							(5,011.15)		11,480.00	
Auxiliary Services:																
Compensatory Education	10-100-034-5120-067	7/1/09-6/30/10	37,428.00			37,428.00							(37,428.00)			
Compensatory Education	11-100-034-5120-067	7/1/10-6/30/11	670.00					670.00	(443.75)					\$226.25	443.75	
English as a Second Language	10-100-034-5120-067	7/1/09-6/30/10	6,851.00			6,851.00							(6,851.00)			
Transportation	10-100-034-5120-067	7/1/09-6/30/10	11,307.00			11,307.00							(11,307.00)			
Handicapped Services:																
Supplemental Instruction	10-100-034-5120-066	7/1/09-6/30/10	12,743.00			10,041.51							(10,041.51)		2,701.49	
Supplemental Instruction	11-100-034-5120-066	7/1/10-6/30/11	1,875.00					1,875.00	(1,399.32)					475.68	1,399.32	
Examination & Classification	10-100-034-5120-066	7/1/09-6/30/10	31,429.00			16,131.09							(16,131.09)		15,297.91	
Examination & Classification	11-100-034-5120-066	7/1/10-6/30/11	11,639.00					11,639.00	(11,639.00)						11,639.00	
Corrective Speech	10-100-034-5120-066	7/1/09-6/30/10	20,624.00			9,761.74							(9,761.74)		10,862.26	
Corrective Speech	11-100-034-5120-066	7/1/10-6/30/11	19,090.00					19,090.00	(19,090.00)						19,090.00	
<b>Total Special Revenue Fund</b>				<b>(890.00)</b>		<b>104,923.04</b>		<b>693,807.35</b>	<b>(756,575.45)</b>	<b>67,888.00</b>			<b>(104,923.04)</b>	<b>3,527.97</b>	<b>1,626,233.66</b>	

BOROUGH OF NORTH PLAINFIELD - SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2010			CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2011			MEMO		
				(ACCOUNTS RECEIVABLE	DEFERRED REVENUE	DUE TO GRANTOR						(ACCOUNTS RECEIVABLE	DEFERRED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
<b>Capital Projects Fund:</b>																	
N.J. Schools Development Authority HVAC- Harrison School		2010	\$344,426.00	(\$68,885.20)				\$68,885.20									\$344,426.00
N.J. Economic Development Authority- West End Gym Project		2010	236,496.00	(103,969.40)				103,969.40									236,496.00
N.J. Schools Development Authority HVAC- Harrison School		2011	69,634.00									(69,634.00)	69,634.00			69,634.00	
N.J. Economic Development Authority HVAC- Stoney Brook Elementary		2011	75,339.00									(75,339.00)	75,339.00			75,339.00	
N.J. Economic Development Authority HVAC- East End Elementary		2011	1,009,934.00	(908,940.60)	632,233.03			528,094.67		209,024.00		(171,821.83)			171,821.83		800,910.00
		69,634.00		(1,081,795.20)	632,233.03			700,949.27		209,024.00		(316,794.83)	144,973.00		316,794.83		1,361,832.00
<b>Enterprise Fund:</b>																	
National School Lunch Program (State Share)	11-100-010-3360-067	7/1/10-6/30/11	17,651.24					18,424.88	(17,651.24)			(1,226.36)					17,651.24
National School Lunch Program (State Share)	10-100-010-3360-067	7/1/09-6/30/10	29,016.54	(2,413.78)				2,413.78									29,016.54
State School Breakfast Program	10-100-010-3360-096	7/1/09-6/30/10	5,139.60	(484.30)				484.30									5,139.60
Total Enterprise Fund				(2,898.08)				19,322.96	(17,651.24)			(1,226.36)					51,807.38
Total State Financial Assistance Subject to Single Audit				(\$1,354,406.40)	\$632,233.03	\$104,923.04		23,223,531.09	(24,799,706.75)	\$2,471,940.00	(\$104,923.04)	(\$697,846.96)	\$148,500.97	\$701.93	\$2,700,257.26		\$28,968,390.07
On- Behalf TPAF Post Retirement Medical	11-495-034-5095-001	7/1/10-6/30/11	1,542,018.00					1,542,018.00	(1,542,018.00)								
On- Behalf TPAF Noncontributory Insurance	11-495-034-5095-007	7/1/10-6/30/11	72,600.00					72,600.00	(72,600.00)								
								\$24,836,149.09	(\$26,414,326.75)								

See accompanying notes to schedules of financial assistance.

**Borough of North Plainfield School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2011**

**NOTE 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Education, North Plainfield School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from the federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated 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 the modified accrual basis with the exception of the revenue recognition of the deferred state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP accounting purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the 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 revenue, whereas GAAP basis does not. The special revenue fund also recognizes the deferred state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

**Borough of North Plainfield School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2011**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$274,861.00 for the general fund. The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(41,021.21) for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5: OTHER**

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2011.

The amount of TPAF post-retirement contributions and noncontributory insurance of \$1,542,018 and \$72,600, respectively, reported in the financial statements represents the amounts paid by the state on behalf of the district for the year ended June 30, 2011 and are not subject to the requirements of New Jersey OMB 04-04.

**Borough of North Plainfield School District**  
**Somerset County, New Jersey**

**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2011**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

- |     |   |             |
|-----|---|-------------|
| (1) | Type of Auditor’s Report Issued:  | Unqualified |
| (2) | Internal Control Over Financial Reporting:  |             |
|     | (a) Material weakness(es) identified?   | No          |
|     | (b) Significant deficiencies identified that are not<br>Considered to be material weaknesses? | N/A         |
| (3) | Noncompliance material to the basic financial<br>statements noted during the audit?           | No          |

**Federal Program(s)**

- |     |  |             |
|-----|--|-------------|
| (1) | Internal Control Over Major Federal Programs:  |             |
|     | (a) Material weaknesses identified?  | No          |
|     | (b) Significant deficiencies identified that are not<br>considered to be material weaknesses?                              | N/A         |
| (2) | Type of Auditor’s Report issued on compliance for major federal<br>Program(s)?   | Unqualified |
| (3) | Any audit findings disclosed that are required to be reported in<br>accordance with section .510(a) of Circular OMB A-133? | No          |

**Borough of North Plainfield School District**  
**Somerset County, New Jersey**

**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2011**

**Section I – Summary of Auditor’s Results (Continued)**

**Federal Program(s) (Continued)**

(4) Identification of Major Federal Program(s):

<u>Program</u>	<u>CFDA</u>
IDEA Part B	84.027
ARRA IDEA Part B	84.391
IDEA Preschool	84.173
ARRA IDEA Preschool	84.392

(5) Program Threshold Determination:  
 Type A Federal Program Threshold > \$300,000.00  
 Type B Federal Program Threshold <= \$300,000.00

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

**State Program(s)**

(1) Internal Control Over Major State Programs:

(a) Material weakness(es) identified? No

(b) Significant deficiencies identified that are not  
 Considered to be material weaknesses? N/A

(2) Type of Auditor’s Report issued on compliance for major state  
 program(s)? Unqualified

**Borough of North Plainfield School District**  
**Somerset County, New Jersey**

**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2011**

**State Program(s)(Continued)**

(3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? No

(4) Identification of Major State Program(s):

<u>Program</u>	<u>Grant Number</u>
Equalization Aid	11-495-034-5120-078
Special Education Aid	11-495-034-5120-089

(5) Program Threshold Determination:  
 Type A State Program Threshold > \$743,991.00  
 Type B State Program Threshold <= \$743,991.00

(6) Auditee qualified as a low-risk auditee under OMB Circular 04-04? Yes

**Section II – Financial Statement Audit – Reported Findings**  
**Under Government Auditing Standards**

**Internal Control Findings** – None Reported

**Compliance Findings** – None Reported

**Section III – Findings and Questioned Costs Relative to Major Federal and State Programs**

Federal Programs – None Reported

State Programs – None Reported

**Borough of North Plainfield School District**  
**Somerset County, New Jersey**

**Schedule of Prior Year Audit Findings**

Finding 2010-1:

Capital lease payments for the District's communication system were charged to capital outlay instead of to current expense.

Recommendation:

Lease payments should be charged to the appropriate function code in current expense in accordance with the Uniform Minimum Chart of Accounts for New Jersey Schools.

Current Status: The recommendation has been implemented.

Finding 2010-2:

A capital project for bathroom renovations was established during 2009/10. The project was set up in the capital projects expenditure ledger; however, the project was not submitted to the Board for formal approval by resolution.

Recommendation:

Capital projects be recorded in the accounting records only after approval by resolution of the Board of Education.

Current Status: The recommendation has been implemented.

Finding 2010-3:

Expenditures for legal services in connection with the District's referendum litigation were not recorded when incurred. Additionally, the appropriation for such expenditures was not available until the 2010/2011 budget year. Audit adjustments to record the legal expenditures resulted in a capital projects fund deficit in unreserved fund balance.

Recommendation:

Expenditures for capital projects litigation should be recorded when incurred and only with the existence of an available appropriation.

Current Status: The recommendation has been implemented.

