

**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, 2012

Prepared by

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



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INTRODUCTORY SECTION

**North Plainfield Board of Education
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North Plainfield, NJ 07060**

**Dr. Marilyn Birnbaum
Superintendent of Schools**

**Donald Sternberg
Business Administrator**

Phone (908) 769-6060

Fax (908) 755-5490

November 30, 2012

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, 2012, 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 2011-12 fiscal year with an enrollment of 3256 students, which is 3 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>
2011-12	3256	-
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%

2. ECONOMIC CONDITION AND OUTLOOK: The North Plainfield area continued to be in a period of depressed economic growth and slow development. Business closures, unemployment, and residential home foreclosures continue to impact 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 2011-2012 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 NJ Core Curriculum Standards, but also with the Common Core Curriculum Content Standards.

Technology

During the 2011-2012 school year, the district expanded the user of its website, and continued to integrate technology into all curriculum content areas. The district web site, www.nplainfield.org, provides detailed information and photos from all schools. During this year the district introduced a new on-line assessment in mathematics, language arts, and writing. The district continued to work to improve communication between the schools and the community, through expanded parent and student access to our student information system, email, and phone calls. The automated phone system regularly alerted parents and students to scheduled activities, emergencies, and important postings on staff and district websites. Additionally, in order to expand our course offerings and effectively reach all students, by varying the learning experience, the district instituted on-line programs in mathematics and language arts throughout the regular school year and in the summer. The online lesson plan system, On Course, is not only used by teachers to post lesson plans, but also houses the curriculum for courses in grades K-12 which are correlated to the new standards and accessible to parents.

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 Common 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 2011-2012 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 2011-2012 school year, many programs were developed or implemented to support and encourage parent involvement in the curriculum: In addition, parents experienced the following:

- a. Golden Guest Day
- b. Parent Academy
- c. The Kindergarten Experience
- d. School-Based Planning
- e. New Parent Welcome Tea

- f. Gifted and Talented Parent Information Night
- g. End of Year Awards Assemblies all Schools
- h. College Nights

In addition, during the 2011-2012 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, Writers in Bloom, Science Fair, Honor Roll Recognition, Citizen of the month
- District Website
- Winter and Spring Music Concerts/Plays
- Family Fun Nights

Facilities

The District continues to ensure its commitment to ensuring a sound educational environment that promotes learning, the details of which are presented in the Comprehensive Maintenance Plan submitted to the State for approval. Major building repair and renovation projects included, but were not limited to:

- a. Chiller Project Stony Brook Elementary School
- b. Chiller Project Harrison School

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, 2012.

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.

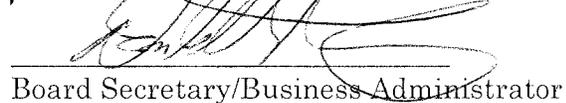
10. OTHER INFORMATION:

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, 2012**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
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, 2012

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

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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, 2012, 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, 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 opinions.

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 remaining fund information of the Borough of North Plainfield School District, County of Somerset, New Jersey as of June 30, 2012, 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 November 30, 2012 on our consideration of the Borough of North Plainfield School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the Borough of North Plainfield School District's financial statements that collectively comprise the basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal and State Awards, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular NJOMB 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 are presented for purposes of additional analysis 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

SUPLEE, CLOONEY & COMPANY

In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The accompanying other information, such as the introductory and statistical sections, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

November 30, 2012

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, 2012 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, 2012. 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 2012 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 2011/2012 school year. The amount of the deferred state aid payments, which were received in July 2012, is \$2,366,777.00.
- In total, net assets for governmental fund increased \$4,568,097.98, which represents a 13% increase from 2011.
- General revenues accounted for \$50,563,060.12 or 82% of all revenues. Program specific revenues in the form of charges for services and operating/capital grants and contributions accounted for \$10,971,908.89 or 18% of all revenues.
- The District had \$57,080,919.65 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, 2012 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 2012?" 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, 2012
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 2012 and 2011.

**Table 1
Net Assets**

	<u>2012</u>	<u>2011</u>
Assets		
Current and Other Assets	\$9,635,586.77	\$6,139,991.87
Capital Assets	<u>47,599,702.44</u>	<u>47,156,572.95</u>
Total Assets	57,235,289.21	53,296,564.82
Liabilities		
Long-Term Liabilities	14,520,053.22	15,209,811.20
Other Liabilities	<u>3,303,749.08</u>	<u>3,030,316.08</u>
Total Liabilities	17,823,802.30	18,240,127.28
Net Assests		
Invested in Capital Assets, Net of Debt	33,610,888.26	32,332,735.30
Restricted	7,851,899.75	4,729,241.44
Unrestricted (Deficit)	<u>(2,051,301.10)</u>	<u>(2,005,539.20)</u>
Total Net Assets	<u><u>\$39,411,486.91</u></u>	<u><u>\$35,056,437.54</u></u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

The District's combined net assets were \$39,411,486.91 on June 30, 2012. This was an increase of 13 percent from the prior year. Table 2 shows changes in net assets for fiscal years 2012 and 2011.

**Table 2
Changes in Net Assets**

	<u>2012</u>	<u>2011</u>
Revenues		
Program Revenues:		
Charges for Services	\$486,637.27	\$515,935.17
Operating Grants and Contributions	10,251,247.65	7,489,679.54
Capital Grants and Contributions	135,023.97	454,459.03
General Revenues:		
Property Taxes	28,991,748.00	28,213,378.00
Grants and Entitlements	21,207,379.00	22,162,577.01
Other	<u>363,933.12</u>	<u>(157,679.79)</u>
Total Revenues	<u>61,435,969.01</u>	<u>58,678,348.96</u>
 Program Expenses		
Instruction	33,694,682.97	32,275,432.02
Support Services:		
Student and Instruction Related	8,668,996.10	7,680,939.89
General Administration	1,101,645.75	1,574,014.18
School Administration	3,132,070.88	2,442,050.64
Central Services/ Adm. Of Technology	515,761.45	449,926.43
Maintenance of Facilities	5,188,157.27	6,475,865.79
Student Transportation	1,247,321.67	1,322,925.40
Business Type Activities	1,637,730.89	1,308,011.35
Other	<u>1,894,552.66</u>	<u>1,788,982.54</u>
Total Expenses	<u>57,080,919.64</u>	<u>55,318,148.24</u>
Increase/ (Decrease) in Net Assets	<u>\$4,355,049.37</u>	<u>\$3,360,200.72</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 47.2 percent of revenues for governmental activities in the District. There was a \$778,370.00 increase in property taxes or 2.8 percent from the prior year. The District's total revenues were \$61,435,969.01 for the year ended June 30, 2012. Federal, State and local grants accounted for 51.2 percent of revenue

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

Government Activities (Continued)

Instruction comprises 60.8 percent of district expenses. Support services make up 35.8 percent of the district expenses and other services and expenses make up 3.4 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 expenses exceeded revenues by \$213,048.61.
- Revenues consist of \$486,637.27 in operating revenue from charges for services and \$1,022,903.84 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 2012. 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 <u>Services 2012</u>	Net Cost of <u>Services 2011</u>
Instruction	\$26,498,674.63	\$27,751,749.78
Support Services:		
Students and Instruction Related	7,091,949.71	6,259,101.20
General Administration, School & Central Admin.	4,300,153.54	4,168,462.57
Maintenance of Facilities	5,099,558.49	5,703,194.47
Student Transportation	1,194,910.37	1,266,991.23
Other	1,894,552.66	1,788,982.54
Business-Type Activities	<u>128,211.35</u>	<u>(80,407.29)</u>
Total Net Cost of Services	<u>\$46,208,010.75</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, 2012
UNAUDITED**

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.

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 \$59,926,427.90 and expenditures were \$56,520,632.88.

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, 2012, 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 2011</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$29,370,024.74	49.01%	\$1,057,985.24	3.73%
State Sources	27,915,072.27	46.58%	817,084.76	3.22%
Federal Sources	2,641,330.89	4.41%	534,111.19	36.12%
Total	\$59,926,427.90	100.00%	\$2,409,181.19	4.36%

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
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, 2012, 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 2011</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$33,503,393.46	59.28%	\$1,588,831.19	4.53%
Support Services	19,579,757.78	34.64%	(441,840.66)	-2.31%
Capital Outlay	1,824,112.88	3.23%	(1,103,060.90)	-152.98%
Debt Service	<u>1,613,368.76</u>	<u>2.85%</u>	<u>123,273.02</u>	<u>7.10%</u>
Total	<u>\$56,520,632.88</u>	<u>100.00%</u>	<u>\$167,202.65</u>	<u>0.31%</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 approved the transfer of funds from capital outlay to the capital projects fund. Also old capital projects were closed out and funds were transferred back into the capital reserve account for future projects.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

Debt Administration

At June 30, 2012, the District had \$15,371,655.08 of outstanding long-term liabilities. Of this amount, \$1,241,933.03 is for compensated absences; \$193,814.18 for capital leases; and \$13,935,907.87 of serial bonds for school construction, net of unamortized balances.

Capital Assets

At the end of the fiscal year 2012, the District had a net of \$47,599,702.44 invested in land and improvements, building and building improvements, and machinery and equipment. Table 4 shows fiscal year 2012 balances compared to 2011.

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

	<u>2012</u>	<u>2011</u>
Governmental Activities Capital Assets, Net:		
Land and Improvements	\$340,772.06	\$365,461.88
Building and Building Improvements	46,195,000.39	45,665,388.48
Machinery and Equipment	884,938.03	987,940.48
Total Governmental Activities Capital Assets, Net	<u>47,420,710.48</u>	<u>47,018,790.84</u>
Business Type Activities Capital Assets, Net:		
Machinery and Equipment	178,991.96	137,782.11
Total Business Type Activities Capital Assets, Net:	<u>178,991.96</u>	<u>137,782.11</u>
Total Capital Assets, Net	<u>\$47,599,702.44</u>	<u>\$47,156,572.95</u>

Overall capital assets increased by \$443,129.49 from fiscal year 2011 to fiscal year 2012.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012 UNAUDITED

Negotiations

The North Plainfield Board of Education and the North Plainfield Education Association were in continued labor negotiations in the 2011-2012 school year for contract years 2011 through 2014. However, both were able to reach a tentative agreement by June 30, 2012. This agreement should be finalized before or during the next school year of 2012-2013.

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, 2012

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	\$8,048,853.67	\$369,984.04	\$8,418,837.71
Receivables, net	794,313.60	60,276.70	854,590.30
Inventory		10,202.16	10,202.16
Restricted assets:			
Restricted cash and cash equivalents	286,289.50		286,289.50
Deferred Bond Issue Costs, net	65,667.10		65,667.10
Capital assets:			
Other capital assets, net of depreciation	<u>47,420,710.48</u>	<u>178,991.96</u>	<u>47,599,702.44</u>
Total Assets	<u>56,615,834.35</u>	<u>619,454.86</u>	<u>57,235,289.21</u>
LIABILITIES:			
Accounts payable	1,905,763.16	63,876.74	1,969,639.90
Payable to state government	18,247.56		18,247.56
Interfunds payable		65,258.10	65,258.10
Deferred revenue	105,418.78	326.81	105,745.59
Accrued interest on bonds	293,256.09		293,256.09
Noncurrent liabilities:			
Due within one year	851,601.84		851,601.84
Due beyond one year	<u>14,520,053.22</u>		<u>14,520,053.22</u>
Total liabilities	<u>17,694,340.65</u>	<u>129,461.65</u>	<u>17,823,802.30</u>
NET ASSETS:			
Invested in capital assets, net of related debt	33,431,896.30	178,991.96	33,610,888.26
Restricted for:			
Capital projects	2,195,108.87		2,195,108.87
Other purposes	5,656,790.88		5,656,790.88
Unrestricted (Deficit)	<u>(2,362,302.35)</u>	<u>311,001.25</u>	<u>(2,051,301.10)</u>
Total net assets	<u>\$38,921,493.70</u>	<u>\$489,993.21</u>	<u>\$39,411,486.91</u>

See accompanying notes to financial statements.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2012

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
Governmental Activities:							
Instruction:							
Regular	\$ 22,001,293.80		\$ 3,536,982.67		\$ (18,464,311.13)		\$ (18,464,311.13)
Special	7,797,808.80	\$	3,299,903.75	\$ 89,700.37	(4,408,204.68)		(4,408,204.68)
Other Instruction	3,895,580.37		269,421.56		(3,626,158.82)		(3,626,158.82)
Support services:							
Student & instruction related services	8,668,996.10		1,577,046.39		(7,091,949.71)		(7,091,949.71)
General administrative services	1,101,645.75		96,076.27		(1,005,569.47)		(1,005,569.47)
School administrative services	3,132,070.88		302,988.21		(2,829,082.67)		(2,829,082.67)
Central services	502,026.45		50,260.05		(451,766.40)		(451,766.40)
Administration information technology	13,735.00				(13,735.00)		(13,735.00)
Plant operations and maintenance	5,188,157.27		43,275.18	45,323.60	(5,099,558.49)		(5,099,558.49)
Pupil transportation	1,247,321.67		52,411.30		(1,194,910.37)		(1,194,910.37)
Interest on Long-Term Debt	820,993.76				(820,993.76)		(820,993.76)
Unallocated depreciation and amortization	1,073,558.90				(1,073,558.90)		(1,073,558.90)
Total governmental activities	<u>55,443,188.76</u>		<u>9,228,365.38</u>	<u>135,023.97</u>	<u>(46,079,799.40)</u>		<u>(46,079,799.40)</u>
Business-type activities							
Food Service	<u>1,637,730.89</u>	<u>486,637.27</u>	<u>1,022,882.27</u>			\$ <u>(128,211.35)</u>	<u>(128,211.35)</u>
Total business-type activities	<u>1,637,730.89</u>	<u>486,637.27</u>	<u>1,022,882.27</u>			<u>(128,211.35)</u>	<u>(128,211.35)</u>
Total primary government	<u>\$ 57,080,919.65</u>	<u>\$ 486,637.27</u>	<u>\$ 10,251,247.65</u>	<u>\$ 135,023.97</u>	<u>(46,079,799.40)</u>	<u>(128,211.35)</u>	<u>(46,208,010.75)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					27,384,148.00		27,384,148.00
Taxes levied for debt service					1,607,600.00		1,607,600.00
Federal and state aid not restricted					21,207,379.00		21,207,379.00
Miscellaneous income					363,911.55	21.57	363,933.12
Total general revenues					<u>50,563,038.55</u>	<u>21.57</u>	<u>50,563,060.12</u>
Transfers							
Change in net assets					<u>84,858.83</u>	<u>(84,858.83)</u>	<u>4,355,049.37</u>
					4,568,097.98	(213,048.61)	4,355,049.37
Net Assets - beginning							
					<u>34,353,395.72</u>	<u>703,041.82</u>	<u>35,056,437.54</u>
Net Assets ending							
					<u>\$ 38,921,493.70</u>	<u>\$ 489,993.21</u>	<u>\$ 39,411,486.91</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, 2012

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 4,747,552.45	\$	\$ 3,300,839.98	\$ 461.24	\$ 8,048,853.67
Cash, capital reserve	286,289.50				286,289.50
Accounts receivable:					
Federal		442,438.00			442,438.00
State	139,894.50		144,973.00		284,867.50
Local		1,750.00			1,750.00
Interfunds	536,178.17				536,178.17
	<u>5,709,914.62</u>	<u>444,188.00</u>	<u>3,445,812.98</u>	<u>461.24</u>	<u>9,600,376.84</u>
Total assets					
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	734,297.46	20,410.99	1,151,054.71		1,905,763.16
Interfund payable		470,920.07			470,920.07
Intergovernmental payables:					
State		18,247.56			18,247.56
Deferred revenue		5,769.38	99,649.40		105,418.78
	<u>734,297.46</u>	<u>515,348.00</u>	<u>1,250,704.11</u>		<u>2,500,349.57</u>
Total liabilities					
Fund balances:					
Restricted for:					
Capital reserve account	286,289.50				286,289.50
Excess surplus	1,023,229.98				1,023,229.98
Excess surplus - designated for subsequent year's expenditures	3,039,291.71				3,039,291.71
Committed for year-end encumbrances			1,320,062.55		1,320,062.55
Committed for Debt Service				461.24	461.24
Assigned for year-end encumbrances	87,902.68				87,902.68
Committed for subsequent years expenditures	538,903.29				538,903.29
Unassigned:					
General fund (deficit)					
Special revenue fund (deficit)		(71,160.00)			(71,160.00)
Capital projects fund			875,046.32		875,046.32
	<u>4,975,617.16</u>	<u>(71,160.00)</u>	<u>2,195,108.87</u>	<u>461.24</u>	<u>7,100,027.27</u>
Total fund balances					
Total liabilities and fund balances	<u>\$ 5,709,914.62</u>	<u>\$ 444,188.00</u>	<u>\$ 3,445,812.98</u>	<u>\$ 461.24</u>	<u>\$ 9,600,376.84</u>

See accompanying notes to financial statements.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

Total Fund Balances (Brought Forward) \$7,100,027.27

Amounts Reported for Governmental Activities in the Statement
of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds.

Cost of Assets	\$62,582,009.92	
Accumulated Depreciation	<u>(15,161,299.44)</u>	47,420,710.48

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.

Serial bonds payable	(13,795,000.00)	
Original Issue Premium, net	(359,312.04)	
Deferred Amount on Refunding Bonds, net	218,404.17	
Bond Issue Costs, net	65,667.10	
Capital leases payable	(193,814.18)	
Compensated absences payable	<u>(1,241,933.03)</u>	(15,305,987.98)

Certain liabilities are not due and payable in the current period
and therefore, are not reported in the governmental funds.

Accrued Interest Payable		<u>(293,256.09)</u>
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Net Assets of Governmental Activities \$38,921,493.68

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, 2012

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$ 27,384,148.00	\$	\$ 250,000.00	\$ 1,607,600.00	\$ 28,991,748.00
Miscellaneous	113,808.72	14,365.19	250,000.00	102.83	378,276.74
Total - local sources	27,497,956.72	14,365.19	250,000.00	1,607,702.83	29,370,024.74
State sources	27,113,072.18	756,676.49	45,323.60		27,915,072.27
Federal sources	890,785.61	1,750,545.28			2,641,330.89
Total revenues	55,501,814.51	2,521,586.96	295,323.60	1,607,702.83	59,926,427.90
EXPENDITURES:					
Current expense:					
Regular instruction	21,428,668.93	698,573.38			22,127,242.31
Special instruction	6,903,014.16	912,721.62			7,815,735.78
Other Instruction	3,560,415.37				3,560,415.37
Support services:					
Student & instruction related services	7,674,652.68	827,391.56			8,502,044.24
General administrative services	1,176,458.21				1,176,458.21
School administrative services	3,030,305.36				3,030,305.36
Central services	487,410.56				487,410.56
Administrative information technology	13,735.00				13,735.00
Plant operations and maintenance	5,141,595.79				5,141,595.79
Student transportation	1,228,208.62				1,228,208.62
Debt Service:					
Principal				1,030,000.00	1,030,000.00
Interest				583,368.76	583,368.76
Capital outlay	264,200.24	89,700.37	1,470,212.27		1,824,112.88
Total expenditures	50,908,664.92	2,528,386.93	1,470,212.27	1,613,368.76	56,520,632.88
Excess (deficiency) of revenues over (under) expenditures	4,593,149.59	(6,799.97)	(1,174,888.67)	(5,665.93)	3,405,795.02
Other financing sources (uses):					
Operating transfers in/out	(2,228,796.39)		2,313,655.22		84,858.83
Total other financing sources	(2,228,796.39)		2,313,655.22		84,858.83
Net change in fund balances	2,364,353.20	(6,799.97)	1,138,766.55	(5,665.93)	3,490,653.85
Fund balances/(deficit), July 1, 2011	2,611,263.96	(64,360.03)	1,056,342.32	6,127.17	3,609,373.42
Fund balances/(deficit), June 30, 2012	\$ 4,975,617.16	\$ (71,160.00)	\$ 2,195,108.87	\$ 461.24	\$ 7,100,027.27

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, 2012

Total net change in fund balances - governmental funds (from B-2)	\$	3,490,653.85
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>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</p>		
Depreciation expense	\$ (1,288,946.87)	
Capital outlays	1,824,112.88	
Less: Capital outlays not capitalized	<u>(133,246.37)</u>	
		401,919.64
<p>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.</p>		
Original Issue Premium on Refunding Bonds		54,882.04
Deferred Amount on Refunding Bond Payments to Escrow Agent		<u>(33,359.49)</u>
<p>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.</p>		
Payment of capital lease principal	55,023.47	
Payment of bond principle	<u>780,000.00</u>	
		835,023.47
<p>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</p>		
		(10,030.12)
<p>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.</p>		
Increase in accrued interest payable		12,375.00
<p>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 (+).</p>		
Decrease in compensated absences payable		<u>(183,366.41)</u>
Change in net assets of governmental activities	\$	<u><u>4,568,097.98</u></u>

See accompanying notes to financial statements.

OTHER FUNDS

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 369,984.04
Accounts receivable:	
Federal	58,994.46
State	1,282.24
Inventories	<u>10,202.16</u>
Total current assets	<u>440,462.90</u>
Noncurrent assets:	
Furniture, machinery & equipment	391,447.30
Less accumulated depreciation	<u>(212,455.34)</u>
Total noncurrent assets	<u>178,991.96</u>
Total assets	<u>619,454.86</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	63,876.74
Interfunds payable	65,258.10
Deferred revenue	<u>326.81</u>
Total current liabilities	<u>129,461.65</u>
Total liabilities	<u>129,461.65</u>
NET ASSETS:	
Invested in capital assets	178,991.96
Unrestricted	<u>311,001.25</u>
Total net assets	<u>\$ 489,993.21</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, 2012

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
OPERATING REVENUES:	
Charges for services:	
Daily sales	\$ 398,013.88
Miscellaneous	<u>88,623.39</u>
Total operating revenues	<u>486,637.27</u>
OPERATING EXPENSES:	
Cost of sales	756,528.15
Salaries and employee benefits	536,119.80
Other Purchased services	22,145.00
Supplies and materials	70,225.92
Miscellaneous	229,232.78
Depreciation	<u>23,479.24</u>
Total operating expenses	<u>1,637,730.89</u>
Operating loss	<u>(1,151,093.62)</u>
NONOPERATING REVENUES:	
State Sources	
State school lunch program	19,934.26
Other state aid	851.40
Federal Sources	
National school lunch program	793,986.35
National food distribution commodities	91,788.30
National food distribution commodities	116,321.96
Interest earned	<u>21.57</u>
Total nonoperating revenues	<u>1,022,903.84</u>
Net loss before contributions & transfers	(128,189.78)
Transfers in (out)	<u>(84,858.83)</u>
Change in net assets	(213,048.61)
Total net assets - beginning	<u>703,041.82</u>
Total net assets - ending	<u>\$ 489,993.21</u>

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, 2012

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
Cash flows from operating activities:	
Receipts from customers	\$ 486,637.27
Payments to employees and employee benefits	(503,661.86)
Payments to suppliers	<u>(1,133,080.24)</u>
Net cash provided by (used for) operating activities	<u>(1,150,104.83)</u>
Cash flows from noncapital financing activities:	
State Sources	20,729.78
Federal Sources	997,731.07
Interfunds	273,712.61
Transfer	<u>(84,858.83)</u>
Net cash provided by noncapital financing activities:	<u>1,207,314.63</u>
Cash flows from investing activities:	
Interest earned	<u>21.57</u>
Net cash provided by (used for) investing activities	<u>21.57</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	<u>(64,689.09)</u>
Net cash provided by (used for) capital and related financing activities	<u>(64,689.09)</u>
Net decrease in cash and cash equivalents	(7,457.72)
Cash and cash equivalents, July 1, 2011	<u>377,441.76</u>
Cash and cash equivalents, June 30, 2012	<u>\$ 369,984.04</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ (1,151,093.62)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation and net amortization	23,479.24
Change in assets and liabilities:	
(Increase) decrease in inventories	(4,206.99)
Increase (decrease) in deferred revenue	(1,911.42)
Increase (decrease) in accounts payable	<u>(16,372.04)</u>
	<u>988.79</u>
Net cash provided by (used for) operating activities	<u>\$ (1,150,104.83)</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, 2012

	<u>AGENCY FUNDS</u>	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>DEFIBULATOR TRUST FUND</u>	<u>PRIVATE PURPOSE SCHOLARSHIP FUNDS</u>
ASSETS:				
Cash and cash equivalents	\$ <u>657,065.23</u>	\$ <u>194,590.67</u>	\$ <u>1,025.35</u>	\$ <u>7,647.96</u>
Total assets	<u>657,065.23</u>	<u>194,590.67</u>	<u>1,025.35</u>	<u>7,647.96</u>
LIABILITIES:				
Payroll deductions and withholdings	63,346.41			
Summer Pay	438,145.35			
Due to student groups	<u>155,573.47</u>			
Total liabilities	<u>\$ 657,065.23</u>			
NET ASSETS:				
Held in trust for unemployment claims and other purposes		<u>194,590.67</u>	<u>1,025.35</u>	<u>7,647.96</u>
Total net assets		<u>\$ 194,590.67</u>	<u>\$ 1,025.35</u>	<u>\$ 7,647.96</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, 2012

	<u>PRIVATE PURPOSE SCHOLARSHIP FUNDS</u>	<u>DEFIBULATOR TRUST FUND</u>	<u>UNEMPLOYMENT COMPENSATION TRUST</u>
ADDITIONS:			
Contributions:			
Other	\$ _____	\$ _____	\$ <u>229,839.08</u>
Total contributions	_____	_____	_____ <u>229,839.08</u>
Investment earnings:			
Interest earned	_____ <u>8.63</u>	_____ <u>1.08</u>	_____ <u>109.62</u>
Net investment earnings	_____ <u>8.63</u>	_____ <u>1.08</u>	_____ <u>109.62</u>
Total additions	_____ <u>8.63</u>	_____ <u>1.08</u>	_____ <u>229,948.70</u>
DEDUCTIONS:			
Other purposes	_____ <u>500.00</u>		
Unemployment claims	_____ _____	_____ _____	_____ <u>155,004.08</u>
Total deductions	_____ <u>500.00</u>	_____ _____	_____ <u>155,004.08</u>
Change in net assets	_____ <u>(491.37)</u>	_____ <u>1.08</u>	_____ <u>74,944.62</u>
Net assets beginning of year	_____ <u>8,139.33</u>	_____ <u>1,024.27</u>	_____ <u>119,646.05</u>
Net assets end of year	\$ <u><u>7,647.96</u></u>	\$ <u><u>1,025.35</u></u>	\$ <u><u>194,590.67</u></u>

See accompanying notes to financial statements.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

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, 2012

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, 2012

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, 2012

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, 2012

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, 2012

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, 2012 totaled \$158,982.31, representing the balance of June 30, 2011 general fund encumbrances.

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, 2012

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, 2012

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:

	Estimated
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, 2012

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, 2012

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, 2012

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, 2012

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, 2012

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, 2012, based upon the coverage provided by FDIC and NJGUDPA, \$349,838.61 of cash equivalents was exposed to custodial credit risk. Of the \$6,168,426.32 cash and cash equivalents on deposit, \$250,000.00 was covered by Federal Depository Insurance, \$10,122,067.43 was covered under the provisions of NJGUDPA and \$349,838.61 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, 2012

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

Deposits (Continued)

As of June 30, 2012, cash and cash equivalents of the District consisted of the following:

Fund Type:	<u>Bank</u> <u>Balance</u>	Reconciling Items:		Reconciled <u>Balance</u>
		<u>Additions</u>	<u>Deletions</u>	
Governmental	\$9,450,448.97	\$191.84	\$1,115,497.64	\$8,335,143.17
Proprietary	403,212.46	0.00	33,228.42	369,984.04
Fiduciary	868,244.61	0.00	7,915.40	860,329.21
	<u>\$10,721,906.04</u>	<u>\$191.84</u>	<u>\$1,156,641.46</u>	<u>\$9,565,456.42</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, 2012

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, 2012, 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, 2012

NOTE 3: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Transfers/ Deletions	Ending Balance
Governmental Activities:				
Site improvements	\$830,691.48			\$830,691.48
Buildings & Building Improvements	56,265,419.08	1,555,289.47		57,820,708.55
Machinery & Equipment	3,795,032.85	135,577.04		3,930,609.89
Totals at historical cost	<u>60,891,143.41</u>	<u>1,690,866.51</u>	<u>0.00</u>	<u>62,582,009.92</u>
Gross Assets (Memo only)	<u>60,891,143.41</u>	<u>1,690,866.51</u>	<u>0.00</u>	<u>62,582,009.92</u>
Less: Accumulated Depreciation				
Site improvements	(465,229.60)	(24,689.82)		(489,919.42)
Buildings & Building Improvements	(10,600,030.60)	(1,025,677.56)		(11,625,708.16)
Machinery & Equipment	(2,807,092.37)	(238,579.49)		(3,045,671.86)
Total Depreciation	<u>(13,872,352.57)</u>	<u>(1,288,946.87)</u>	<u>0.00</u>	<u>(15,161,299.44)</u>
Total Governmental Fund Activities	<u>\$47,018,790.84</u>	<u>\$401,919.64</u>	<u>\$0.00</u>	<u>\$47,420,710.48</u>
Proprietary Activities:				
Machinery & Equipment	\$326,758.21	\$64,689.09		\$391,447.30
Less: Accumulated Depreciation	<u>(188,976.10)</u>	<u>(23,479.24)</u>		<u>(212,455.34)</u>
Total Proprietary Fund Activities	<u>\$137,782.11</u>	<u>\$41,209.85</u>	<u>\$0.00</u>	<u>\$178,991.96</u>

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 3: CAPITAL ASSETS (CONTINUED)

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

Instruction:	
Regular	\$142,668.25
Support services:	
School administrative services	34,796.46
Plant operations and maintainance	8,126.09
Pupil transportation	18,304.74
Direct Expense of various functions	<u>1,085,051.33</u>
	<u><u>\$1,288,946.87</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, 2012

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, 2012, the District borrowing capacity under N.J.S. 18A:24-19 is as follows:

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2011	\$1,732,365,400
2010	1,776,852,786
2009	<u>1,832,489,635</u>
	<u>\$5,341,707,821</u>
 Average equalized valuation	 <u>\$1,780,569,274</u>
 School borrowing margin (4% of \$1,780,569,274)	 \$71,222,771
Net school debt as of June 30, 2012	<u>13,795,000</u>
 School borrowing power available	 <u>\$57,427,771</u>

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 4: LONG-TERM DEBT (CONTINUED)

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2012:

	<u>Bonds</u>	<u>Original Issue</u>	<u>Deferred Amount</u>	<u>Capital</u>	<u>Compensated</u>	
	<u>Payable</u>	<u>Premium</u>	<u>on Refunding</u>	<u>Leases</u>	<u>Absences</u>	<u>Total</u>
	<u>Payable</u>	<u>Premium</u>	<u>on Refunding</u>	<u>Payable</u>	<u>Payable</u>	<u>Total</u>
Balance June 30, 2011	\$14,575,000.00	\$414,194.08	(\$251,763.66)	\$248,837.65	\$1,058,566.60	\$16,044,834.67
Additions					183,366.43	183,366.43
Reductions	(780,000.00)	(54,882.04)	33,359.49	(55,023.47)	0.00	(856,546.02)
Balance June 30, 2012	<u>\$13,795,000.00</u>	<u>\$359,312.04</u>	<u>(\$218,404.17)</u>	<u>\$193,814.18</u>	<u>\$1,241,933.03</u>	<u>\$15,371,655.08</u>
Amounts due within						
one Year	<u>\$770,000.00</u>			<u>\$81,601.84</u>		<u>\$851,601.84</u>

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2012, including interest payments on issued debt, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u>			
2013	\$770,000.00	\$555,168.76	\$1,325,168.76
2014	800,000.00	525,556.26	1,325,556.26
2015	800,000.00	489,731.26	1,289,731.26
2016	815,000.00	455,518.76	1,270,518.76
2017	830,000.00	420,643.76	1,250,643.76
2018	845,000.00	383,156.26	1,228,156.26
2019	910,000.00	346,043.76	1,256,043.76
2020	940,000.00	309,043.76	1,249,043.76
2021	985,000.00	270,543.76	1,255,543.76
2022	1,020,000.00	230,443.76	1,250,443.76
2023	1,025,000.00	189,031.26	1,214,031.26
2024	1,025,000.00	146,878.13	1,171,878.13
2025	1,020,000.00	104,700.00	1,124,700.00
2026	1,010,000.00	62,831.25	1,072,831.25
2027	1,000,000.00	21,000.00	1,021,000.00
	<u>\$13,795,000.00</u>	<u>\$4,510,290.74</u>	<u>\$18,305,290.74</u>

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

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, 2012</u>
\$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%	9,150,000.00
\$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>\$13,795,000.00</u>

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

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, 2012:

Fiscal Year Ended	<u>Amount</u>
<u>June 30,</u>	
2013	\$89,593.25
2014	89,593.25
2015	<u>28,842.49</u>
Total Minimum Lease Payments	208,028.99
Less: Amount Representing Interest	<u>(14,214.81)</u>
 Present Value of Lease Payments	 <u><u>\$193,814.18</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, 2012

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.

Defined Contribution Retirement Program (DCRP) The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

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 ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 5: PENSION PLANS (CONTINUED)

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.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

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.

Three Year Trend Information for PERS

Year Ended	Annual Pension Cost	Percentage of APC	Net Pension
<u>June 30,</u>	<u>(APC)</u>	<u>Contributed</u>	<u>Obligation</u>
2012	\$633,707.00	100%	\$633,707.00
2011	601,688.00	100%	601,688.00
2010	419,301.00	100%	419,301.00

For the fiscal year ended June 30, 2012 the State of New Jersey contributed \$760,706.00 to the TPAF pension system on behalf of the District. During the fiscal years ended June 30, 2011, and 2010, the State of New Jersey did not contribute to the TPAF pension system on behalf of the District.

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,674,345.18 during the year ended June 30, 2012 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 reflect the District's liabilities at June 30, 2011.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 6: OTHER POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 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 state disability retirement. P.L. 2007, Chapter 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, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. 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 Chapter 126, P.L. 1992, 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 \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

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, 2012, 2011 and 2010 were \$1,529,218, \$1,542,018 and \$1,426,523 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, 2012

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 2011-2012 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, 2012

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>
2012	\$109.62	\$229,839.08	\$155,004.08	\$194,590.67
2011	564.83	155,004.08	392,707.37	119,646.05
2010	1,267.29	64,238.03	79,313.55	153,520.49

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

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 Districts 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, 2012, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Assets of \$1,241,933.03.

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, 2012 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 \$4,975,617.16 in General Fund Balance at June 30, 2012, \$87,902.68 has been assigned for encumbrances; \$286,289.50 has been restricted in the Capital Reserve account, \$538,903.29 has been committed for subsequent years expenditures and \$5,370,501.38 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7. \$1,023,229.98 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2012.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

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, 2012 is \$5,370,501.38 consisting of \$3,039,291.71 from June 30, 2011 and \$2,331,209.67 from June 30, 2012 as calculated below.

EXCESS SURPLUS CALCULATION

Section 1- 2% Calculation of Excess Surplus

2011-12 General Fund Expenditures per		
the CAFR (Exhibit C-1)	\$50,908,664.92	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	2,437,470.00	
Decreased by:		
On-behalf TPAF Pension & Social Security	<u>(3,964,269.18)</u>	
Adjusted 2011-12 General Fund Expenditures	<u>\$49,381,865.74</u>	
2% of Adjusted 2011-12 General Fund Expenditures	<u>\$987,637.31</u>	
Greater of 2% or \$250,000	987,637.31	
Increased by: Allowable Adjustment	<u>0.00</u>	
Maximum Unassigned Fund Balance		<u>\$987,637.31</u>

Section 2

Total General Fund Balances at June 30, 2012 (Ex C-1)	<u>\$7,271,234.16</u>	
Decreased by:		
Assigned Year-End Encumbrances	87,902.68	
Legally Restricted-Excess Surplus- Designated for Subsequent Year's Expenditures	3,039,291.71	
Other Restricted Fund Balances - Capital Reserve	286,289.50	
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	<u>538,903.29</u>	
	<u>3,952,387.18</u>	
Total Unassigned Fund Balance		<u>\$3,318,846.98</u>

Section 3

Restricted Fund Balance- Excess Surplus		<u>\$2,331,209.67</u>
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North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

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

Based on the above calculation, as of June 30, 2012 \$3,039,291.71 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 2012-13 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 2013-14 budget.

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2012:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$536,178.17	
Special Revenue Fund		\$470,920.07
Enterprise Funds		65,258.10
	<u>\$536,178.17</u>	<u>\$536,178.17</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, 2012

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, 2012, is as follows:

Balance, July 1, 2011	\$162,474.72
Deposits:	
Transfers in	<u>123,814.78</u>
Balance, June 30, 2012	<u><u>\$286,289.50</u></u>

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 15: DEFICIT FUND BALANCE

The District has a deficit of unassigned fund balance of \$1,307,979.69 in the General Fund and \$71,160.00 in the Special Revenue Fund as of June 30, 2012 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, 2012 consisted of the following:

Food and Supplies	<u>\$10,202.16</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, 2012

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, 2012.

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, 2012

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local sources:					
Local tax levy	\$ 27,384,148.00		\$ 27,384,148.00	\$ 27,384,148.00	
Miscellaneous	60,000.00		60,000.00	113,808.72	\$ 53,808.72
Total-local sources	27,444,148.00		27,444,148.00	27,497,956.72	53,808.72
State sources:					
Equalization Aid	20,761,273.00		20,761,273.00	21,300,176.00	538,903.00
Special education aid	1,891,566.00		1,891,566.00	1,891,566.00	
Extraordinary aid	180,535.00		180,535.00	56,037.00	(124,498.00)
Other state aid				1,613.00	1,613.00
On-behalf TPAF Non-contributory Insurance (non-budgeted)				760,706.00	760,706.00
On-behalf TPAF Post retirement medical (non-budgeted)				1,529,218.00	1,529,218.00
Reimbursed TPAF social security contributions (non-budgeted)				1,674,345.18	1,674,345.18
Total - state sources	22,833,374.00		22,833,374.00	27,213,661.18	4,380,287.18
Federal sources:					
Education Jobs	822,067.00		822,067.00	822,067.00	
Special education medicaid initiative (SEMI)	46,699.00		46,699.00	68,718.61	22,019.61
Total - federal sources	868,766.00		868,766.00	890,785.61	22,019.61
Total revenues	51,146,288.00		51,146,288.00	55,602,403.51	4,456,115.51
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	791,640.00	(59,122.65)	732,517.35	722,322.47	10,194.88
Grades 1-5	4,235,903.00	81,701.89	4,317,604.89	4,316,504.74	1,100.15
Grades 6-8	3,483,242.00	62,048.51	3,545,290.51	3,541,835.02	3,455.49
Grades 9-12	4,444,792.00	(95,165.73)	4,349,626.27	4,294,967.10	54,659.17
Regular programs - home instruction:					
Salaries of teachers	60,000.00		60,000.00	59,674.71	325.29
Purchased professional educational services	63,000.00	(2,129.95)	60,870.05	37,930.84	22,939.21
Regular programs - undistributed instruction:					
Other salaries for instruction	727,310.00	(144,397.88)	582,912.12	573,882.73	9,029.39
Purchased professional - educational services	10,765.00		10,765.00	1,524.30	9,240.70
Purchased technical services	222,255.00	3,429.50	225,684.50	169,870.08	56,814.42
Other purchased services (400 - 500 series)	14,050.00	2,127.40	16,177.40	12,038.33	4,139.07
General supplies	415,400.00	(4,135.31)	411,264.69	336,576.43	74,688.26
Textbooks	260,000.00	31,075.44	291,075.44	281,447.35	9,628.09
Other objects		571.44	571.44	571.44	
Total regular programs	14,728,357.00	(123,997.34)	14,604,359.66	14,348,145.54	256,214.12
Learning and/or language disabilities:					
Salaries of teachers	256,572.00		256,572.00	224,307.08	32,264.92
Total neurologically impaired	256,572.00		256,572.00	224,307.08	32,264.92
Resource room:					
Salaries of teachers	2,445,250.00	37,887.21	2,483,137.21	2,483,137.21	
General supplies	10,000.00	1,005.33	11,005.33	11,005.33	
Textbooks	2,000.00	(771.71)	1,228.29	1,228.29	
Total resource room	2,457,250.00	38,120.83	2,495,370.83	2,495,370.83	
Preschool handicapped - full-time:					
General supplies	1,000.00		1,000.00	880.80	119.20
Total preschool handicapped - full time	1,000.00		1,000.00	880.80	119.20
Total special education	2,714,822.00	38,120.83	2,752,942.83	2,720,658.71	32,384.12
Basic skills/remedial:					
Salaries of teachers	974,692.00	(13,672.04)	961,019.96	941,370.50	19,649.46
General supplies	2,880.00		2,880.00	2,845.87	34.13
Textbooks	2,700.00		2,700.00	2,632.29	67.71
Total basic skills/remedial	980,272.00	(13,672.04)	966,599.96	946,848.66	19,751.30

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, 2012

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Bilingual education:					
Salaries of teachers	\$ 786,548.00	\$ (38,599.83)	\$ 747,948.17	\$ 742,959.70	\$ 4,988.47
General supplies	4,050.00		4,050.00	3,973.78	76.22
Textbooks	1,980.00		1,980.00	1,986.91	13.09
Total bilingual education	792,578.00	(38,599.83)	753,978.17	749,900.39	5,077.78
School sponsored cocurricular activities:					
Salaries	90,230.00	(6,000.96)	84,229.04	84,197.10	31.94
Purchased Services		14,694.50	14,694.50	14,544.50	150.00
General Supplies	22,000.00	11,717.55	33,717.55	27,662.69	6,054.86
Total school sponsored cocurricular activities	112,230.00	20,411.09	132,641.09	126,404.29	6,236.80
School sponsored athletics:					
Salaries	265,395.00	6,700.00	272,095.00	272,052.50	42.50
Purchased services (300 - 500 series)	153,000.00	(6,700.00)	146,300.00	78,097.07	68,202.93
Supplies and materials	51,820.00	2,686.50	54,506.50	51,959.11	2,547.39
Total school sponsored athletics	470,215.00	2,686.50	472,901.50	402,108.68	70,792.82
Summer School Instruction					
Salaries	51,000.00	14,276.44	65,276.44	65,276.44	
	51,000.00	14,276.44	65,276.44	65,276.44	
Instructional Alternative Education Program - Instruction					
Salaries	249,398.00	(20,901.99)	228,496.01	182,545.25	45,950.76
Purchased Professional & Technical Services	1,500.00		1,500.00		1,500.00
Other Purchased Services	2,000.00		2,000.00		2,000.00
General Supplies	13,500.00		13,500.00	1,055.37	12,444.63
Total Instructional Alt Ed. Prog. - Instruction	266,398.00	(20,901.99)	245,496.01	183,600.62	61,895.39
Instructional Alternative Education Program - Support Services					
Salaries	128,800.00	30,654.94	159,454.94	159,454.94	
Purchased Professional & Technical Services	14,500.00	(11,000.00)	3,500.00	1,520.25	1,979.75
Supplies and Materials	802.00		802.00		802.00
Other Objects	5,500.00		5,500.00		5,500.00
Total Instructional Alternative Ed Prog-Support	149,602.00	19,654.94	169,256.94	160,975.19	8,281.75
Total other instructional programs	2,822,295.00	(16,144.89)	2,806,150.11	2,634,114.27	172,035.84
Total - instruction	20,265,474.00	(102,021.40)	20,163,452.60	19,702,818.52	460,634.08
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-special	1,012,721.00	137,517.64	1,150,238.64	1,123,813.68	26,424.96
Tuition to county vocational school district-regular	20,000.00	98,254.00	118,254.00	47,207.88	71,046.12
Tuition to private schools for the handicapped w/in state	2,266,517.00	(415,668.64)	1,850,848.36	1,621,092.10	229,756.26
Tuition-state facilities	22,199.00		22,199.00	22,199.00	
Tuition-other	46,527.00		46,527.00	9,787.00	36,740.00
Total undistributed expenditures - instruction	3,367,964.00	(179,897.00)	3,188,067.00	2,824,099.66	363,967.34
Attendance and social work services:					
Salaries	76,696.00	(413.80)	76,282.20	62,143.00	14,139.20
Purchased professional - educational services		15,000.00	15,000.00	13,629.00	1,371.00
Total attendance and social work services	76,696.00	14,586.20	91,282.20	75,772.00	15,510.20
Health services:					
Salaries	534,454.00	980.00	535,434.00	535,414.00	
Purchased professional and technical services	10,500.00	(546.20)	9,953.80	5,220.76	4,733.04
Supplies and materials	6,000.00		6,000.00	4,912.34	1,087.66
Other objects	8,000.00		8,000.00	7,363.66	636.34
Total health services	558,954.00	413.80	559,367.80	552,910.76	6,457.04
Other support services - speech, ot/pt & related services:					
Salaries	267,756.00	13,473.43	281,229.43	266,269.36	14,940.07
Purchased professional - educational services	130,000.00		130,000.00	118,467.75	11,532.25
Supplies and materials	3,500.00	1,000.00	4,500.00	4,500.00	
Total other support services - speech, ot/pt & related services	401,256.00	14,473.43	415,729.43	389,237.11	26,472.32
Other support services - students - extra services					
Purchased professional - educational services	250,000.00		250,000.00	210,173.50	39,826.50
Total other support services - students - extra services	250,000.00		250,000.00	210,173.50	39,826.50
Guidance:					
Salaries of other professional staff	884,930.00	(309.34)	884,620.66	868,828.83	15,791.83
Salaries of secretarial and clerical assistants	103,530.00	309.34	103,839.34	103,839.34	
Total guidance	988,460.00		988,460.00	972,668.17	15,791.83

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, 2012

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Child Study Teams					
Salaries of other professional staff	\$ 1,119,290.00		\$ 1,119,290.00	\$ 1,086,452.77	\$ 32,837.23
Salaries of secretarial and clerical assistants	156,107.00	\$ 1,411.52	157,518.52	157,518.52	
Purchased professional - educational services	60,000.00	(1,853.36)	58,146.64	53,652.87	4,493.77
Supplies and materials	15,000.00	(406.16)	14,593.84	14,593.84	
Other objects		900.00	900.00	896.09	3.91
Total child study teams	1,350,397.00	52.00	1,350,449.00	1,313,114.09	37,334.91
Improvement of instruction services/ other support services-instructional staff:					
Salaries of supervisors of instruction	569,233.00	38,262.00	607,495.00	607,495.00	
Salaries of other professional staff	190,000.00	(80,260.88)	129,739.12	116,868.83	12,870.29
Salaries of secretarial and clerical assistants	291,710.00		291,710.00	285,421.09	6,288.91
Total improvement of instruction services/ other support services-instructional staff	1,050,943.00	(21,998.88)	1,028,944.12	1,009,784.92	19,159.20
Educational media services/school library:					
Salaries	374,734.00	21,998.88	396,732.88	396,545.88	187.00
Salaries of Technological Coordinators	176,807.00	870.31	177,677.31	177,677.31	
Other purchased services (400 - 500 series)	56,200.00	1,793.33	57,993.33	57,357.75	635.58
Supplies and materials	41,000.00	5,155.59	46,155.59	44,738.28	1,417.31
Other objects	14,810.00	(7,582.96)	7,027.04	6,704.36	322.68
Total educational media services/school library	663,351.00	22,235.15	685,586.15	683,023.58	2,562.57
Instructional staff training services:					
Salaries of supervisors of instruction					
Salaries of secretarial and clerical assistants					
Other purchased professional - educational services	14,000.00	(4,000.00)	10,000.00	10,000.00	
Other objects	6,000.00	9,891.34	15,891.34	14,275.71	1,615.63
Total instructional staff training services	20,000.00	5,891.34	25,891.34	24,275.71	1,615.63
Support services general administration:					
Salaries	605,983.00	1,719.39	607,702.39	607,677.19	25.20
Legal services	70,000.00	(602.36)	69,397.64	57,023.68	12,373.96
Expenditure & Internal Control Audit Fees	23,000.00	(1,117.03)	21,882.97	21,400.00	482.97
Architectural/Engineering Services	5,000.00		5,000.00	4,865.00	135.00
Other purchased professional services	11,500.00	8,950.00	20,450.00	12,700.00	7,750.00
Communications / telephone	108,925.00	(3,232.20)	105,692.80	67,089.02	38,623.78
BOE other purchased services	9,600.00		9,600.00	2,505.94	7,094.06
Miscellaneous purchased services	5,500.00		5,500.00	945.00	4,555.00
General Supplies	12,000.00		12,000.00	11,002.80	997.20
BOE in-house training / meeting supplies	2,000.00		2,000.00	1,267.53	732.47
Miscellaneous expenditures	100,576.00		100,576.00	43,833.97	56,742.03
BOE membership dues and fees	27,341.00		27,341.00	27,253.50	87.50
Total support services general administration	981,425.00	5,717.80	987,142.80	857,543.63	129,599.17
Support services school administration:					
Salaries of principals/asst. principals	971,448.00	5,399.04	976,847.04	976,847.04	
Salaries of other professional staff	566,177.00	(5,399.04)	560,777.96	560,383.84	394.12
Salaries of secretarial and clerical assistants	364,644.00		364,644.00	356,946.40	7,697.60
Other purchased services (400 - 500 series)	5,000.00	53,918.86	58,918.86	55,978.56	2,940.30
Supplies and materials	38,800.00	1,898.36	40,698.36	35,057.26	5,641.10
Other objects	37,000.00	2,356.36	39,356.36	39,356.36	
Total support services school administration	1,983,069.00	58,173.58	2,041,242.58	2,024,569.46	16,673.12
Central service:					
Salaries	312,669.00	1,539.39	314,208.39	314,208.39	
Supplies and materials	10,000.00	(3,939.39)	6,060.61	3,456.00	2,604.61
Interest on current loans	8,037.00		8,037.00	8,037.00	
Interest on lease purchase agreements	500.00		500.00	500.00	
Miscellaneous expenditures	3,800.00		3,800.00	2,413.50	1,386.50
Total central services	335,006.00	(2,400.00)	332,606.00	320,577.89	12,028.11
Administrative information technology:					
Purchased technical services	14,000.00		14,000.00	13,735.00	265.00
Supplies and materials	2,000.00		2,000.00	2,000.00	
Total administrative information technology	16,000.00		16,000.00	13,735.00	2,265.00
Required maintenance for school facilities:					
Salaries	372,019.00		372,019.00	371,518.14	500.86
Cleaning, repair and maintenance services	208,000.00	184,031.78	390,031.78	380,434.51	9,597.27
General supplies	94,200.00	30,000.00	124,200.00	122,362.57	1,837.43
Total required maintenance for school facilities	674,219.00	214,031.78	888,250.78	874,315.22	11,935.56

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, 2012

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other operation and maint. of plant :					
Salaries	\$ 1,753,158.00	\$ (148,539.28)	\$ 1,604,618.72	\$ 1,604,618.72	
Salaries of Non-Instructional Aides	537,562.00	306,195.57	843,757.57	843,757.57	
Purchased professional and technical services	86,200.00	(24,586.63)	61,613.37	56,415.75	\$ 5,197.62
Cleaning, repair and maint. services	411,686.00	(74,314.03)	337,351.97	322,577.41	14,774.56
Other purchased property services	30,000.00	46,506.50	76,506.50	76,506.50	
Insurance	339,000.00	1,697.00	340,697.00	340,697.00	
General supplies	57,400.00	40,186.29	97,586.29	91,418.26	6,168.03
Energy (natural gas)	371,486.00	(268,155.10)	103,330.90	103,330.90	
Energy (electricity)	683,534.00	98,111.37	781,645.37	764,932.41	16,712.96
Energy (oil)	140,400.00	140,400.00	140,400.00	240.00	140,160.00
Other objects	9,000.00	1,000.00	10,000.00	9,839.49	160.51
Total other operation and maint. of plant	4,279,006.00	118,501.69	4,397,507.69	4,111,003.11	286,504.58
Care and Upkeep of Grounds					
Cleaning, repair and maint. services	70,000.00	17,450.00	87,450.00	80,595.22	6,854.78
General Supplies	16,000.00	(1,500.00)	14,500.00	14,317.94	182.06
Total Care and Upkeep of Grounds	86,000.00	15,950.00	101,950.00	94,913.16	7,036.84
Security					
Salaries	41,352.00	203.41	41,555.41	41,555.41	
Total Security	41,352.00	203.41	41,555.41	41,555.41	
Student transportation services:					
Salaries for pupil transportation (between home and school) - special ed	232,018.00	146,861.14	378,879.14	327,657.29	51,221.85
Cleaning, repair and maintenance services	6,800.00	400.00	7,200.00	7,121.64	78.36
Contract Serv. Aid in Lieu payments	8,000.00	(250.00)	7,750.00	1,412.60	6,337.40
Contracted services (between home & school) - vendors	47,000.00		47,000.00	46,154.80	845.20
Contracted services (other than between home and school) - vendors	118,257.00	(25,433.99)	92,823.01	92,192.71	630.30
Contracted services (spec ed students) - ESCs & CTSAs	970,899.00	(281,043.78)	689,855.22	548,284.57	141,570.65
General Supplies	27,500.00	(27,500.00)	0.00	0.00	
Transportation Supplies	47,000.00	47,000.00	47,000.00	31,411.48	15,588.52
Total student transportation services	1,410,474.00	(139,966.63)	1,270,507.37	1,054,235.09	216,272.28
Unallocated benefits - employee benefits:					
Group insurance	2,015,671.00		2,015,671.00	1,754,255.15	261,415.85
Social security contributions	600,000.00	19,706.12	619,706.12	619,706.12	
Other retirement contributions - regular	650,000.00	(16,293.00)	633,707.00	633,707.00	
Unemployment Compensation	700,000.00	(382,076.80)	317,923.20	200,000.00	117,923.20
Workmen's compensation	340,000.00	1,468.00	341,468.00	341,468.00	
Health benefits	5,615,084.00	(73,674.29)	5,541,409.71	5,203,189.68	338,220.03
Tuition reimbursements	150,000.00	(58,300.31)	91,699.69	87,367.48	4,332.21
Other employee benefits	170,700.00	284,291.08	454,991.08	454,991.08	
Total unallocated benefits - employee benefits:	10,141,455.00	(224,879.20)	9,916,575.80	9,194,684.51	721,891.29
Total On-behalf TPAF contributions:					
On-behalf TPAF Non-contributory Insurance (non-budgeted)				760,706.00	(760,706.00)
On-behalf TPAF Post retirement medical (non-budgeted)				1,529,218.00	(1,529,218.00)
Reimbursed TPAF social security contributions (non-budgeted)				1,674,345.18	(1,674,345.18)
Total On-behalf TPAF contributions				3,964,269.18	(3,964,269.18)
Total undistributed expenditures	28,674,027.00	(98,911.53)	28,575,115.47	30,606,481.16	(2,031,365.69)
TOTAL EXPENDITURES - CURRENT EXPENSE	48,939,501.00	(200,932.93)	48,738,568.07	50,309,299.68	(1,570,731.61)
CAPITAL OUTLAY:					
Equipment:					
Undistributed expenditures:					
Buses - Regular	50,000.00	(50,000.00)	0.00	0.00	
Buses - Special	50,000.00	40,139.04	90,139.04	89,139.04	1,000.00
Total equipment	100,000.00	(9,860.96)	90,139.04	89,139.04	1,000.00
Facilities acquisition and construction services:					
Construction services		85,077.20	85,077.20	85,077.20	
Other Objects	89,984.00		89,984.00	89,984.00	
Total facilities acquis. and const. services	89,984.00	85,077.20	175,061.20	175,061.20	
TOTAL CAPITAL OUTLAY	189,984.00	75,216.24	265,200.24	264,200.24	1,000.00

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, 2012

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
TRANSFER OF FUNDS TO CHARTER SCHOOLS	\$ 155,268.00	\$ 179,897.00	\$ 335,165.00	\$ 335,165.00	
TOTAL EXPENDITURES	<u>49,284,753.00</u>	<u>54,180.31</u>	<u>49,338,933.31</u>	<u>50,908,664.92</u>	\$ (1,569,731.61)
Excess (deficiency) of revenues over (under) expenditures	<u>1,861,535.00</u>	<u>(54,180.31)</u>	<u>1,807,354.69</u>	<u>4,693,738.59</u>	<u>2,886,383.90</u>
Other financing sources (uses)					
Transfers in - Enterprise fund				84,858.83	84,858.83
Transfers in - Capital projects fund				123,814.78	123,814.78
Transfers out - capital projects fund	<u>(2,332,668.00)</u>	<u>(104,802.00)</u>	<u>(2,437,470.00)</u>	<u>(2,437,470.00)</u>	
Total other financing sources	<u>(2,332,668.00)</u>	<u>(104,802.00)</u>	<u>(2,437,470.00)</u>	<u>(2,228,796.39)</u>	<u>208,673.61</u>
Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	<u>(471,133.00)</u>	<u>(158,982.31)</u>	<u>(630,115.31)</u>	<u>2,464,942.20</u>	<u>3,095,057.51</u>
Fund balances, July 1	<u>4,806,291.96</u>		<u>4,806,291.96</u>	<u>4,806,291.96</u>	
Fund balances, June 30	\$ <u>4,335,158.96</u>	\$ <u>(158,982.31)</u>	\$ <u>4,176,176.65</u>	\$ <u>7,271,234.16</u>	\$ <u>3,095,057.51</u>
Recapitulation:					
Assigned - year-end encumbrances				\$ 87,902.68	
Committed - designated for subsequent years expenditures				538,903.29	
Restricted - excess surplus - designated for subsequent year's expenditures				3,039,291.71	
Restricted - excess surplus - current year				2,331,209.67	
Restricted - capital reserve				286,289.50	
Unassigned fund balance				<u>987,637.31</u>	
				7,271,234.16	
Reconciliation to governmental funds statements (GAAP):					
Last state aid payment not recognized on GAAP basis				<u>(2,295,617.00)</u>	
Fund balance per governmental funds (GAAP)				\$ <u>4,975,617.16</u>	

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - EDUCATION JOBS
FOR FISCAL YEARS ENDED JUNE 30, 2012

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS, AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
Federal sources		\$822,067.00	\$822,067.00	\$822,067.00	
Total revenues		<u>822,067.00</u>	<u>822,067.00</u>	<u>822,067.00</u>	
EXPENDITURES:					
Instruction - regular programs:					
Salaries of teachers:					
Grades 1-5		771,286.02	771,286.02	771,286.02	
Total Instruction - regular programs		<u>771,286.02</u>	<u>771,286.02</u>	<u>771,286.02</u>	
Other support services - speech:					
Salaries		13,473.43	13,473.43	13,473.43	
Total Other support services - speech:		<u>13,473.43</u>	<u>13,473.43</u>	<u>13,473.43</u>	
Security:					
Salaries		37,307.55	37,307.55	37,307.55	
Total Security		<u>37,307.55</u>	<u>37,307.55</u>	<u>37,307.55</u>	
Total expenditures		<u>\$822,067.00</u>	<u>\$822,067.00</u>	<u>\$822,067.00</u>	

BOROUGH OF NORTH PLAINFIELD
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR FISCAL YEARS ENDED JUNE 30, 2012

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
State sources	\$ 756,369.00	\$ 23,445.97	\$ 779,814.97	\$ 763,476.46	\$ (16,338.51)
Federal sources	1,469,099.00	257,698.00	1,726,797.00	1,675,402.16	(51,394.84)
Other sources	<u>14,847.03</u>	<u>14,847.03</u>	<u>14,847.03</u>	<u>14,847.03</u>	<u> </u>
Total revenues	<u>\$ 2,225,468.00</u>	<u>\$ 295,991.00</u>	<u>\$ 2,521,459.00</u>	<u>\$ 2,453,725.65</u>	<u>\$ (67,733.35)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 565,550.00	\$ 61,978.10	\$ 627,528.10	\$ 627,528.10	\$
Purchased professional & technical services	28,873.00	14,430.00	43,303.00	33,951.27	9,351.73
Tuition	815,419.00	34,450.46	849,869.46	849,129.55	739.91
Supplies and materials	23,311.00	39,041.87	62,352.87	62,113.62	239.25
Textbooks	<u>7,275.00</u>	<u>2,354.00</u>	<u>9,629.00</u>	<u>8,093.00</u>	<u>1,536.00</u>
Total instruction	<u>1,440,428.00</u>	<u>152,254.43</u>	<u>1,592,682.43</u>	<u>1,580,815.54</u>	<u>11,866.89</u>
Support services:					
Salaries of supervisors of instruction	117,470.00	20,789.91	138,259.91	113,641.87	24,618.04
Purchased prof. & educ. services	539,908.00	8,428.54	548,336.54	547,711.26	625.28
Purchased prof. and tech. services	8,621.00	58,021.00	66,642.00	37,200.64	29,441.36
Personal services - employee benefits	88,765.00	8,313.00	97,078.00	97,078.00	
Other purchased services	8,000.00	1,000.00	9,000.00	7,933.50	1,066.50
General supplies	<u>22,276.00</u>	<u>4,612.65</u>	<u>26,888.65</u>	<u>26,773.37</u>	<u>115.28</u>
Total support services	<u>785,040.00</u>	<u>101,165.10</u>	<u>886,205.10</u>	<u>830,338.64</u>	<u>55,866.46</u>
Capital Outlay:					
Building Use	<u> </u>	<u>42,571.47</u>	<u>42,571.47</u>	<u>42,571.47</u>	<u> </u>
Total Capital Outlay	<u> </u>	<u>42,571.47</u>	<u>42,571.47</u>	<u>42,571.47</u>	<u> </u>
Total expenditures	<u>\$ 2,225,468.00</u>	<u>\$ 295,991.00</u>	<u>\$ 2,521,459.00</u>	<u>\$ 2,453,725.65</u>	<u>\$ 67,733.35</u>

NORTH PLAINFIELD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$55,602,403.51	\$2,453,725.65
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously it was recognized for budgetary purposes.	2,195,028.00	64,360.03
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)	(2,295,617.00)	(71,160.00)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Adjust for encumbrances:		
Add prior year encumbrances		79,934.73
Less current year encumbrances		(5,273.45)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$55,501,814.51</u>	<u>\$2,521,586.96</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$50,908,664.92	\$2,453,725.65
Difference - budget to GAAP:		
Adjust for encumbrances:		
Add prior year encumbrances		79,934.73
Less current year encumbrances		(5,273.45)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$50,908,664.92</u>	<u>\$2,528,386.93</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, 2012

	NON-PUBLIC TEXTBOOKS	NONPUBLIC NURSING SERVICES	NONPUBLIC SUPPL. INST.	NONPUBLIC EXAM. AND CLASS.	NONPUBLIC SPEECH CORRECTION	NONPUBLIC COMP EDUCATION	PRESCHOOL EDUCATION PROGRAM AID
REVENUES:							
State sources	\$ 8,093.00	\$ 8,304.22	\$ 2,844.27	\$ 17,261.04	\$ 11,711.56	\$ 134.40	\$ 711,600.00
Federal sources							
Local sources							
Total revenues	<u>8,093.00</u>	<u>8,304.22</u>	<u>2,844.27</u>	<u>17,261.04</u>	<u>11,711.56</u>	<u>134.40</u>	<u>711,600.00</u>
EXPENDITURES:							
Instruction:							
Salaries of teachers							177,452.00
Purchased prof. & tech. services		8,304.22	2,844.27	17,261.04	11,711.56	134.40	
Tuition							
General supplies							2,240.00
Textbooks	8,093.00						
Total instruction	<u>8,093.00</u>	<u>8,304.22</u>	<u>2,844.27</u>	<u>17,261.04</u>	<u>11,711.56</u>	<u>134.40</u>	<u>179,692.00</u>
Support services:							
Salaries of supervisors of instruction							
Personal services - employee benefits							
Purchased prof. and ed. services							531,908.00
Purchased prof. & tech. services							
Other purchased services							
Supplies and materials							
Total support services							<u>531,908.00</u>
Capital Outlay:							
Building Use							
Total capital outlay							
Total expenditures	<u>8,093.00</u>	<u>8,304.22</u>	<u>2,844.27</u>	<u>17,261.04</u>	<u>11,711.56</u>	<u>134.40</u>	<u>711,600.00</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>	<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, 2012

	PRE-SCHOOL EDUCATION PROGRAM AID-C/O	LOCAL GRANTS	TITLE III	TITLE III CARRYOVER	TITLE IIA	TITLE I CARRYOVER	TITLE I
REVENUES:							
State sources	\$ 3,527.97		\$ 52,012.38	\$ 10,234.00	\$ 107,342.20	\$ 40,426.56	\$ 500,373.07
Federal sources							
Local sources		\$ 14,847.03					
Total revenues	3,527.97	14,847.03	52,012.38	10,234.00	107,342.20	40,426.56	500,373.07
EXPENDITURES:							
Instruction:							
Salaries of teachers	3,527.97	4,790.48		10,234.00	53,607.00	30,788.65	347,128.00
Purchased prof. & tech. services		2,000.00					
Tuition							
General supplies		5,203.29	8,610.65				11,005.10
Textbooks							
Total instruction	3,527.97	11,993.77	8,610.65	10,234.00	53,607.00	30,788.65	358,133.10
Support services:							
Salaries of supervisors of instruction			35,158.73		31,970.20	8,681.91	37,831.03
Personal services - employee benefits			8,243.00		18,394.00		70,441.00
Purchased prof. and ed. services		2,853.26					12,950.00
Purchased prof. & tech. services							7,933.50
Other purchased services							
Supplies and materials					3,371.00	956.00	13,084.44
Total support services		2,853.26	43,401.73		53,735.20	9,637.91	142,239.97
Capital Outlay:							
Building Use							
Total capital outlay							
Total expenditures	3,527.97	14,847.03	52,012.38	10,234.00	107,342.20	40,426.56	500,373.07
Excess (deficiency) of revenues over (under) expenditures	-0-	-0-	-0-	-0-	-0-	-0-	-0-

(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, 2012

	IDEA PRESCHOOL	ARRA IDEA - PART B BASIC	ARRA IDEA PRESCHOOL	IDEA - PART B BASIC	IDEA - PART B BASIC CARRYOVER	TITLE I ARRA	Totals
REVENUES:							
State sources							\$ 763,476.46
Federal sources	\$ 18,432.09	\$ 87,948.98	\$ 12,423.00	\$ 811,169.42	\$ 33,424.46	\$ 1,616.00	1,675,402.16
Local sources							14,847.03
Total revenues	<u>18,432.09</u>	<u>87,948.98</u>	<u>12,423.00</u>	<u>811,169.42</u>	<u>33,424.46</u>	<u>1,616.00</u>	<u>2,453,725.65</u>
EXPENDITURES:							
Instruction:							
Salaries of teachers							627,528.10
Purchased prof. & tech. services							42,255.49
Tuition	18,432.09			797,273.00	33,424.46		849,129.55
General supplies		30,951.61	2,486.97			1,616.00	62,113.62
Textbooks							8,093.00
Total instruction	<u>18,432.09</u>	<u>30,951.61</u>	<u>2,486.97</u>	<u>797,273.00</u>	<u>33,424.46</u>	<u>1,616.00</u>	<u>1,589,119.76</u>
Support services:							
Salaries of supervisors of instruction							113,641.87
Personal services - employee benefits							97,078.00
Purchased prof. and ed. services							547,711.26
Purchased prof. & tech. services		15,000.00		13,896.42			28,896.42
Other purchased services							7,933.50
Supplies and materials		7,647.90	1,714.03				26,773.37
Total support services		<u>22,647.90</u>	<u>1,714.03</u>	<u>13,896.42</u>			<u>822,034.42</u>
Capital Outlay:							
Building Use		34,349.47	8,222.00				42,571.47
Total capital outlay		<u>34,349.47</u>	<u>8,222.00</u>				<u>42,571.47</u>
Total expenditures	<u>18,432.09</u>	<u>87,948.98</u>	<u>12,423.00</u>	<u>811,169.42</u>	<u>33,424.46</u>	<u>1,616.00</u>	<u>2,453,725.65</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>	<u>-0-</u>

SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

DISTRICT-WIDE TOTAL

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$ 180,979.97	\$ 180,979.97	\$
Supplies	2,240.00	2,240.00	_____
Total instruction	183,219.97	183,219.97	_____
Support services:			
Purchased professional-educational services	531,908.00	531,908.00	_____
Total support services	531,908.00	531,908.00	_____
Total expenditures	\$ <u>715,127.97</u>	\$ <u>715,127.97</u>	\$ _____

CALCULATION OF BUDGET & CARRYOVER

Total revised 2011-12 Preschool Education Aid Allocation	\$ 711,600.00
Add: Actual ECP/PEA Carryover (June 30, 2011)	3,527.97
Add: Budgeted Transfer from the General Fund 2011-12	_____
Total Preschool Education Aid Funds Available for 2011-12 Budget	715,127.97
Less: 2011-12 Budgeted Preschool Education Aid (Including Prior Year budget carryover)	(715,127.97)
Available and unbudgeted Preschool Education Aid Funds as of June 30, 2012	\$ _____
Add: June 30, 2012 Unexpended Preschool Education Aid	_____
2011-12 Carryover- Preschool Education Aid	\$ _____
2011-12 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2012-13	\$ _____

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, 2012

<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	\$ 39,073,995.65	\$ 36,708,817.66	\$ 1,390,482.27	\$ 974,695.72
East End Elementary HVAC Project	2010	1,436,311.79	1,328,632.01	107,679.78	
School Bathroom Renovation Project	2010	211,417.00	195,282.00	16,135.00	
Harrison Elementary A/C Chiller Project	2011	214,210.00	15,500.00	198,710.00	
Stoney Brook Elementary A/C Chiller Project	2011	<u>140,750.00</u>	<u>12,750.00</u>	<u>128,000.00</u>	
Totals		\$ <u>41,076,684.44</u>	\$ <u>38,260,981.67</u>	\$ <u>1,841,007.05</u>	\$ <u>974,695.72</u>
				Unexpended Project Balance	\$ 974,695.72
				Less: Unearned SDA Revenue	<u>(99,649.40)</u>
				Fund Balance (GAAP)- Ex B-1	\$ <u>875,046.32</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, 2012

REVENUES AND OTHER FINANCING SOURCES:	
Note paid by budget	\$ 250,000.00
Capital outlay transfer to Capital Projects Fund	<u>2,437,470.00</u>
Total revenues and other financing sources	<u>2,687,470.00</u>
EXPENDITURES AND OTHER FINANCING USES:	
Legal services	1,390,482.27
Construction services	<u>326,710.00</u>
Total expenditures	<u>1,717,192.27</u>
OTHER FINANCING (USES):	
Transferred to capital reserve	<u>(123,814.78)</u>
Total other financing uses	<u>(123,814.78)</u>
Excess (deficiency) of revenues over (under) expenditures	846,462.95
Fund balance - July 1	<u>128,232.77</u>
Fund balance - June 30	<u>\$ 974,695.72</u>
<u>Reconciliation to GAAP Financial Statements:</u>	
Fund Balance- Budgetary Basis (Exhibit F-2)	\$ 974,695.72
Decreased by: Unrealized revenue from SDA Grants	<u>(99,649.40)</u>
Fund Balance- GAAP Basis (Exhibit B-1)	<u>\$ 875,046.32</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, 2012

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
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	3,940,153.00	2,332,668.00	6,272,821.00	6,272,821.00
	<u>36,491,327.65</u>	<u>2,582,668.00</u>	<u>39,073,995.65</u>	<u>39,073,995.65</u>
Total revenues and other financing sources				
EXPENDITURES AND OTHER FINANCING USES:				
Unallocated	17,063,119.52		17,063,119.52	17,107,021.86
Legal Services	5,234,985.55	1,390,482.27	6,625,467.82	6,522,821.00
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>36,708,817.66</u>	<u>1,390,482.27</u>	<u>38,099,299.93</u>	<u>39,073,995.65</u>
Total expenditures and other financing uses				
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(217,490.01)</u>	\$ <u>1,192,185.73</u>	\$ <u>974,695.72</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	6,823,995.65			
Revised authorized cost	\$39,073,995.65			
Percentage change over original authorized cost	21.16%			
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, 2012

	<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	\$ 800,910.00		\$ 800,910.00	\$ 800,910.00
Transfer from capital outlay	<u>635,401.79</u>		<u>635,401.79</u>	<u>635,401.79</u>
Total revenues and other financing sources	<u>1,436,311.79</u>		<u>1,436,311.79</u>	<u>1,436,311.79</u>
EXPENDITURES:				
Purchased professional and technical services	158,715.00		158,715.00	158,715.00
Construction services	<u>1,169,917.01</u>		<u>1,169,917.01</u>	<u>1,277,596.79</u>
Total expenditures and other financing uses	<u>1,328,632.01</u>		<u>1,328,632.01</u>	<u>1,436,311.79</u>
Other financing sources (uses):				
Transferred to capital reserve		<u>(107,679.78)</u>	<u>(107,679.78)</u>	
Total other financing uses		<u>(107,679.78)</u>	<u>(107,679.78)</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 107,679.78</u>	<u>(107,679.78)</u>	<u>\$</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, 2012

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
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
Total revenues and other financing sources	211,417.00		211,417.00	211,417.00
EXPENDITURES:				
Purchased professional and technical services	50,000.00		50,000.00	50,000.00
Construction services	145,282.00		145,282.00	161,417.00
Total expenditures	195,282.00		195,282.00	211,417.00
Other financing sources (uses):				
Transferred to capital reserve		(16,135.00)	(16,135.00)	
Total other financing uses		(16,135.00)	(16,135.00)	
Excess (deficiency) of revenues over (under) expenditures	\$ 16,135.00	(16,135.00)	\$	
ADDITIONAL PROJECT INFORMATION:				
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				
Percentage completion	100%			
Original target completion date	8/10			
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, 2012

	<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	\$ 69,634.00	\$	\$ 69,634.00	\$ 69,634.00
Transfer from capital outlay	<u>55,624.00</u>	<u>88,952.00</u>	<u>144,576.00</u>	<u>144,576.00</u>
Total revenues and other financing sources	<u>125,258.00</u>	<u>88,952.00</u>	<u>214,210.00</u>	<u>214,210.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	15,500.00		15,500.00	15,500.00
Construction services	<u> </u>	<u>198,710.00</u>	<u>198,710.00</u>	<u>198,710.00</u>
Total expenditures and other financing uses	<u>15,500.00</u>	<u>198,710.00</u>	<u>214,210.00</u>	<u>214,210.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 109,758.00</u>	<u>\$ (109,758.00)</u>	<u>\$</u>	
ADDITIONAL PROJECT INFORMATION:				
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	88,952.00			
Revised authorized cost	\$214,210.00			
Percentage change over original authorized cost	71.02%			
Percentage completion	100.00%			
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, 2012

	<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	75,339.00		75,339.00	75,339.00
Transfer from capital outlay	49,561.00		65,411.00	65,411.00
	<hr/>		<hr/>	<hr/>
Total revenues and other financing sources	124,900.00	15,850.00	140,750.00	140,750.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	12,750.00		12,750.00	12,750.00
Construction services		128,000.00	128,000.00	128,000.00
	<hr/>		<hr/>	<hr/>
Total expenditures and other financing uses	12,750.00	128,000.00	140,750.00	140,750.00
Excess (deficiency) of revenues over (under) expenditures	\$ 112,150.00	(112,150.00)	\$	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	
ADDITIONAL PROJECT INFORMATION:				
Project number	3670-090-10-1007			
Grant date	9/30/11			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$124,900.00			
Additional authorized cost	15,850.00			
Revised authorized cost	\$140,750.00			
Percentage change over original authorized cost	12.69%			
Percentage completion	100%			
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, 2012

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>	
	<u>FOOD SERVICE FUND</u>	<u>TOTALS</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 369,984.04	\$ 369,984.04
Accounts receivable:		
Federal	58,994.46	58,994.46
State	1,282.24	1,282.24
Inventories	<u>10,202.16</u>	<u>10,202.16</u>
Total current assets	<u>440,462.90</u>	<u>440,462.90</u>
Noncurrent assets:		
Furniture, machinery & equipment	391,447.30	391,447.30
Less accumulated depreciation	<u>(212,455.34)</u>	<u>(212,455.34)</u>
Total noncurrent assets	<u>178,991.96</u>	<u>178,991.96</u>
Total assets	<u>619,454.86</u>	<u>619,454.86</u>
LIABILITIES		
Current liabilities:		
Accounts payable	63,876.74	63,876.74
Interfunds payable	65,258.10	65,258.10
Deferred revenue	<u>326.81</u>	<u>326.81</u>
Total current liabilities	<u>129,461.65</u>	<u>129,461.65</u>
Total liabilities	<u>129,461.65</u>	<u>129,461.65</u>
NET ASSETS		
Restricted for:		
Invested in capital assets	178,991.96	178,991.96
Unrestricted	<u>311,001.25</u>	<u>311,001.25</u>
Total net assets	<u>\$ 489,993.21</u>	<u>\$ 489,993.21</u>

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, 2012

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>FOOD</u>	<u>COMMUNITY</u>	<u>TOTALS</u>
	<u>SERVICE</u>	<u>SCHOOL</u>	
	<u>FUND</u>	<u>FUND</u>	
OPERATING REVENUES:			
Charges for services:			
Daily sales	\$ 398,013.88	\$	\$ 398,013.88
Miscellaneous	88,623.39		88,623.39
Total operating revenues	<u>486,637.27</u>		<u>486,637.27</u>
OPERATING EXPENSES:			
Cost of sales	756,528.15		756,528.15
Salaries and employee benefits	536,119.80		536,119.80
Other Purchased Service	22,145.00		22,145.00
Supplies and materials	70,225.92		70,225.92
Miscellaneous expenditures	229,232.78		229,232.78
Depreciation	23,479.24		23,479.24
Total operating expenses	<u>1,637,730.89</u>		<u>1,637,730.89</u>
Operating Income (loss)	<u>(1,151,093.62)</u>		<u>(1,151,093.62)</u>
NONOPERATING REVENUES:			
State Sources			
State School Lunch Program	19,934.26		19,934.26
Other State Aid	851.40		851.40
Federal Sources			
National School Lunch Program	793,986.35		793,986.35
National School Breakfast Program	91,788.30		91,788.30
National food distribution commodities	116,321.96		116,321.96
Interest Earned		21.57	21.57
Total nonoperating revenues	<u>1,022,882.27</u>	<u>21.57</u>	<u>1,022,903.84</u>
Net (loss) before contributions & transfers	<u>(128,211.35)</u>	<u>21.57</u>	<u>(128,189.78)</u>
Transfers in (out)		<u>(84,858.83)</u>	<u>(84,858.83)</u>
Change in net assets	(128,211.35)	(84,837.26)	(213,048.61)
Total net assets - beginning	<u>618,204.56</u>	<u>84,837.26</u>	<u>703,041.82</u>
Total net assets - ending	<u>\$ 489,993.21</u>	<u>\$</u>	<u>\$ 489,993.21</u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE	COMMUNITY SCHOOL	TOTALS
Cash flows from operating activities:			
Receipts from customers	\$ 486,637.27	\$	\$ 486,637.27
Payments for employees and employee benefits	(503,661.86)		(503,661.86)
Payments to suppliers	(1,133,080.24)		(1,133,080.24)
Net cash provided (used) by operating activities	(1,150,104.83)		(1,150,104.83)
Cash flows from noncapital financing activities:			
State sources	20,729.78		20,729.78
Federal sources	997,731.07		997,731.07
Interfund Transactions	208,454.51	65,258.10	273,712.61
Transfer		(84,858.83)	(84,858.83)
Net cash provided (used) by noncapital financing activities	1,226,915.36	(19,600.73)	1,207,314.63
Cash flows from investing activities:			
Interest earned		21.57	21.57
Net cash provided (used) by investing activities		21.57	21.57
Cash flows from capital and related financing activities:			
Purchases of capital assets	(64,689.09)		(64,689.09)
Net cash provided (used) by capital and related financing activities	(64,689.09)		(64,689.09)
Net increase in cash and cash equivalents	12,121.44	(19,579.16)	(7,457.72)
Cash and cash equivalents, July 1	357,862.60	19,579.16	377,441.76
Cash and cash equivalents, June 30	\$ 369,984.04	\$	\$ 369,984.04
Operating income (loss)	\$ (1,151,093.62)	\$	\$ (1,151,093.62)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation and net amortization	23,479.24		23,479.24
Change in assets and liabilities:			
Increase (Decrease) in deferred revenue	(1,911.42)		(1,911.42)
(Increase) Decrease in inventory	(4,206.99)		(4,206.99)
Increase (Decrease) in accounts payable	(16,372.04)		(16,372.04)
Net cash provided (used) by operating activities	\$ (1,150,104.83)	\$	\$ (1,150,104.83)

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, 2012

	<u>AGENCY FUNDS</u>		UNEMPLOYMENT	DEFIBULATOR	PRIVATE	
	<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>2012</u>
					<u>FUNDS</u>	
ASSETS:						
Cash and cash equivalents	\$ 155,573.47	\$ 501,491.76	\$ 194,590.67	\$ 1,025.35	\$ 7,647.96	\$ 860,329.21
Total assets	<u>\$ 155,573.47</u>	<u>\$ 501,491.76</u>	<u>\$ 194,590.67</u>	<u>\$ 1,025.35</u>	<u>\$ 7,647.96</u>	<u>\$ 860,329.21</u>
LIABILITIES:						
Payroll deductions and withholdings	\$	\$ 63,346.41	\$	\$	\$	\$ 63,346.41
Summer Payroll		438,145.35				438,145.35
Due to student groups	<u>155,573.47</u>					<u>155,573.47</u>
Total liabilities	<u>\$ 155,573.47</u>	<u>\$ 501,491.76</u>				<u>657,065.23</u>
NET ASSETS:						
Held in trust for unemployment claims and other purposes			<u>194,590.67</u>	<u>1,025.35</u>	<u>7,647.96</u>	<u>203,263.98</u>
Total net assets			<u>\$ 194,590.67</u>	<u>\$ 1,025.35</u>	<u>\$ 7,647.96</u>	<u>\$ 203,263.98</u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	PRIVATE PURPOSE SCHOLARSHIP FUNDS	DEFIBULATOR TRUST FUND	UNEMPLOYMENT COMPENSATION TRUST	TOTALS
ADDITIONS:				
Contributions:				
Other	\$ _____	\$ _____	\$ 229,839.08	\$ 229,839.08
Total contributions	_____	_____	229,839.08	229,839.08
Investment earnings:				
Interest earned	8.63	1.08	109.62	119.33
Net investment earnings	8.63	1.08	109.62	119.33
Total additions	8.63	1.08	229,948.70	229,958.41
DEDUCTIONS:				
Other purposes	500.00			500.00
Unemployment claims			155,004.08	155,004.08
Total deductions	500.00		155,004.08	155,504.08
Change in net assets	(491.37)	1.08	74,944.62	74,454.33
Net assets beginning of year	8,139.33	1,024.27	119,646.05	128,809.65
Net assets end of year	\$ <u>7,647.96</u>	\$ <u>1,025.35</u>	\$ <u>194,590.67</u>	\$ <u>203,263.98</u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<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, 2012</u>
ASSETS:				
Cash and cash equivalents	\$ <u>122,086.60</u>	\$ <u>279,700.58</u>	\$ <u>246,213.71</u>	\$ <u>155,573.47</u>
Total assets	\$ <u><u>122,086.60</u></u>	\$ <u><u>279,700.58</u></u>	\$ <u><u>246,213.71</u></u>	\$ <u><u>155,573.47</u></u>
LIABILITIES:				
Due student groups:				
High school	\$ <u>122,086.60</u>	\$ <u>279,700.58</u>	\$ <u>246,213.71</u>	\$ <u>155,573.47</u>
	\$ <u><u>122,086.60</u></u>	\$ <u><u>279,700.58</u></u>	\$ <u><u>246,213.71</u></u>	\$ <u><u>155,573.47</u></u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>BALANCE</u> <u>JULY 1, 2011</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2012</u>
ASSETS:				
Cash and cash equivalents	\$ <u>471,478.26</u>	\$ <u>14,353,758.81</u>	\$ <u>14,323,745.31</u>	\$ <u>501,491.76</u>
Total assets	\$ <u><u>471,478.26</u></u>	\$ <u><u>14,353,758.81</u></u>	\$ <u><u>14,323,745.31</u></u>	\$ <u><u>501,491.76</u></u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 30,001.23	\$ 13,917,741.16	\$ 13,884,395.98	\$ 63,346.41
Summer Payroll	410,997.70	436,017.65	408,870.00	438,145.35
Interfund	<u>30,479.33</u>		<u>30,479.33</u>	
Total liabilities	\$ <u><u>471,478.26</u></u>	\$ <u><u>14,353,758.81</u></u>	\$ <u><u>14,323,745.31</u></u>	\$ <u><u>501,491.76</u></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, 2012

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JULY 1, 2011	RETIRED	BALANCE JUNE 30, 2012	
			DATE	AMOUNT					
Various School Improvements	8/15/2001	\$19,797,000.00				\$ 750,000.00	\$ 750,000.00	\$	
Refunding Bonds	4/13/2006	9,375,000.00	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	4.200%		9,180,000.00	30,000.00	9,150,000.00		
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%		4,645,000.00		4,645,000.00
						<u>\$ 14,575,000.00</u>	<u>\$ 780,000.00</u>	<u>\$ 13,795,000.00</u>	

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
AS OF JUNE 30, 2012

<u>SERIES</u>	<u>AMOUNT</u> <u>OUTSTANDING</u> <u>JUNE 30, 2011</u>	<u>DECREASE</u>	<u>AMOUNT</u> <u>OUTSTANDING</u> <u>JUNE 30, 2012</u>
Ricoh Copiers	\$ 78,165.96	\$	\$ 78,165.96
TD Leasing (Communications)	<u>170,671.69</u>	<u>55,023.47</u>	<u>115,648.22</u>
	<u>\$ 248,837.65</u>	<u>\$ 55,023.47</u>	<u>\$ 193,814.18</u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>ORIGINAL BUDGET</u>	<u>MODIFIED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:				
Local sources:				
Local tax levy	\$ 1,607,600.00	\$ 1,607,600.00	\$ 1,607,600.00	
Miscellaneous			102.83	\$ 102.83
	<u>1,607,600.00</u>	<u>1,607,600.00</u>	<u>1,607,702.83</u>	<u>102.83</u>
Total revenues	<u>1,607,600.00</u>	<u>1,607,600.00</u>	<u>1,607,702.83</u>	<u>102.83</u>
EXPENDITURES:				
Regular debt service:				
Interest	583,369.00	583,369.00	583,368.76	0.24
Redemption of principal	1,030,000.00	1,030,000.00	1,030,000.00	
	<u>1,613,369.00</u>	<u>1,613,369.00</u>	<u>1,613,368.76</u>	<u>0.24</u>
Total regular debt service-expenditures	<u>1,613,369.00</u>	<u>1,613,369.00</u>	<u>1,613,368.76</u>	<u>0.24</u>
Excess (deficiency) of revenues over (under) expenditures	(5,769.00)	(5,769.00)	(5,665.93)	103.07
Excess (deficiency) of revenues & other financing sources over(under) expenditures	(5,769.00)		(5,665.93)	103.07
Fund balance, July 1	<u>6,127.17</u>	<u>6,127.17</u>	<u>6,127.17</u>	
Fund balance, June 30	<u>\$ 358.17</u>	<u>\$ 6,127.17</u>	<u>\$ 461.24</u>	<u>\$ 103.07</u>

STATISTICAL SECTION
(UNAUDITED)



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 NINE FISCAL YEARS
(*accrual basis of accounting*)
UNAUDITED

	Fiscal Year Ending June 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities									
Invested in capital assets, net of related debt	\$33,431,896	\$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	7,851,900	4,729,241	791,902	1,088,078	6,389,385	4,915,051	3,851,465	4,985,148	3,278,648
Unrestricted	(2,362,302)	(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>38,921,494</u>	<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	178,992	137,782	144,603	122,799	139,630	156,462	173,293	8,880	167,747
Restricted								180,800	167,747
Unrestricted	311,001	565,260	478,032	287,801	170,559	79,608	63,853	59,011	150,470
Total business-type activities net assets	<u>489,993</u>	<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	\$33,610,888	\$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	7,851,900	4,729,241	791,902	1,088,078	6,389,385	4,915,051	4,399,465	5,165,948	3,446,395
Unrestricted	(2,051,301)	(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>\$39,411,487</u>	<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 NINE YEARS
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses									
Governmental activities									
Instruction									
Regular	\$22,001,293.80	\$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	7,797,808.80	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	3,895,580.37	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	8,668,996.10	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	1,101,645.75	1,574,014.18	1,079,832.63	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	3,132,070.88	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	502,026.45	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	13,735.00	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	5,188,157.27	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	1,247,321.67	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	820,993.76	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	1,073,558.90	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>55,443,188.76</u>	<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>
Business-type activities:									
Food service	1,637,730.89	486,637.27	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			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>1,637,730.89</u>	<u>486,637.27</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>
Total district expenses	<u>\$57,080,919.65</u>	<u>\$54,496,774.16</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>
Program Revenues									
Governmental activities:									
Charges for services		\$18,400.00	\$20,061.14						
Operating grants and contributions	9,228,365.38	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	135,023.97	454,459.03	1,669,059.52						
Total governmental activities program revenues	<u>9,363,389.35</u>	<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>
Business-type activities:									
Charges for services									
Food service	486,637.27	497,376.42	538,841.88	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	1,022,882.27	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>1,509,519.54</u>	<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>
Total district program revenues	<u>\$10,872,908.89</u>	<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>
Net (Expense)/Revenue									
Governmental activities	(46,079,799.41)	(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	(128,211.35)	80,407.29	172,396.70	100,350.91	74,056.71	(23,175.19)	(11,728.09)	(69,608.63)	(3,725.40)
Total district-wide net expense	<u>(\$46,208,010.76)</u>	<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 NINE YEARS
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Property taxes levied for general purposes, r	\$27,384,148.00	\$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	1,607,600.00	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	21,207,379.00	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	363,911.55	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	84,858.83					(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	50,647,897.38	50,218,275.22	43,733,149.56	47,347,179.02	44,974,446.63	43,399,539.66	55,254,353.89	41,704,117.87	37,921,765.73
Business-type activities:									
Miscellaneous income	21.57		39,638.21	59.69	63.13	98.10	183.14	83.13	73.76
Transfers	(84,858.83)					22,000.00			21,087.28
Total business-type activities	(84,837.26)		39,638.21	59.69	63.13	22,098.10	183.14	83.13	21,161.04
Total district-wide	\$50,563,060.12	\$50,218,275.22	\$43,772,787.77	\$47,347,238.71	\$44,974,509.76	\$43,421,637.76	\$55,254,537.03	\$41,704,201.00	\$37,942,926.77
Change in Net Assets									
Governmental activities	\$4,568,097.97	\$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	(213,048.61)	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	\$4,355,049.36	\$3,360,200.72	\$2,206,939.34	\$3,284,042.80	\$1,171,249.30	\$3,070,116.78	\$15,679,504.09	\$3,087,290.96	\$619,227.68

Source: CAFR Schedule A-2

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

	Fiscal Year Ending June 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund									
Restricted	\$5,656,790.88	\$3,672,899.12							
Assigned	626,805.97	158,982.62							
Unassigned (Deficit)	(1,307,979.69)	(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>\$4,975,617.16</u>	<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	\$1,320,523.79	\$1,073,082.55							
Assigned		5,769.00							
Unassigned	803,886.32	(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>\$2,124,410.11</u>	<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

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues									
Tax levy	\$ 28,991,748.00	\$ 28,213,378.00	\$ 27,182,559.00	\$ 27,120,757.00	\$ 28,043,136.00	\$ 27,176,966.00	\$ 25,206,567.00	\$ 24,014,830.00	\$ 21,808,285.00
Interest earned on capital reserve funds		12.81		900.45	3,452.00	4,583.56	3,619.00	3,913.41	3,065.50
Miscellaneous	378,276.74	98,648.69	141,941.29	187,181.95	344,718.00	380,254.00	231,084.58	237,786.34	501,746.63
State sources	27,915,072.27	27,097,987.51	24,694,876.95	27,241,451.02	25,346,443.60	22,714,264.00	21,104,745.90	22,754,116.32	20,510,721.07
Federal sources	2,641,330.89	2,107,219.70	5,854,874.24	1,544,498.99	1,478,853.27	1,838,280.00	1,556,621.24	1,599,075.38	1,278,186.96
Total revenue	59,926,427.90	57,517,246.71	57,874,251.48	56,094,789.41	55,216,602.87	52,114,347.56	48,102,637.72	48,609,721.45	44,102,005.16
Expenditures									
Instruction									
Regular Instruction	22,127,242.31	21,322,373.68	22,302,557.79	20,592,595.31	20,357,541.93	14,767,271.86	13,585,711.42	14,026,247.18	13,119,611.79
Special education instruction	7,815,735.78	7,526,560.81	8,790,372.44	7,500,279.15	6,803,351.02	5,121,525.02	5,299,138.94	5,028,098.17	2,748,372.49
Other instruction	3,560,415.37	3,065,627.78	3,563,722.62	4,201,713.15	3,500,802.00	2,610,648.00	2,559,215.07	2,458,708.90	1,778,858.50
Support Services:									
Tuition									2,567,105.11
Student & instruction related services	8,502,044.24	7,874,529.78	7,668,398.91	7,614,615.53	9,001,521.00	5,796,980.00	5,919,381.93	4,822,627.44	3,250,067.11
General administrative services	1,176,458.21	1,478,724.61	1,083,156.79	1,189,053.13	1,191,953.74	1,494,966.80	1,243,715.93	1,678,665.23	3,123,936.27
School administrative services	3,030,305.36	2,378,649.30	2,161,500.21	2,112,441.70	2,130,750.30	1,102,632.00	1,399,160.23	1,551,701.93	1,543,633.50
Central services	487,410.56	431,077.11	465,857.44	438,477.54	502,479.00	367,902.00	368,195.13	348,253.58	361,287.00
Administrative information technology	13,735.00	15,128.73	14,679.75	11,736.38	13,478.72	27,107.00	32,132.00	25,428.00	
Plant operations and maintenance	5,141,595.79	6,529,304.36	6,456,525.73	6,228,165.29	6,079,023.36	4,512,748.00	4,467,987.48	4,155,990.23	4,285,492.70
Student transportation services	1,228,208.62	1,314,184.55	1,690,636.64	1,520,552.10	1,534,502.50	1,302,366.00	1,255,869.06	1,170,723.52	1,234,959.05
Unallocated employee benefits						10,537,835.00	8,762,641.00	8,222,853.26	7,153,583.34
Special Schools									591,853.66
Capital outlay	1,824,112.88	2,927,173.78	6,252,808.18	2,793,444.28	903,103.60	626,905.84	2,366,643.26	4,276,057.43	4,938,017.91
Debt service:									
Principal	1,030,000.00	855,385.41	1,306,693.94	1,206,206.83	1,111,300.00	1,128,385.00	867,420.00	627,191.00	601,963.00
Interest and other charges	583,368.76	634,710.33	688,676.71	725,636.15	726,722.51	694,719.00	825,111.26	856,103.38	1,061,861.25
Total expenditures	56,520,632.88	56,353,430.23	62,445,587.15	56,134,916.54	53,856,529.68	50,091,991.52	48,952,322.71	49,248,649.25	48,360,602.68
Excess (Deficiency) of revenues over (under) expenditures	3,405,795.02	1,163,816.48	(4,571,335.67)	(40,127.13)	1,360,073.19	2,022,356.04	(849,684.99)	(638,927.80)	(4,258,597.52)
Other Financing sources (uses)									
Capital leases (non-budgeted)		130,314.40	280,000.00					2,383,971.40	566,226.84
Transfers to enterprise fund	84,858.83					(22,000.00)			(21,087.28)
Accounts receivable canceled					(845,341.79)				
Total other financing sources (uses)	84,858.83	130,314.40	280,000.00		(845,341.79)	(22,000.00)		2,383,971.40	545,139.56
Net change in fund balances	\$ 3,490,653.85	\$ 1,294,130.88	\$ (4,291,335.67)	\$ (40,127.13)	\$ 514,731.40	\$ 2,000,356.04	\$ (849,684.99)	\$ 1,745,043.60	\$ (3,713,457.96)
Debt service as a percentage of noncapital expenditures	2.9%	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>
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
2012	11,494.24	4,737.53						97,576.95	113,808.72

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 ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
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
2012	6,147,300	1,279,108,200	271,910,950	4,088,200	143,321,400	1,704,576,050	1,369,144	1,705,945,194	1.69	1,704,576,050

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 ^a	General Obligation Debt		Borough of North Plainfield	County	
		Service ^b	Total Direct			
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	3.106	0.190	3.296	1.48	0.74	5.520
2008	3.068	0.199	3.267	1.63	0.78	5.675
2009	1.438	0.073	1.511	0.80	0.36	2.671
2010	1.480	0.072	1.552	0.88	0.34	2.773
2011	1.543	0.078	1.621	0.94	0.35	2.912
2012	1.596	0.094	1.690	0.95	0.35	2.993

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	2012			2003		
	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	2.40%	\$19,000,000	1	2.29%
Greenbrook Realty Co.	37,515,000	2	2.10%	14,245,400	2	1.72%
Cypress Garden Apts Inc.	18,006,200	3	1.01%	6,392,300	3	0.77%
H&W Gardens	15,065,100	4	0.84%			
Home Properties	11,700,000	5	0.66%			
Global Motors	9,750,000	6	0.55%	3,930,100	6	0.47%
Wm Crystal Ridge	9,499,400	7	0.53%			
Greenwood Garden Apartments	6,583,000	8	0.37%	2,797,500	10	0.34%
West End Garden Apartments	6,387,000	9	0.36%	2,812,000	9	0.34%
LPB Associates	5,700,000	10	0.32%			
Total	<u>\$163,005,700</u>		<u>9.14%</u>	<u>\$49,177,300</u>		<u>5.93%</u>

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	
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%	-
2012	28,991,748	28,991,748	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,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Notes Payable			
2003	\$19,287,000.00	\$477,979.32		\$19,764,979.32	0.29%	\$947
2004	18,767,000.00	629,908.50	\$900,000.00	20,296,908.50	0.30%	973
2005	18,217,000.00	2,725,703.38	750,000.00	21,692,703.38	0.29%	1,045
2006	18,185,000.00	2,272,561.72	570,000.00	21,027,561.72	0.32%	1,014
2007	17,490,000.00	1,670,350.60	270,000.00	19,430,350.60	0.37%	936
2008	16,825,000.00	1,051,809.43		17,876,809.43	0.42%	862
2009	16,140,000.00	530,602.60		16,670,602.60	0.41%	796
2010	15,325,000.00	223,908.66		15,548,908.66	0.45%	707
2011	14,575,000.00	248,837.65		14,823,837.65	0.47%	673
2012	13,795,000.00	193,814.18		13,988,814.18	0.50%	635

Source: District CAFR Schedules I-1

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

- ^a 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.

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 ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding			
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	-0-	14,575,000.00	1,765,249,169	0.83%	663.07
2012	13,795,000.00	-0-	13,795,000.00	1,705,945,194	0.81%	626.05

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, 2011
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
North Plainfield Borough	\$11,458,555.00	100.00%	\$ 11,458,555
Other debt			
Somerset County	123,791,720.00	3.32%	<u>4,109,885</u>
Subtotal, overlapping debt			15,568,440
North Plainfield Borough School District Direct Debt			<u>14,575,000</u>
Total direct and overlapping debt			<u><u>\$ 30,143,440</u></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

Legal Debt Margin Calculation for Calendar Year 2011

	Equalized valuation basis	
	2011	\$ 1,732,365,400
	2010	1,776,852,781
	2009	1,832,489,639
	[A]	<u>\$ 1,832,489,639</u>
Average equalized valuation of taxable property	[A/3]	\$ 610,829,880
Debt limit (4 % of	[B]	24,433,195 ^a
Net bonded school debt	[C]	13,795,000
Legal debt margin	[B-C]	<u>\$ 10,638,195</u>

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 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	\$ 24,433,195
Total net debt applicable to limit	<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>	<u>13,795,000</u>
Legal debt margin	<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>\$ 60,525,941</u>	<u>\$ 10,638,195</u>
Total net debt applicable to the limit as a percentage of debt limit	35.47%	28.01%	2.57%	27.95%	27.41%	24.80%	21.27%	20.30%	20.30%	56.46%

* 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 ^d	Somerset County Per Capita Income	School District Population
2002	4.9%	56,089	20,941
2003	4.7%	57,047	20,872
2004	4.1%	60,269	20,853
2005	4.4%	62,710	20,761
2006	4.7%	68,040	20,740
2007	4.2%	72,015	20,750
2008	5.6%	74,196	20,746
2009	9.8%	68,753	20,941
2010	6.4%	69,886	21,981
2011	9.6%	69,886	22,035

* Not Available

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>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>2012</u>
Instruction										
Regular	244	251	275	275	275	282	290	270	270	270
Special education	25	28	21	21	21	26	27	71	71	71
Support Services:										
Student & instruction related services	53	54	56	56	56	56	46	49	49	49
General administrative services	5	5	4	4	4	4	4	5	5	5
School administrative services	19	19	16	16	16	16	18	18	18	18
Business administrative services	5	5	4	4	4	4	4	4	4	4
Plant operations and maintenance	57	54	39	39	39	39	39	39	39	39
Pupil transportation	6	6	7	7	7	7	6	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>	<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 ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School/ High School				
2003	3,302	\$38,132,999	\$11,548	6.88%	288	190	98	3,302	3,129	0.39%	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	4.66%	296	194	102	3,158	2,968	1.12%	93.98%
2008	3,135	51,115,403	15,045	5.00%	285	151	134	3,036	2,880	-3.86%	94.86%
2009	3,165	51,409,629	16,243	7.97%	290	156	134	3,110	2,954	2.44%	94.98%
2010	3,213	54,556,080	16,980	4.53%	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%
2012	3,256	53,437,052	16,412	-3.34%	320	195	125	3,256	3,117	4.69%	95.73%

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>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>2012</u>
<u>District Building</u>										
<u>Elementary</u>										
High School										
Square Feet	178,585	178,585	178,585	178,585	230,788	230,788	230,788	230,788	230,788	178,585
Capacity (students)	1,589	1,589	1,589	1,589	1,589	1,589	1,589	1,589	1,589	2,184
Enrollment	1,482	1,501	1,461	1,399	1,399	1,399	1,399	1,428	1,496	1,472
East End Elementary										
Square Feet	41,400	41,400	41,400	41,400	52,038	52,038	52,038	52,038	52,038	54,900
Capacity (students)	323	323	323	323	323	323	323	323	323	616
Enrollment	559	529	466	413	413	413	413	482	485	457
Stony Brook Elementary										
Square Feet	29,300	29,300	29,300	29,300	28,789	28,789	28,789	28,789	28,789	29,300
Capacity (students)	428	428	428	428	428	428	428	428	428	392
Enrollment	376	349	235	260	260	260	260	261	257	267
West End Elementary										
Square Feet	47,520	47,520	47,520	47,520	56,604	56,604	56,604	56,604	56,604	60,020
Capacity (students)	396	396	396	396	396	396	396	396	396	728
Enrollment	673	680	561	511	511	511	511	536		594
Harrison School										
Square Feet	11,600	11,600	11,600	11,600	20,000	20,000	20,000	20,000	20,000	11,600
Capacity (students)	61	61	61	61	61	61	61	61	61	84
Enrollment	-	-	-	-	-	-	-	18	25	25
Somerset School										
Square Feet	18,000	18,000	18,000	18,000	101,167	101,167	101,167	101,167	101,167	87,589
Capacity (students)	102	102	102	102	500	500	500	500	500	672
Enrollment	243	243	538	546	546	546	546	506	488	458
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	-		

Number of Schools at June 30, 2012
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 NINE FISCAL YEARS
UNAUDITED

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

School Facilities	Project # (s)	2012	2011	2010	2008	2007	2006	2005	2004	2003
High School	N/A	\$ 306,857	\$ 249,985	\$ 276,845	\$ 203,658	\$ 282,546	\$ 266,374	\$ 238,047	\$ 248,363	\$ 222,258
East End Elementary	N/A	152,654	101,450	118,452	94,611	53,415	48,572	56,462	34,352	53,642
Stony Brook Elementary	N/A	85,254	76,000	77,658	68,714	46,892	58,561	46,858	28,639	44,869
West End Elementary	N/A	135,000	115,000	115,000	95,631	68,542	63,589	58,599	40,015	54,923
Harrison School	N/A	58,785	50,000	45,567	35,072	61,258	43,125	30,352	34,983	29,073
Somerset School	N/A	123,698	112,000	112,562	107,133	49,687	45,287	20,377		
Watchung School	N/A	12,067	10,000	28,301	47,487	48,813	40,579	3,818	35,651	2,759
Total School Facilities		874,315	714,435	774,385	652,306	611,153	566,087	454,513	422,003	407,524
Other Facilities										
Grand Total		\$ 874,315	\$ 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, 2012
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Package Policy - Diploma Joint Insurance Group		
Property - Blanket Building & Contents - fund limit	\$250,000,000	\$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, 2012, and have issued our report thereon dated November 30, 2012. We conducted our audit 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, and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of North Plainfield School District'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 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 purpose 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.

This report is intended solely for the information and use of management and the Board of Education of the Borough of North Plainfield School District, the New Jersey State Department of Education and federal and state audit 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. 93

November 30, 2012



SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-2"

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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 New Jersey State Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended June 30, 2012. 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 and 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, 2012.

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 and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 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 and use of management and the Board of Education of the Borough of North Plainfield School District, the New Jersey State Department of Education and federal and state audit 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. 93

November 30, 2012

BOROUGH OF NORTH PLAINFIELD - SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR ACCOUNT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT 6/30/2011	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEAR'S BALANCES	(ACCTS. RECEIVABLE) DEFERRED REVENUE AT JUNE 30, 2012	DUE TO GRANTOR AT JUNE 30, 2012
Enterprise Funds												
U.S. Department of Agriculture												
Passed-through State Department of Education:												
Food Distribution Commodities Program	10.565	N/A	7/1/10-6/30/11	\$85,931.76	\$2,238.23			(\$2,238.23)				
Food Distribution Commodities Program	10.565	N/A	7/1/11-6/30/12	116,321.96		116,321.96	(115,995.15)				326.81	
National School Lunch Program	10.555	N/A	7/1/10-6/30/11	710,392.02	(46,260.52)	46,260.52						
National School Lunch Program	10.555	N/A	7/1/11-6/30/12	793,986.35		742,760.91	(793,986.35)				(51,235.44)	
National School Breakfast Program	10.553	N/A	7/1/10-6/30/11	75,111.48	(6,456.98)	6,456.98						
National School Breakfast Program	10.553	N/A	7/1/11-6/30/12	91,788.30		84,029.28	(91,788.30)				(7,759.02)	
Total U.S. Department of Agriculture					<u>(50,479.27)</u>		<u>995,619.65</u>	<u>(1,004,008.03)</u>			<u>(58,994.46)</u>	<u>326.81</u>
Special Revenue Funds												
U.S. Department of Education												
Passed-through State Department of Education:												
ARRA- Title I	84.389	ARRA367011	9/1/09 - 8/31/11	296,993.00	(2,817.92)	4,233.92	(1,616.00)					
Title I	84.010	NCLB367011	9/1/10 - 8/31/11	469,508.00	(88,016.95)	87,694.11					(322.84)	
Title I	84.010	NCLB367011	9/1/11 - 8/31/12	469,508.00		40,426.56	(40,426.56)					
Title I	84.010	NCLB367012	9/1/11 - 8/31/12	514,585.00		379,018.00	(500,373.07)				(121,355.07)	
Title IIA	84.367	NCLB367011	9/1/10 - 8/31/11	128,033.00	(20,879.00)	20,879.00						
Title IIA	84.367	NCLB367012	9/1/11 - 8/31/12	113,736.00		88,832.00	(107,342.20)				(18,510.20)	
Title III	84.365	NCLB367011	9/1/10 - 8/31/11	54,905.00	(10,461.00)	10,461.00						
Title III	84.365	NCLB367011	9/1/11 - 8/31/12	54,905.00		10,234.00	(10,234.00)					
Title III	84.365	NCLB367012	9/1/11 - 8/31/12	58,071.00		39,918.00	(52,012.38)				(12,094.38)	
ARRA- IDEA part B	84.391	ARRA367011	9/1/09 - 8/31/11	863,811.00	(82,642.02)	170,591.00	(87,948.98)					
I.D.E.A. Part B, Basic	84.027	IDEA367011	9/1/10 - 8/31/11	796,516.00	(453,520.54)	453,520.54						
I.D.E.A. Part B, Basic	84.027	IDEA367011	9/1/11 - 8/31/12	796,516.00		33,424.46	(33,424.46)					
I.D.E.A. Part B, Basic	84.027	IDEA367012	9/1/11 - 8/31/12	835,160.00		528,128.00	(811,169.42)				(283,041.42)	
ARRA- I.D.E.A. Part B- Preschool	84.392	ARRA367011	9/1/09 - 8/31/11	31,093.00	(18,670.00)	31,093.00	(12,423.00)					
I.D.E.A. Part B- Preschool	84.173	IDEA367011	9/1/10 - 8/31/11	18,903.00	(10,783.00)	10,783.00						
I.D.E.A. Part B- Preschool	84.173	IDEA367012	9/1/11 - 8/31/12	18,903.00		11,318.00	(18,432.09)				(7,114.09)	
Total U.S. Department of Education					<u>(687,590.43)</u>		<u>1,920,554.59</u>	<u>(1,675,402.16)</u>			<u>(442,438.00)</u>	
General Fund												
U.S. Department of Education												
Education Jobs Fund	84.410	N/A	7/1/11-6/30/12	847,821.00		822,067.00	(822,067.00)					
Medical Assistance Program (SEMI)	93.778	N/A	7/1/11-6/30/12	68,718.61		68,718.61	(68,718.61)					
Total U.S. Department of Education							<u>890,785.61</u>	<u>(890,785.61)</u>				
Total Federal Financial Assistance					<u>(\$738,069.70)</u>		<u>\$3,807,159.85</u>	<u>(\$3,570,195.90)</u>			<u>(\$501,432.46)</u>	<u>\$326.81</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, 2012

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2011			CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2012			MEMO	
				(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR						(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education																
General Funds:																
Equalization Aid	12-495-034-5120-078	7/1/11-6/30/12	\$21,300,176.00					\$19,191,771.00	(\$21,300,176.00)	\$2,108,405.00				\$2,108,405.00	\$21,300,176.00	
Special Education Aid	12-495-034-5120-089	7/1/11-6/30/12	1,891,566.00					1,704,354.00	(1,891,566.00)	187,212.00				187,212.00	1,891,566.00	
Extraordinary Aid	11-495-034-5120-473	7/1/11-6/30/11	205,187.00	(\$205,187.00)				205,187.00						205,187.00	205,187.00	
Extraordinary Aid	12-495-034-5120-473	7/1/11-6/30/12	59,037.00						(59,037.00)				(\$59,037.00)	(59,037.00)	59,037.00	
Anti-Bullying Aid	N/A	7/1/11-6/30/12	1,613.00					1,613.00	(1,613.00)						1,613.00	
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	7/1/10-6/30/11	1,706,359.06	(84,640.67)				84,640.67							1,706,359.06	
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11-6/30/12	(1,674,345.18)					1,590,488.01	(1,674,345.18)				(83,857.17)	83,857.17	1,674,345.18	
Total General Fund				(288,827.67)				22,778,053.68	(24,923,737.18)	2,295,617.00			(139,894.17)	2,323,437.17	26,835,283.24	
Special Revenue Fund:																
Preschool Education Aid	12-495-034-5120-086	7/1/11-6/30/12	711,600.00					640,440.00	(711,600.00)	71,160.00				71,160.00	711,600.00	
Preschool Education Aid	11-495-034-5120-066	7/1/10-6/30/11	711,600.00		\$3,527.97				(3,527.97)						711,600.00	
NJ Nonpublic Aid:																
Textbook Aid	11-100-034-5120-064	7/1/10-6/30/11	7,275.00							104.85				\$104.85	7,170.15	
Textbook Aid	12-100-034-5120-064	7/1/11-6/30/12	9,629.00					9,629.00	(8,083.00)					1,536.00	8,993.00	
Nursing Services	11-100-034-5120-070	7/1/10-6/30/11	8,621.00							1,804.20				1,804.20	6,816.80	
Nursing Services	12-100-034-5120-070	7/1/11-6/30/12	13,755.00					13,755.00	(8,304.22)					5,450.78	8,304.22	
Auxiliary Services:																
Compensatory Education	12-100-034-5120-067	7/1/11-6/30/12	845.00					845.00	(134.40)					710.60	134.40	
Compensatory Education	11-100-034-5120-067	7/1/10-6/30/11	670.00			\$226.25					\$226.25				443.75	
Handicapped Services:																
Supplemental Instruction	12-100-034-5120-068	7/1/11-6/30/12	4,209.00					4,209.00	(2,844.27)					1,364.73	2,844.27	
Supplemental Instruction	11-100-034-5120-066	7/1/10-6/30/11	1,875.00			475.68				475.68					1,399.32	
Examination & Classification	12-100-034-5120-066	7/1/11-6/30/12	20,452.00					20,452.00	(17,261.04)					3,190.96	17,261.04	
Connective Speech	12-100-034-5120-066	7/1/11-6/30/12	15,797.00					15,797.00	(11,711.96)					4,085.44	11,711.96	
Total Special Revenue Fund					3,527.97	701.93		795,127.00	(763,476.46)	73,069.05	701.93			18,247.56	1,487,378.51	
Capital Projects Fund:																
N.J. Schools Development Authority HVAC- Harrison School		2011	69,634.00	(69,634.00)	69,634.00				(35,201.60)				(69,634.00)	34,432.40	69,634.00	35,201.60
N.J. Economic Development Authority HVAC- Stony Brook Elementary		2011	75,339.00	(75,339.00)	75,339.00				(10,122.00)				(75,339.00)	65,217.00	75,339.00	10,122.00
N.J. Economic Development Authority HVAC- East End Elementary		2011	1,009,934.00	(171,821.93)				171,821.93							800,910.00	
Total Capital Projects Fund				(316,794.93)	144,973.00			171,821.93	(45,323.60)				(144,973.00)	99,649.40	144,973.00	846,233.60
Enterprise Fund:																
National School Lunch Program (State Share)	11-100-010-3360-067	7/1/10-6/30/11	17,651.24	(1,226.36)				1,226.36								17,651.24
National School Lunch Program (State Share)	12-100-010-3360-067	7/1/11-6/30/12	19,934.26					18,652.02	(19,934.26)				(1,282.24)		19,934.26	
Total Enterprise Fund				(1,226.36)				19,878.38	(19,934.26)				(1,282.24)		37,585.50	
Total State Financial Assistance Subject to Single Audit				(\$607,848.95)	\$146,500.97	\$701.93		23,674,880.99	(25,752,471.50)	\$2,368,686.05	\$701.93		(\$286,149.41)	\$99,649.40	\$18,247.56	\$2,540,852.41
On-Behalf TPAF Post Retirement Medical	12-495-034-5095-001		1,529,218.00					1,529,218.00	(1,529,218.00)							
On-Behalf TPAF Contributions	12-495-034-5095-007		760,706.00					760,706.00	(760,706.00)							
								\$25,964,804.99	(\$28,042,395.50)							

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, 2012

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, 2012

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$100,589.00) for the general fund. The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$67,861.31 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:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$890,785.61	\$27,113,072.18	\$28,003,857.79
Special Revenue Fund	1,750,545.28	756,676.49	2,507,221.77
Capital Projects Fund		45,323.60	45,323.60
Food Service Fund	<u>1,002,096.61</u>	<u>20,785.66</u>	<u>1,022,882.27</u>
Total Awards & Financial Assistance	<u>\$3,643,427.50</u>	<u>\$27,935,857.93</u>	<u>\$31,579,285.43</u>

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, 2012.

The amount of TPAF post-retirement contributions and noncontributory insurance of \$1,529,218 and \$760,706, 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, 2012

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
Considered to be material weaknesses? | N/A |
| (3) | Noncompliance material to the basic financial
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
considered to be material weaknesses? | N/A |
| (2) | Type of Auditor’s Report issued on compliance for major federal
Program(s)? | Unqualified |
| (3) | Any audit findings disclosed that are required to be reported in
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, 2012

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>
Education Jobs	84.410
N.C.L.B. Title IIA	84.367
Child Nutrition Cluster:	
National School Lunch Program	10.555
School Breakfast Program	10.553

(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, 2012

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	12-495-034-5120-078
Special Education Aid	12-495-034-5120-089

(5) Program Threshold Determination:
Type A State Program Threshold > \$772,526.00
Type B State Program Threshold <= \$772,526.00

(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

Not Applicable



