

**Comprehensive Annual
Financial Report**

of the

Borough of South Plainfield Board of Education

County of Middlesex

South Plainfield, New Jersey

For the Fiscal Year Ended June 30, 2016

Prepared by

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

TABLE OF CONTENTS

INTRODUCTORY SECTION	PAGE
Letter of Transmittal	1-5
Roster of Officials	6
Consultants and Advisors	7
Organizational Chart	8
FINANCIAL SECTION	
Independent Auditor's Report	9-11
REQUIRED SUPPLEMENTARY INFORMATION – Part I	12
Management's Discussion and Analysis (Unaudited)	13-23
BASIC FINANCIAL STATEMENTS	24
A. District-Wide Financial Statements	25
A-1 Statement of Net Position	26
A-2 Statement of Activities	27
B. Major Fund Financial Statements	28
Governmental Funds:	
B-1 Balance Sheet	29-30
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance	31
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Other Funds:	33
Proprietary Funds:	
B-4 Statement of Net Position	34
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	35
B-6 Statement of Cash Flows	36
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	37
B-8 Statement of Changes in Fiduciary Net Position	38
Notes to the Financial Statements	39-80

TABLE OF CONTENTS (CONTINUED)

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION – Part II	81
C. Budgetary Comparison Schedules:	82
C-1 General Fund	84-94
C-1A Budgetary Comparison Schedule	N/A
C-2 Special Revenue Fund	95
C-3 Budget to GAAP Reconciliation	96
REQUIRED SUPPLEMENTARY INFORMATION – Part III	97
L. Schedules Related to Accounting and Reporting for Pension (GASB 68)	98
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System – Last Ten Years	99
L-2 Schedule of the District’s Contributions – Public Employees Retirement System – Last Ten Years	100
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability Teachers Pension and Annuity Fund – Last Ten Years	101
Notes to the Required Supplementary Information Part III	102
L-4 Notes to the Required Supplementary Information	103
OTHER SUPPLEMENTARY INFORMATION	105
D. School Level Schedules	N/A
E. Special Revenue Fund:	106
E-1 Combining Schedule of Revenues and Expenditures - Budgetary Basis	107-109
E-2 Schedule of Expenditures - Preschool Education Aid - Budgetary Basis	110
F. Capital Projects Fund	111
F-1 Summary Statement of Project Expenditures – Budgetary Basis	112
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	113
F-2A Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Franklin School Security Upgrade	114
F-2B Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Kennedy School Security Upgrade	115
F-2C Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Riley School Security Upgrade	116
F-2D Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Roosevelt School Security Upgrade	117
F-2E Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Grant School Security Upgrade	118
F-2F Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Middle School Security Upgrade	119

TABLE OF CONTENTS (CONTINUED)

	PAGE
F-2G Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – High School School Security Upgrade	120
F-2H Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Roosevelt Building Boiler Replacement	121
F-2I Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Kennedy School Building Boiler Replacement	122
F-2J Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Franklin School Fire Alarm Replacement	123
F-2K Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Kennedy School Fire Alarm Replacement	124
F-2L Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Riley School Fire Alarm Replacement	125
F-2M Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Grant School Partial Roof Replacement	126
G. Proprietary Funds	127
Enterprise Fund:	
G-1 Combining Statement of Net Position	127A
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	128
G-3 Combining Statement of Cash Flows	129
H. Fiduciary Fund	130
H-1 Combining Statement of Fiduciary Net Position	131
H-2 Combining Statement of Changes in Fiduciary Net Position	132
H-3 Schedule of Receipts and Disbursements - Student Activity Agency Fund	133
H-4 Schedule of Receipts and Disbursements - Payroll Agency Fund	134
I. Long-Term Debt	135
I-1 Schedule of Serial Bonds	136
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Budgetary Comparison Schedule - Debt Service Fund	137

TABLE OF CONTENTS (CONTINUED)

PAGE

STATISTICAL SECTION (UNAUDITED)

J-1	Net Assets by Component	138
J-2	Changes in Net Position	139-140
J-3	Fund Balances – Governmental Funds	141
J-4	Changes in Governmental Fund Balances – Governmental Funds	142
J-5	General Fund Other Local Revenue by Source	143
J-6	Assessed Value and Actual Value of Taxable Property	144
J-7	Direct and Overlapping Property Tax Rates	145
J-8	Principal Property Tax Payers - Current Year and Nine Years Ago	146
J-9	Property Tax Levies and Collections	147
J-10	Ratios of Outstanding Debt by Type	148
J-11	Ratios of Net Bonded Debt Outstanding	149
J-12	Ratios of Overlapping Governmental Activities Debt	150
J-13	Legal Debt Margin Information	151
J-14	Demographic and Economic Statistics	152
J-15	Principal Employers – Current and Nine Years Ago	153
J-16	Full-Time Equivalent District Employees by Function/Program	154
J-17	Operating Statistic	155
J-18	School Building Information	156
J-19	Schedule of Required Maintenance for School Facilities	157
J-20	Insurance Schedule	158

SINGLE AUDIT SECTION

K-1	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	159-160
K-2	Independent Auditor's Report on Compliance with Requirements Applicable to Major Federal and State Financial Assistance Programs and Internal Control Over Compliance in Accordance with U.S. OMB Circular Guidance and New Jersey OMB Circular 15-08	161-162
K-3	Schedule of Expenditures of Federal Awards, Schedule A	163
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	164-165
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	166-167
K-6	Schedule of Findings and Questioned Costs	168-170
K-7	Schedule of Prior Audit Findings	171-172

INTRODUCTORY SECTION



South Plainfield Public Schools

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Mrs. Mary Malyska
Assistant Superintendent
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Mr. James Damato
Int. Board Secretary/Business Admin.
jdamoto@spboe.org

December 2, 2016

Honorable President and
Members of the Board of Education
South Plainfield School District
County of Middlesex, New Jersey

Dear Board Members:

The comprehensive annual financial report (CAFR) of the South Plainfield School District (District) for the fiscal year ended June 30, 2016, 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 of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The District has implemented Statement No. 34 of the Governmental Accounting Standards Board (GASB) entitled Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. This standard, issued in June 1999, creates a new reporting model of financial information and disclosure, which represents a significant departure from the previously used reporting model. The reader will notice that the two main basic financial statements created by this standard, the Statement of Net Position and the Statement of Activities do not contain numerous columns for various funds that have been seen in past governmental financial statements. These two financial statements consolidate much of the detailed information contained in fund based financial statements of the South Plainfield School District.

Also required as part of "Required Supplementary Information" by GASB Statement No. 34 is a "Management's Discussion and Analysis" (MD&A) which allows the District to explain in layman's terms its financial position and results of operations of the past fiscal year.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory sections includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, Management's Discussion and Analysis (MD&A), supplemental information, the combining of individual schedules as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", the audit requirement of Title 2 U.S. Code of Federal Regulations CFR Part 200, Uniform Administrative Requirements, Cost Principles, and requirements for Federal Awards (Uniform Guidance), New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A of South Plainfield School District can be found immediately following the report of the independent auditors.

1. Reporting Entity and its Services: South Plainfield School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The South Plainfield Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, limited English-proficient, as well as special education for educationally handicapped youngsters.

The District operated the 2015/2016 fiscal year with an enrollment of 3,523 students, which represents a decrease of 0.15% less students than the previous year's enrollment. This change is primarily due to different recording procedures on the district's ASSA submission relating to students in Pre-K. 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>
2015-2016	3,523	-0.15%
2014-2015	3,576	3.32%
2013-2014	3,461	-2.73%
2012-2013	3,558	-1.96%
2011-2012	3,630	-2.26%
2010-2011	3,714	-0.70%
2009-2010	3,739	0.91%
2008-2009	3,705	-0.43%
2007-2008	3,721	-2.00%
2006-2007	3,797	0.02%

2. Economic Condition and Outlook: South Plainfield's economy benefits from its location as a convenient commutation point to major employment centers, including New York City. The economy mirrors the national economy that is reportedly ending a recession but has not yet fully recovered.

3. 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 recognizes: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structures is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

4. 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. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

5. Accounting System and Reports: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The District had implemented GASB No. 34 for the fiscal year ended June 30, 2006 as explained in the Notes to the Basic Financial Statements.
6. Debt Administrations: The Board of Education issued bonds to pay for the school district's capital projects. The proposal was approved by the voters at the April 17, 2001 school election for a total of \$19,283,380.00. The State's share of the project was \$6,647,000, and the local share of the project was \$12,636,380.00. The project included the building of a new elementary school; expansion of Grant School to include grades 5 and 6; and two (2) contracts for electrical and technology upgrades. On August 14, 2009, the Board of Education sold and issued \$9,765,000 Refunding School bonds resulting in a savings of \$341,112. As of June 30, 2016, the outstanding principal was \$6,415,000 – bonds.
7. Cash Management: The investment policy of the District is guided in large part by state statute as detailed in the "Notes to Basic Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit its funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. Risk Management: The Board carries various forms of insurance,, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
9. Other Information:

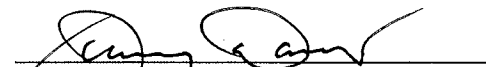
Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee, Clooney and Company, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08. The auditor's report of the CAFR is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. Acknowledgments: We would like to express our appreciation to the members of the South Plainfield School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our administrative office staff.

Respectfully Submitted,



Dr. Noreen Lishak,
Superintendent of Schools



James Damato
Interim Business Administrator/
Board Secretary

**BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2016**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Deborah Boyle, President	2016
William H. Seesselberg, Vice-President	2018
Steven Bohn	2016
Carol M Byrne	2016
Douglas Chapman	2018
Kimberly "Anesh" DeAngelis	2018
Dr. John T. Farinella	2017
Chere M. Glover	2017
Sharon Miller	2017

Other Officials

Dr. Johanna Ruberto, Interim Superintendent

Alex Ferreira, Business Administrator/Board Secretary

Glen Cullen, Treasurer

Mark H. Zitomer, Esq., Schenck, Price, Smith & King, LLP Board Attorney

**BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
JUNE 30, 2016**

Audit Firm

Suplee, Clooney & Company
Certified Public Accountants
308 East Broad Street
Westfield, New Jersey 07090-2122

Official Depository

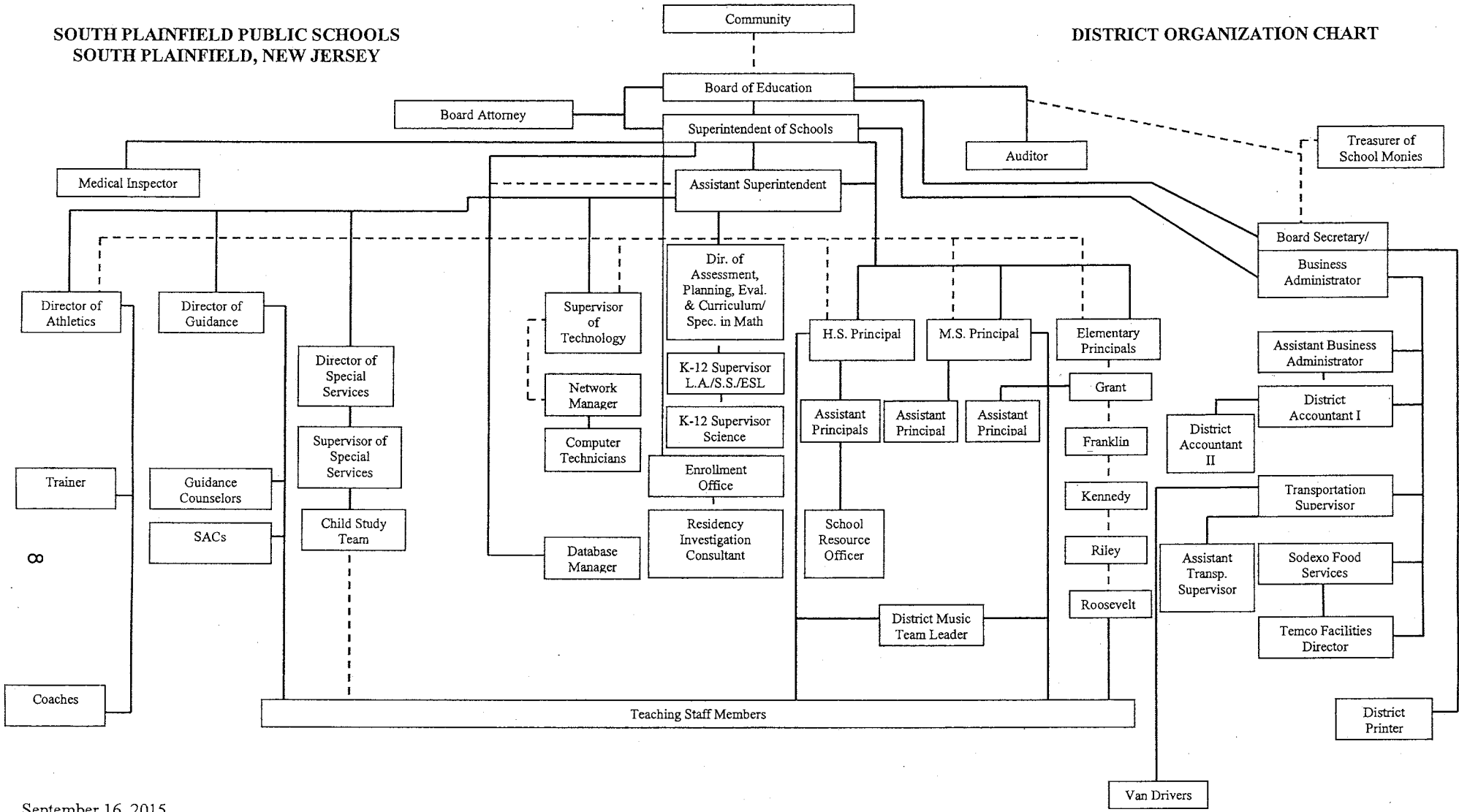
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**SOUTH PLAINFIELD PUBLIC SCHOOLS
SOUTH PLAINFIELD, NEW JERSEY**

DISTRICT ORGANIZATION CHART



September 16, 2015

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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Borough of South Plainfield School District
County of Middlesex
South Plainfield, New Jersey 07080

Report on the Financial Statements

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 South Plainfield School District, County of Middlesex, New Jersey as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State of New Jersey *OMB Circular 15-08* "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 financial statements are free from material misstatement.

SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of South Plainfield School District, County of Middlesex, New Jersey as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information in Exhibit C-1 through C-3 and the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 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.

SUPLEE, CLOONEY & COMPANY

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of South Plainfield School District's basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the 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.

The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and by the State of New Jersey, Department of Education, Division of Finance 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. Such 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 records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information, such as the introductory and statistical sections, 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.

Prior Period Financial Statements

The financial statements of the Borough of South Plainfield School District, County of Middlesex, New Jersey as of June 30, 2015 were audited by other auditors whose report dated November 24, 2015 expressed an unmodified opinion on those statements.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 2, 2016 on our consideration of the Borough of South Plainfield School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of South Plainfield School District's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

December 2, 2016

REQUIRED SUPPLEMENTARY INFORMATION – Part I

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 UNAUDITED

The discussion and analysis of the Borough of South 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, 2016. 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.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements-Management's Discussion and Analysis-for the State and Local Governments* issued in June 1999. Certain comparative information between the current fiscal year (2015-2016) and the prior fiscal year (2014-2015) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2016 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 2015/2016 school year.
- General revenues accounted for \$53,260,986.09 or 71% of all revenues. Program specific revenues in the form of charges for services and operating/capital grants and contributions accounted for \$21,572,412.49 or 29% of all revenues.
- The District had \$74,632,511.04 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.

The *Statement of Net Position 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.

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 UNAUDITED

Reporting the District as a Whole

Statement of Net Position 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 2016?" The Statement of Net Position 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 position and changes in those assets. This change in net position 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 Position 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 preschool, latchkey and the adult education programs are reported as business activities.

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 UNAUDITED

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.

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 Position provides the perspective of the District as a whole.

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED**

Table 1 provides a comparative summary of the District's net position for 2016 and 2015.

	Table 1	
	Net Position	
	<u>2016</u>	<u>2015</u>
Assets		
Current and Other Assets	\$8,356,526.16	\$6,953,959.00
Capital Assets	<u>22,065,590.00</u>	<u>23,043,798.00</u>
Total Assets	30,422,116.16	29,997,757.00
Deferred Outflows:		
Related to Pensions	2,537,581.00	439,477.00
Loss on Refunding of Long-term Debt	<u>224,684.00</u>	<u>289,018.00</u>
	2,762,265.00	728,495.00
Liabilities		
Other Liabilities	2,567,732.34	1,181,934.00
Long-Term Liabilities	<u>21,403,682.79</u>	<u>20,073,688.00</u>
Total Liabilities	23,971,415.13	21,255,622.00
Deferred Inflows:		
Related to Pensions	<u>224,464.00</u>	<u>692,017.00</u>
Net Position		
Net Investment in Capital Assets	15,644,481.00	15,710,939.00
Restricted	4,372,522.94	1,780,651.00
Unrestricted(Deficit)	<u>(11,028,501.91)</u>	<u>(8,712,977.00)</u>
Total Net Position	<u><u>\$8,988,502.03</u></u>	<u><u>\$8,778,613.00</u></u>

The District's combined net position were \$8,988,502.03 on June 30, 2016. The District's investment in capital assets is shown net of any related debt used to acquire those assets.

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED**

Table 2 shows changes in net assets for fiscal years 2016 and 2015.

**Table 2
Changes in Net Position**

	<u>2016</u>	<u>2015</u>
Revenues		
Program Revenues:		
Charges for Services	\$2,147,935.15	\$1,987,856.00
Operating Grants and Contributions	19,424,477.34	15,770,949.00
Capital Grants and Contributions		693,706.00
General Revenues:		
Property Taxes	46,160,650.00	44,869,564.00
Grants and Entitlements	6,823,714.00	6,714,045.00
Other	<u>276,622.09</u>	<u>142,367.00</u>
Total Revenues	<u>74,833,398.58</u>	<u>70,178,487.00</u>
 Program Expenses		
Instruction	45,569,310.41	42,665,577.00
Support Services:		
Student and Instruction Related	9,504,887.39	8,991,136.00
General Administration	1,335,216.44	1,278,897.00
School Administration	4,785,061.71	4,310,696.00
Central Services/ Adm. Of Technology	2,154,388.26	1,793,830.00
Maintenance of Facilities	5,616,513.01	4,899,308.00
Student Transportation	2,832,457.37	2,503,270.00
Business Type Activities	2,470,004.51	2,370,089.00
Other	<u>355,671.94</u>	<u>327,992.00</u>
Total Expenses	<u>74,623,511.04</u>	<u>69,140,795.00</u>
Increase/ (Decrease) in Net Position	<u>\$209,887.54</u>	<u>\$1,037,692.00</u>

Both revenues and expenses increased mainly as a result of the district recognizing a larger on-behalf TPAF contribution as a revenue and as an expense based upon the State's Actuarial report

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED**

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 62 percent of revenues for governmental activities in the District. There was a \$1,291,086.00 increase in property taxes or 3 percent from the prior year. The District's total revenues were \$74,833,398.58 for the year ended June 30, 2016.

Instruction comprises 61 percent of district expenses. Support services make up 38 percent of the district expenses and other services and expenses make up 1 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, preschool, latchkey and adult education programs. The following are some of our major business type activity results.

- Business type revenues exceeded expenses by \$50,927.98.
- Revenues consist of \$1,940,157.35 in operating revenue from charges for services and \$580,775.14 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. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3
Net Cost of Services**

	<u>Total Cost of Services 2016</u>	<u>Total Cost of Services 2015</u>	<u>Net Cost of Services 2016</u>	<u>Net Cost of Services 2015</u>
Instruction	\$45,569,310.41	42,665,577.00	\$30,506,336.26	\$29,797,104.00
Support Services:				
Students and Instruction Related	9,504,887.39	8,991,136.00	7,258,697.63	7,748,890.00
General Administration, School & Central Administration	8,274,666.41	7,383,423.00	6,971,793.35	6,488,341.00
Maintenance of Facilities	5,616,513.01	4,899,308.00	5,593,688.77	4,108,590.00
Student Transportation	2,832,457.37	2,503,270.00	2,415,838.58	2,177,736.00
Other	355,671.94	327,992.00	355,671.94	327,992.00
Business-Type Activities	<u>2,470,004.51</u>		<u>50,927.98</u>	
Total Net Cost of Services	<u>\$74,623,511.04</u>	<u>\$66,770,706.00</u>	<u>\$53,152,954.51</u>	<u>\$50,648,653.00</u>

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED**

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.

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, preschool, latchkey and adult education programs.

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 \$64,638,581.57 and expenditures were \$64,145,809.02.

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. The following schedules, which do not include the capital projects fund's activity, present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2016, 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 2015</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$46,612,643.30	72.11%	\$1,359,287.30	4.79%
State Sources	16,353,442.09	25.30%	1,373,296.09	5.42%
Federal Sources	1,672,496.18	2.59%	642,643.18	43.46%
Total	\$64,638,581.57	100.00%	\$3,375,226.57	6.11%

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
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, 2016, 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 2015</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$24,735,852.00	38.56%	(\$12,461,444.00)	-101.52%
Support Services	37,796,568.57	58.92%	15,579,280.57	29.19%
Capital Outlay	395,288.45	0.62%	25,230.45	6.00%
Debt Service	<u>1,218,100.00</u>	<u>1.90%</u>	<u>2,125.00</u>	<u>0.17%</u>
Total	<u>\$64,145,809.02</u>	<u>100.00%</u>	<u>\$3,145,192.02</u>	<u>5.84%</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:

- Staffing changes based on student needs.
- Need for additional instructional supplies and equipment
- Changes in appropriations to prevent budget overruns.

Debt Administration

At June 30, 2016, the District had \$21,403,683 of outstanding long-term liabilities. Of this amount, \$796,991 is for compensated absences, \$13,960,899 for pension liability, \$230,793 for bond refunding premium and \$6,415,000 of serial bonds.

Capital Assets

At the end of the fiscal year 2016, the District had a net of \$22,065,590 invested in land, building and building improvements, and machinery and equipment. Table 4 shows fiscal year 2016 balances compared to 2015.

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED**

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

	<u>2016</u>	<u>2015</u>
Governmental Activities Capital Assets, Net:		
Land	\$1,265,266.00	\$1,265,266.00
Land Improvements	1,263,720.00	1,289,290.00
Construction in Progress		
Building and Building Improvements	16,659,822.00	17,247,156.00
Machinery and Equipment	<u>2,683,551.00</u>	<u>3,047,693.00</u>
Total Governmental Activities Capital Assets, Net	<u>21,872,359.00</u>	<u>22,849,405.00</u>
 Business Type Activities Capital Assets, Net:		
Machinery and Equipment	<u>193,231.00</u>	<u>194,393.00</u>
Total Business Type Activities Capital Assets, Net:	<u>193,231.00</u>	<u>194,393.00</u>
 Total Capital Assets, Net	<u>\$22,065,590.00</u>	<u>\$23,043,798.00</u>

Overall net capital assets decreased by \$978,208.00 from fiscal year 2015 to fiscal year 2016.

For the Future

While many factors influence the School district's future, the availability of funding for special education needs, changes in student population and the condition of school facilities will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the School District's administration during the process of development of the fiscal year 2016-2017 budget. The primary factors were the District's projected students population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2016-2017. Budgeted expenditures in the General Fund decreased approximately 3 percent to \$55,718,746 for fiscal year 2016-2017.

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED**

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: James Damato Interim, Business Administrator/Board Secretary, South Plainfield Board of Education, 125 Jackson Avenue, South Plainfield, NJ 07507. 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, 2016

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of changes in net position 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 SOUTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$4,393,039.65	\$1,513,967.55	\$5,907,007.20
Receivables, net	1,871,566.88	125,951.65	1,997,518.53
Internal Balances	434,033.00		434,033.00
Inventory		17,967.43	17,967.43
Capital assets:			
Non Depreciable	1,265,266.00		1,265,266.00
Depreciable - Net	20,607,093.00	193,231.00	20,800,324.00
Total Assets	<u>28,570,998.53</u>	<u>1,851,117.63</u>	<u>30,422,116.16</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to pension	2,537,581.00		2,537,581.00
Loss on Refunding of Long-Term Debt	224,684.00		224,684.00
Total deferred outflow of resources	<u>2,762,265.00</u>		<u>2,762,265.00</u>
LIABILITIES:			
Accounts payable	1,273,634.82	241,986.63	1,515,621.45
Payable to state government	50,662.00		50,662.00
Payable to other funds		400,000.00	400,000.00
Unearned revenue	307,934.42	19,040.53	326,974.95
Other liabilities	131,218.00		131,218.00
Accrued interest payable	143,255.94		143,255.94
Noncurrent liabilities:			
Net pension liability	13,960,899.00		13,960,899.00
Due within one year	960,000.00		960,000.00
Due beyond one year	6,482,783.79		6,482,783.79
Total liabilities	<u>23,310,387.97</u>	<u>661,027.16</u>	<u>23,971,415.13</u>
(deficit)			
Related to pension	<u>224,464.00</u>		<u>224,464.00</u>
NET POSITION:			
Net Investment in capital assets	15,451,250.00	193,231.00	15,644,481.00
Restricted for:			
Capital projects	294,665.74		294,665.74
Debt service(deficit)	(141,590.94)		(141,590.94)
Other purposes	4,219,448.14		4,219,448.14
Unrestricted(deficit)	<u>(12,025,361.38)</u>	<u>996,859.47</u>	<u>(11,028,501.91)</u>
Total net position	<u>\$7,798,411.56</u>	<u>\$1,190,090.47</u>	<u>\$8,988,502.03</u>

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2016

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Governmental Activities:						
Instruction:						
Regular	\$ 18,551,944.91	\$ 13,855,125.20	\$ 9,004,581.74	\$ (23,402,488.37)	\$ (23,402,488.37)	
Special	7,153,907.79	3,664,550.24	5,717,409.01	(5,101,049.02)	(5,101,049.02)	
Other Instruction	1,432,365.43	911,416.84	340,983.40	(2,002,798.87)	(2,002,798.87)	
Support services:						
Tuition						
Student & instruction related services	6,081,126.14	3,423,761.25	2,246,189.76	(7,258,697.63)	(7,258,697.63)	
General administrative services	989,031.03	346,185.41	164,790.43	(1,170,426.01)	(1,170,426.01)	
School administrative services	2,751,921.75	2,033,139.96	1,063,339.08	(3,721,722.63)	(3,721,722.63)	
Central services	761,284.47	381,426.60	42,848.17	(1,099,862.90)	(1,099,862.90)	
Administration information technology	727,750.33	283,926.86	31,895.38	(979,781.81)	(979,781.81)	
Plant operations and maintenance	5,361,621.83	254,891.18	22,824.24	(5,593,688.77)	(5,593,688.77)	
Pupil transportation	1,937,784.36	894,673.01	208,840.99	(2,415,838.58)	(2,415,838.58)	
Charter Schools						
Unallocated benefits	24,930,376.55	(24,930,376.55)				
Unallocated depreciation and amortization	1,175,606.00	(1,118,720.00)				
Interest on Long-Term Debt	298,785.94					
Total governmental activities	<u>72,153,506.53</u>	<u>\$</u>	<u>207,777.80</u>	<u>18,843,702.20</u>	<u>(53,102,026.53)</u>	<u>(56,886.00)</u>
						<u>(298,785.94)</u>
						<u>(53,102,026.53)</u>
Business-type activities						
Food Service	1,400,398.40		810,704.36	575,036.07	(14,657.97)	(14,657.97)
Preschool Program	335,054.43		358,604.46	1,215.73	24,765.76	24,765.76
Latchkey Program	614,540.95		642,665.03	2,821.40	30,945.48	30,945.48
Adult Education Program	120,010.73		128,183.50	1,701.94	9,874.71	9,874.71
Total business-type activities	<u>2,470,004.51</u>		<u>1,940,157.35</u>	<u>580,775.14</u>	<u>50,927.98</u>	<u>50,927.98</u>
Total primary government	<u>\$ 74,623,511.04</u>	<u>\$</u>	<u>2,147,935.15</u>	<u>19,424,477.34</u>	<u>(53,102,026.53)</u>	<u>\$ (53,051,098.55)</u>
General Revenues:						
Taxes:						
Property taxes, levied for general purposes, net					\$ 44,942,061.00	\$ 44,942,061.00
Taxes levied for debt service					1,218,589.00	1,218,589.00
Federal and state aid not restricted					6,823,714.00	6,823,714.00
Miscellaneous income					209,522.57	209,522.57
Accounts payable canceled					67,099.52	67,099.52
Total general revenues and special items					<u>53,260,986.09</u>	<u>53,260,986.09</u>
Change in net position					158,959.56	209,887.54
Net Position - beginning					7,639,452.00	8,778,614.49
Net Position ending					<u>7,798,411.56</u>	<u>8,988,502.03</u>

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

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 SOUTH PLAINFIELD SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
ASSETS:					
Cash and cash equivalents	\$ 4,781,579.73	\$	\$	\$ 1,665.00	\$ 4,783,244.73
Accounts receivable:					
Federal	22,078.28	566,421.56			588,499.84
State	385,784.27		870,400.00		1,256,184.27
Local		3,295.98			3,295.98
Other receivables		23,586.79			23,586.79
Interfunds	<u>671,959.00</u>				<u>671,959.00</u>
Total assets	<u>\$ 5,861,401.28</u>	<u>\$ 593,304.33</u>	<u>\$ 870,400.00</u>	<u>\$ 1,665.00</u>	<u>\$ 7,326,770.61</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Cash (deficit)	\$	\$ 229,090.82	\$ 161,114.26	\$	\$ 390,205.08
Accounts payable	689,493.78	56,020.04			745,513.82
Other liabilities		131,218.00			131,218.00
Interfund payable			237,926.00		237,926.00
Intergovernmental payables:					
State		50,662.00			50,662.00
Unearned revenue		<u>131,240.42</u>	<u>176,694.00</u>		<u>307,934.42</u>
Total liabilities	<u>689,493.78</u>	<u>598,231.28</u>	<u>575,734.26</u>		<u>1,863,459.32</u>
Fund balances:					
Restricted for:					
Capital reserve account	1,291,879.54				1,291,879.54
Emergency reserve account	197,335.30				197,335.30
Maintenance reserve account	701,320.12				701,320.12
Excess surplus	814,654.18				814,654.18
Excess surplus designated for subsequent years expenditures	1,214,259.00				1,214,259.00
Capital projects			274,348.74		274,348.74
Debt service				1,665.00	1,665.00
Assigned:					
Year-end encumbrances	449,220.09		20,317.00		469,537.09
Designated for subsequent years expenditures	108,104.00				108,104.00
Unassigned (Deficit)	<u>395,135.27</u>	<u>(4,926.95)</u>			<u>390,208.32</u>
Total fund balances	<u>5,171,907.50</u>	<u>(4,926.95)</u>	<u>294,665.74</u>	<u>1,665.00</u>	<u>5,463,311.29</u>
Total liabilities and fund balances	<u>\$ 5,861,401.28</u>	<u>\$ 593,304.33</u>	<u>\$ 870,400.00</u>	<u>\$ 1,665.00</u>	<u>\$ 7,326,770.61</u>

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

Total Fund Balances (Brought Forward)	\$	5,463,311.29
<p>Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Cost of Assets	\$	45,866,072.00
Accumulated Depreciation		<u>(23,993,713.00)</u>
		21,872,359.00
<p>Cost associated with the issuance of Bonds are expensed in the Governmental Funds in the year the bonds are issued, but are reported as deferred outflows on the Statement of Net position:</p>		
Deferred Amount on Refunding, net		224,684.00
<p>Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
Serial bonds payable, net		(6,645,793.00)
Net pension liability		(13,960,899.00)
Compensated absences payable		<u>(796,990.79)</u>
		(21,403,682.79)
<p>Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.</p>		
Pensions:		
Deferred Outflows		
Pension related		2,537,581.00
Deferred Inflows:		
Pension related		(224,464.00)
<p>Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.</p>		
Accounts payable - pension related		(528,121.00)
Accrued Interest Payable		<u>(143,255.94)</u>
		<u>(671,376.94)</u>
Net Position of Governmental Activities	\$	<u><u>7,798,411.56</u></u>

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$ 44,942,061.00	\$	\$	\$ 1,218,589.00	\$ 46,160,650.00
Transportation	207,777.80				207,777.80
Miscellaneous	209,522.57	34,692.93			244,215.50
Total - local sources	45,359,361.37	34,692.93		1,218,589.00	46,612,643.30
State sources	16,020,897.09	332,545.00			16,353,442.09
Federal sources	65,035.85	1,607,460.33			1,672,496.18
Total revenues	61,445,294.31	1,974,698.26		1,218,589.00	64,638,581.57
EXPENDITURES:					
Current expense:					
Regular instruction	17,905,758.55	595,611.63			18,501,370.18
Special instruction	4,693,713.49	108,402.90			4,802,116.39
Other Instruction	1,432,365.43				1,432,365.43
Support services:					
Tuition	1,464,694.61	1,002,943.73			2,467,638.34
Student & instruction related services	5,808,459.19	272,666.95			6,081,126.14
General administrative services	989,031.03				989,031.03
School administrative services	2,751,921.75				2,751,921.75
Central services	761,284.47				761,284.47
Administrative information technology	727,750.33				727,750.33
Plant operations and maintenance	5,096,344.60				5,096,344.60
Student transportation	1,937,784.36				1,937,784.36
Unallocated benefits	16,904,053.55				16,904,053.55
Charter schools	79,634.00				79,634.00
Debt Service:					
Principal				910,000.00	910,000.00
Interest				308,100.00	308,100.00
Capital outlay	395,288.45		68,548.78		463,837.23
Total expenditures	60,948,083.81	1,979,625.21	68,548.78	1,218,100.00	64,214,357.80
Excess (deficiency) of revenues over (under) expenditures	497,210.50	(4,926.95)	(68,548.78)	489.00	424,223.77
Other financing sources (uses):					
Cancelled Accounts Payable			67,099.52		67,099.52
Total other financing sources			67,099.52		67,099.52
Net change in fund balances	497,210.50	(4,926.95)	(1,449.26)	489.00	491,323.29
Fund balances, July 1, 2015	4,674,697.00		296,115.00	1,176.00	4,971,988.00
Fund balances, June 30, 2016	\$ 5,171,907.50	\$ (4,926.95)	\$ 294,665.74	\$ 1,665.00	\$ 5,463,311.29

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

BOROUGH OF SOUTH 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, 2016

Total net change in fund balances - governmental funds (from B-2) \$ 491,323.29

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

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

Depreciation expense	\$ (1,175,606.00)	
Capital outlays	463,837.23	
Less: Capital outlays not capitalized	(265,277.23)	(977,046.00)

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 position.

Capital lease proceeds		
Refunding Bond Proceeds		
Discount on Refunding Bonds		
Premium on Refunding Bonds		66,084.00
Deferred Amount on Refunding Bond Payments to Escrow Agent		(64,334.00)

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

Payment of bond principal	910,000.00	910,000.00
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In the statement of changes in net position, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed.

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.

Decrease in accrued interest payable		7,564.06
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District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District pension contributions	534,686.00	
Less: Pension expense	(954,224.00)	(419,538.00)

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

Decrease in compensated absences payable		144,906.21
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Change in net position of governmental activities	\$ 158,959.56	
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The accompanying Notes to the Financial Statements are an integral part of this statement.

OTHER FUNDS

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS <u>MAJOR</u>	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS <u>NON-MAJOR</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	1,219,056.60	\$ 294,910.95
Accounts receivable:		
Federal	85,001.22	
State	2,433.74	
Other	36,691.69	1,825.00
Inventories	<u>17,967.43</u>	
Total current assets	<u>1,361,150.68</u>	<u>296,735.95</u>
Noncurrent assets:		
Furniture, machinery and equipment	497,009.00	57,921.00
Less accumulated depreciation	<u>(342,006.00)</u>	<u>(19,693.00)</u>
Total noncurrent assets	<u>155,003.00</u>	<u>38,228.00</u>
Total assets	<u>1,516,153.68</u>	<u>334,963.95</u>
LIABILITIES:		
Current liabilities:		
Accounts payable	241,986.63	
Interfund Payable	400,000.00	
Unearned revenue	<u>19,040.53</u>	
Total current liabilities	<u>661,027.16</u>	
Total liabilities	<u>661,027.16</u>	
NET POSITION:		
Net Investment in capital assets	155,003.00	38,228.00
Unrestricted	<u>700,123.52</u>	<u>296,735.95</u>
Total net position	<u>855,126.52</u>	<u>\$ 334,963.95</u>

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS <u>MAJOR</u>	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS <u>NON-MAJOR</u>
OPERATING REVENUES:		
Charges for services:		
Daily sales - reimbursable programs	\$ 458,346.81	
Daily sales - non-reimbursable programs	309,021.00	
Special Functions	43,336.55	
Program Fees	770,848.53	358,604.46
	<u>1,581,552.89</u>	<u>358,604.46</u>
OPERATING EXPENSES:		
Cost of sales-reimbursable programs	448,238.74	
Cost of sales-non-reimbursable programs	108,157.00	
Salaries and employee benefits	1,200,453.51	299,356.61
Other purchased services	228,966.79	10,893.83
Supplies and materials	134,498.19	19,880.99
Miscellaneous	4,015.85	
Depreciation	10,620.00	4,923.00
	<u>2,134,950.08</u>	<u>335,054.43</u>
Total operating expenses		
	<u>(553,397.19)</u>	<u>23,550.03</u>
Operating (loss)		
NON-OPERATING REVENUES:		
State Sources		
State school lunch program	13,545.81	
Federal Sources		
National school lunch program	414,002.73	
National school breakfast program	47,272.39	
National food distribution commodities	99,391.46	
Interest and investment revenue	5,347.02	1,215.73
	<u>579,559.41</u>	<u>1,215.73</u>
Total non-operating revenues		
	<u>26,162.22</u>	<u>24,765.76</u>
Net income before contributions and transfers		
	<u>26,162.22</u>	<u>24,765.76</u>
Change in net position		
	<u>828,964.30</u>	<u>310,198.19</u>
Total net position - beginning		
	<u>\$ 855,126.52</u>	<u>334,963.95</u>
Total net position - ending		

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS <u>MAJOR</u>	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS <u>NON-MAJOR</u>
Cash flows from operating activities:		
Receipts from customers	\$ 1,619,677.53	360,029.46
Payments to employees and employee benefits	(1,087,351.10)	(299,356.61)
Payments to suppliers	<u>(934,808.71)</u>	<u>(30,774.82)</u>
Net cash provided by (used for) operating activities	<u>(402,482.28)</u>	<u>29,898.03</u>
Cash flows from noncapital financing activities:		
State Sources	12,196.25	
Federal Sources	<u>410,723.81</u>	
Net cash provided by noncapital financing activities:	<u>422,920.06</u>	
Cash flows from investing activities:		
Interest on investments	<u>5,347.02</u>	<u>1,215.73</u>
Net cash provided by (used for) investing activities	<u>5,347.02</u>	<u>1,215.73</u>
Purchase of capital assets	<u>(14,381.00)</u>	
Net cash provided by (used for) capital and related financing activities	<u>(14,381.00)</u>	
Net decrease in cash and cash equivalents	11,403.80	31,113.76
Cash and cash equivalents, July 1, 2015	<u>1,207,652.80</u>	<u>263,797.19</u>
Cash and cash equivalents, June 30, 2016	<u>\$ 1,219,056.60</u>	<u>294,910.95</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ (553,397.19)	23,550.03
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and net amortization	10,620.00	4,923.00
National food distribution commodities	99,391.46	
Change in assets and liabilities:		
Increase / (Decrease) in Accounts Payable	(2,571.83)	
Increase / (Decrease) in Unearned Revenue	2,434.67	
(Increase) / Decrease in Accounts Receivable	31,104.99	1,425.00
(Increase) / Decrease in Inventory	<u>9,935.62</u>	
	<u>150,914.91</u>	<u>6,348.00</u>
Net cash provided by (used for) operating activities	<u>\$ (402,482.28)</u>	<u>29,898.03</u>

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>AGENCY FUNDS</u>
ASSETS:		
Cash and cash equivalents	\$ <u>665,428.03</u>	\$ <u>711,702.55</u>
Total assets	<u>665,428.03</u>	<u>711,702.55</u>
LIABILITIES:		
Payroll deductions and withholdings		543,961.72
Due to other funds	143.00	133,707.83
Due to student groups		<u>34,033.00</u>
Total liabilities	<u>143.00</u>	\$ <u><u>711,702.55</u></u>
NET POSITION:		
Held in trust for unemployment claims	\$ <u>665,285.03</u>	
Held in trust for scholarships		

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>
ADDITIONS:	
Contributions:	
Unemployment	\$ <u>36,107.27</u>
Total contributions	<u>36,107.27</u>
Investment earnings:	
Interest earned	<u>2,625.44</u>
Net investment earnings	<u>2,625.44</u>
Total additions	<u>38,732.71</u>
DEDUCTIONS:	
Other purposes	
Unemployment claims	<u>14,617.68</u>
Total deductions	<u>14,617.68</u>
Change in net position	24,115.03
Net position beginning of year	\$ <u>641,170.00</u>
Net position end of year	\$ <u><u>665,285.03</u></u>

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

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the South 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 Middlesex County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The School District is governed by a nine 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 kindergarten through high school education. 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.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

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 position 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 position 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 position 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.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

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.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Funds

Enterprise Fund The enterprise fund accounts for all revenues and expenses pertaining to the food service, preschool, latchkey and adult education 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.

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.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

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 unearned 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.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

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. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. 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, 2016 totaled \$-0-.

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.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

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 assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue and capital project funds for which the District has received advances are reflected in the balance sheet as unearned 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.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

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 an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition 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.

In fiscal year 2016, the District implemented GASB 72. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, Measurement of Elements of Financial Statements, and other relevant literature.

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

	<u>Estimated</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unassigned net position represents the remains of the District's equity in the cumulative earnings of the proprietary fund.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenue

Unearned 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 Position

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. Net Position represents the difference between assets and liabilities. Net investment in capital assets 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 position is 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 positions are available.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

Under GASB 54, in the fund financial statements, governmental funds report the following classifications of fund balance:

Non-Spendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Emergency Reserve, Maintenance Reserve and Excess Surplus as Restricted Fund Balance.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances and amounts Designated for Subsequent Year's Expenditures as Assigned Fund Balance.

Unassigned - is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property 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 property 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.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

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.

Accounting and Financial Reporting for Pensions

In the district-wide financial statements for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions (Continued)

In the governmental fund financial statements the year end net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1st of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The Governmental Fund Financial Statements reflects both a revenue and expenses for this pension contribution.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has two items that qualify for reporting in this category, deferred amounts from an loss on refunding debt and deferred amounts related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pensions.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS

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, 2016, based upon the coverage provided by FDIC and NJGUDPA, \$-0- of cash equivalents was exposed to custodial credit risk. Of the \$8,982,334.91 cash and cash equivalents on deposit, \$250,000.00 was covered by Federal Depository Insurance, \$8,732,334.91 was covered under the provisions of NJGUDPA.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

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

Deposits (Continued)

As of June 30, 2016, cash and cash equivalents of the District consisted of the following:

<u>Fund Type</u>	<u>Bank Balance</u>	<u>Reconciling Items</u>		<u>Reconciled Balance</u>
		<u>Additions</u>	<u>Deletions</u>	
Governmental	\$5,959,246.68	\$246.43	\$1,566,453.46	\$4,393,039.65
Proprietary	1,527,051.49	4,429.89	17,513.83	1,513,967.55
Fiduciary	1,496,036.74	4,967.18	123,873.04	1,377,130.88
	<u>\$8,982,334.91</u>	<u>\$9,643.50</u>	<u>\$1,707,840.33</u>	<u>\$7,284,138.08</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:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
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;

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

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

Investments (Continued)

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, 2016, 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.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 3: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$1,265,266.00			\$1,265,266.00
Total Capital Assets not being depreciated	<u>1,265,266.00</u>			<u>1,265,266.00</u>
Land Improvements	2,579,662.00	\$46,100.00		2,625,762.00
Buildings and Building Improvements	35,633,143.00	69,918.00		35,703,061.00
Machinery and Equipment	<u>6,212,761.00</u>	<u>82,542.00</u>	<u>-\$23,320.00</u>	<u>6,271,983.00</u>
Totals at historical cost	<u>44,425,566.00</u>	<u>198,560.00</u>	<u>(23,320.00)</u>	<u>44,600,806.00</u>
Gross Assets (Memo only)	<u>45,690,832.00</u>	<u>198,560.00</u>	<u>(23,320.00)</u>	<u>45,866,072.00</u>
Less: Accumulated Depreciation				
Land Improvements	(1,290,372.00)	(71,670.00)		(1,362,042.00)
Buildings and Building Improvements	(18,385,987.00)	(657,252.00)		(19,043,239.00)
Machinery and Equipment	<u>(3,165,068.00)</u>	<u>(446,684.00)</u>	<u>23,320.00</u>	<u>(3,588,432.00)</u>
Total Depreciation	<u>(22,841,427.00)</u>	<u>(1,175,606.00)</u>	<u>23,320.00</u>	<u>(23,993,713.00)</u>
Total capital assets being depreciated, net of depreciation	<u>21,584,139.00</u>	<u>(977,046.00)</u>		<u>20,607,093.00</u>
Total Governmental Fund Activities	<u>\$22,849,405.00</u>	<u>(\$977,046.00)</u>		<u>\$21,872,359.00</u>
Proprietary Activities:				
Machinery and Equipment	\$548,208.00	\$14,381.00	(\$7,659.00)	\$554,930.00
Totals at historical cost	<u>548,208.00</u>	<u>14,381.00</u>	<u>(7,659.00)</u>	<u>554,930.00</u>
Less: Accumulated Depreciation				
Machinery and Equipment	(353,815.00)	(15,543.00)	7,659.00	(361,699.00)
Total Depreciation	<u>(353,815.00)</u>	<u>(15,543.00)</u>	<u>7,659.00</u>	<u>(361,699.00)</u>
Total Proprietary Fund Activities	<u>\$194,393.00</u>	<u>(\$1,162.00)</u>		<u>\$193,231.00</u>

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 3: CAPITAL ASSETS (CONTINUED)

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

Governmental Activities

Instruction:

Regular	\$569,087.00
Special Education Instruction	172,141.00
Other Instruction	43,446.00

Support services:

Student and instruction related services	24,401.00
General administrative services	85,973.00
School administrative services	4,287.00
Plant operations and maintenance	51,714.00
Pupil transportation	167,671.00
Direct Expense of various functions	<u>56,886.00</u>

\$1,175,606.00

Business-Type Activities

Food Service Fund	\$2,400.00
Preschool Fund	4,923.00
Latchkey Fund	<u>8,220.00</u>

\$15,543.00

NOTE 4: LONG-TERM LIABILITIES

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.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 4: LONG-TERM LIABILITIES (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, 2016, the District borrowing capacity under N.J.S. 18A:24-19 is as follows:

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2013	\$3,697,254,858
2014	3,811,407,659
2015	3,768,926,877
	<u>\$11,277,589,394</u>
 Average equalized valuation	 <u>\$3,759,196,465</u>
 School borrowing margin (4% of \$3,759,196,465)	 \$150,367,859
Net school debt as of June 30, 2016	<u>6,415,000</u>
 School borrowing power available	 <u>\$143,952,859</u>

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2016:

	Balance, <u>June 30, 2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2016</u>	Due Within <u>One Year</u>
Bonds Payable	\$7,325,000.00		(\$910,000.00)	\$6,415,000.00	<u>\$960,000.00</u>
Premium	\$296,877.00		(66,084.00)	230,793.00	
Net Pension Liability	11,509,914.00	<u>\$2,450,985.00</u>		13,960,899.00	
Compensated Absence	<u>941,897.00</u>		<u>(144,906.21)</u>	<u>796,990.79</u>	
Total	<u>\$20,073,688.00</u>	<u>\$2,450,985.00</u>	<u>(\$1,120,990.21)</u>	<u>\$21,403,682.79</u>	<u>\$960,000.00</u>

Debt Service Requirements

The annual requirements to amortize all debt outstanding as of June 30, 2016, including interest payments on issued debt, are as follows:

Fiscal Year <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$960,000.00	\$264,238.00	\$1,224,238.00
2018	995,000.00	225,287.00	1,220,287.00
2019	1,040,000.00	188,006.00	1,228,006.00
2020	1,085,000.00	141,275.00	1,226,275.00
2021	1,140,000.00	88,250.00	1,228,250.00
2022	<u>1,195,000.00</u>	<u>29,875.00</u>	<u>1,224,875.00</u>
	<u>\$6,415,000.00</u>	<u>\$936,931.00</u>	<u>\$7,351,931.00</u>

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 4: LONG-TERM LIABILITIES (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, 2016</u>
\$9,765,000.00 in 2009 Refunding Bonds due in remaining annual installments of between \$960,000.00 and \$1,195,000.00 ending July, 2021 with interest 1.370%	\$6,415,000.00

Operating Leases Payable

The District is leasing copier equipment and buses under operating leases. The following is a schedule of the future minimum lease payments under the operating leases at June 30, 2016:

Fiscal Year Ended	<u>Amount</u>
<u>June 30,</u>	
2017	121,632.00
2018	114,946.00
2019	19,158.00
Total	\$255,736.00

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.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 5: PENSION PLANS (CONTINUED)

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.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

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 PERS), 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.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

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 an increase 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).

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2016	\$534,686.00	100.00%	\$534,686.00
2015	\$506,796.00	100.00%	\$506,796.00
2014	\$459,587.00	100.00%	\$459,587.00

During the fiscal year ended June 30, 2016, 2015 and 2014, the State of New Jersey contributed \$1,919,493.00, \$1,257,469.00 and \$977,689.00, respectively to the TPAF pension system on-behalf of the District.

Also, in accordance with N.J.S.A. 18A:66-66 during the years ended June 30, 2016, 2015 and 2014, the State of New Jersey reimbursed the District \$1,939,136.09, \$2,001,968.00 and \$1,974,944.00 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS)

At June 30, 2016, the District reported a liability of \$13,960,899.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 0.0621921857 percent, which was an increase of 0.0007165832 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$954,224.00. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience		\$333,058.00
Changes of assumptions		1,499,289.00
Net difference between projected and actual earnings on pension plan investments	\$224,464.00	
Changes in proportion and differences between District contributions and proportionate share of contributions		177,113.00
District contributions subsequent to the measurement date		528,121.00
	<u>\$224,464.00</u>	<u>\$2,537,581.00</u>

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(Continued)

Public Employees Retirement System (PERS) (Continued)

The \$528,121.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	<u>Amount</u>
<u>June 30</u>	
2016	\$330,809.00
2017	\$330,809.00
2018	\$330,809.00
2019	\$502,291.00
2020	\$290,278.00

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the district's proportionate share of the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage-point higher than the current rate.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2016 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$157,583,555</u>
	<u><u>\$157,583,555</u></u>

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2015, the proportion of the TPAF net pension liability associated with the District was .2493242221% which was an decrease of .0021848466 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue of \$9,621,895.00 for contributions provided by the State.

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class. The ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
High Yield Bonds	2.00%	4.57%
US Equities Markets	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmlands	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.50%
Hedge Funds - Multi Strategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
	<u>100.00%</u>	

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 7: OTHER POST-RETIREMENT BENEFITS

For eligible retired employees, the School District participates in the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2015 there were 107,314 retirees eligible for post-retirement medical benefits and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The state is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 7: OTHER POST-RETIREMENT BENEFITS (CONTINUED)

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 for the years ended June 30, 2016, 2015 and 2014 were, \$2,399,438.00, \$2,139,852.00 and \$1,744,538.00 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 was not determined or made available by the State of New Jersey.

NOTE 8: 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.

NOTE 9: 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 2015-2016 fiscal year were subject to the U.S. OMB Circular Uniform Guidance and New Jersey OMB Circular 15-08 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 \$750,000. 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.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 10: 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		Employee	Amount	Ending
<u>June 30,</u>	<u>Interest</u>	<u>Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2016	\$2,625.44	\$36,107.27	\$14,617.68	\$665,285.03
2015	1,084.00	50,210.00	25,436.00	641,170.00
2014	6,427.00	34,296.00	4,824.00	612,878.00

NOTE 11: COMPENSATED ABSENCES

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

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

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 11: COMPENSATED ABSENCES (CONTINUED)

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2016, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$796,990.79.

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, 2016 no liability existed for compensated absences in the proprietary funds.

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

NOTE 12: FUND BALANCE APPROPRIATED

General Fund Of the \$5,171,907.50 in General Fund Balance at June 30, 2016, \$449,220.09 has been assigned for encumbrances; \$1,214,259.00 is restricted for excess surplus designated for subsequent year's expenditures, \$814,654.18 is restricted for excess surplus, : in accordance with N.J.S.A. 18A:7F7; \$1,291,879.54 has been restricted for Capital Reserve; \$701,320.12 has been restricted as Maintenance Reserve; \$197,335.30 has been restricted for Emergency Reserve; \$108,104.00 has been assigned for subsequent years expenditures and \$395,135.27 is unassigned.

NOTE 13: CALCULATION OF EXCESS SURPLUS (BUDGETARY BASIS)

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004,c.73 (S1701), the Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. Based on this calculation, the District has \$814,654.18 excess fund balance resulting from the year ended June 30, 2016.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2016:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$671,959.00	
Capital Projects Fund		\$237,926.00
Enterprise Funds		400,000.00
Fiduciary Funds		34,033.00
	<u>\$671,959.00</u>	<u>\$671,959.00</u>

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

NOTE 15: MAINTENANCE RESERVE ACCOUNT

In accordance with N.J.S.A. 18A:7G-13, a Maintenance reserve account was established by the District. The Maintenance reserve account is maintained in the general fund.

A district board of education or board of school estimate, as appropriate, may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes.

A district board of education or board of school estimate, as appropriate, may by resolution withdraw such funds from the maintenance reserve account and appropriate into the required maintenance account lines at budget time or any time during the year for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan pursuant to N.J.A.C. 6A:26A-4.

The district board of education shall ensure that the maintenance reserve account balance does not, at any time, exceed four percent of the replacement cost of the school district's school facilities for the current year. If the account exceeds this maximum amount at June 30, the district board of education shall reserve and designate such excess in the subsequent year's budget.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 15: MAINTENANCE RESERVE ACCOUNT (CONTINUED)

The activity of the maintenance reserve during the year ended June 30, 2016, is as follows:

Balance, July 1, 2015	\$449,481.00
Interest Earnings	1,839.12
Deposits:	
Board Resolution dated 6/22/16	250,000.00
Balance, June 30, 2016	\$701,320.12

NOTE 16: 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.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 16: CAPITAL RESERVE ACCOUNT (CONTINUED)

The activity of the capital reserve during the year ended June 30, 2016, is as follows:

Balance, July 1, 2015	\$1,033,879.00
Interest Earnings	8,000.54
Deposits:	
Board Resolution dated 6/22/16	250,000.00
Balance, June 30, 2016	\$1,291,879.54

NOTE 17: EMERGENCY RESERVE ACCOUNT

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

The emergency reserve account is used to finance unanticipated general fund expenditures required for a thorough and efficient education. Pursuant to N.J.A.C. 6A:23A-14.4(A), the maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both.

The activity of the emergency reserve during the year ended June 30, 2016, is as follows:

Balance, July 1, 2015	196,533.00
Interest Earnings	802.30
Balance, June 30, 2016	\$197,335.30

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 18: INVENTORY

Inventory in the Food Service Fund at June 30, 2016 consisted of the following:

Food and Supplies	<u>\$17,967.43</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996) 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.

NOTE 19: 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, 2016.

NOTE 20: DEFICIT FUND BALANCES

The District has a deficit fund balance of \$4,926.95 in the Special Revenue Fund as of June 30, 2016 as reported in the fund statements (modified accrual basis). P.L. 2003,C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment 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 and liability) should be symmetry, i.e., if one government recognized an asset, the other government recognized liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last two state aid payments, the Special Revenue Fund balance deficit does not alone indicate that the District is facing financial difficulties.

NOTE 21: SUBSEQUENT EVENTS

The District has evaluated subsequent events occurring after the financial statement date through December 2, 2016 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events needed to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

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BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 44,942,061.00	\$	\$ 44,942,061.00	\$ 44,942,061.00	\$ 57,777.80
Transportation	150,000.00		150,000.00	207,777.80	109,523.57
Miscellaneous	99,999.00		99,999.00	209,522.57	
Total Local Sources	45,192,060.00		45,192,060.00	45,359,361.37	167,301.37
State Sources:					
Special Education Aid	2,204,418.00		2,204,418.00	2,204,418.00	
Equalization Aid	6,660,858.00		6,660,858.00	6,660,858.00	
Categorical Security Aid	97,143.00		97,143.00	97,143.00	
Categorical Transportation Aid	100,859.00		100,859.00	100,859.00	
Extraordinary Aid	127,500.00		127,500.00	264,258.00	136,758.00
PARCC Readiness Aid	34,410.00		34,410.00	34,410.00	
Per Pupil Growth Aid	34,410.00		34,410.00	34,410.00	
Reimbursed Non Public Transportation				25,404.00	25,404.00
On-behalf TPAF Contributions-non-budgeted				1,919,493.00	1,919,493.00
NCGI-non-budgeted				95,617.00	95,617.00
Post Retirement Medical-non budgeted				2,399,438.00	2,399,438.00
Reimbursed TPAF Social Security Contribution-non-budgeted				1,939,136.09	1,939,136.09
Total State Sources	9,259,598.00		9,259,598.00	15,775,444.09	6,515,846.09
Federal Sources:					
Medicaid Reimbursement-ARRA	42,088.00		42,088.00	65,035.85	22,947.85
Total Federal Sources	42,088.00		42,088.00	65,035.85	22,947.85
Total Revenues	54,493,746.00		54,493,746.00	61,199,841.31	6,706,095.31
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - Regular Programs:					
Preschool	73,936.00	(10,024.09)	63,911.91	63,620.20	291.71
Kindergarten	1,469,705.00	73,540.51	1,543,245.51	1,543,245.51	
Grades 1-5	6,258,116.00	(129,613.00)	6,128,503.00	6,000,871.60	127,631.40
Grades 6-8	3,981,961.00	(57,664.36)	3,924,296.64	3,924,296.64	
Grades 9-12	5,255,245.00	104,191.90	5,359,436.90	5,359,006.62	430.28
Regular programs - home instruction:					
Salaries of teachers	410.00	24,480.00	24,890.00	19,341.75	5,548.25
Purchased professional educational services	15,000.00	18,267.00	33,267.00	31,002.00	2,265.00

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Regular programs - undistributed instruction:					
Other salaries for instruction	\$ 26,275.00	\$ (677.50)	\$ 25,597.50	\$ 25,597.50	\$ 0.15
Purchased Professional Educational Services	26,250.00	(25,600.00)	650.00	649.85	0.17
Purchased technical services	132,475.00	(9,821.00)	122,654.00	122,653.83	2,289.13
Other purchased services (400 - 500 series)	165,744.21	(32,617.35)	133,126.86	130,837.73	12,797.82
General supplies	695,769.80	(25,164.86)	670,604.94	657,807.12	88,241.45
Textbooks	24,007.00	88,147.15	112,154.15	23,912.70	245.50
Other objects	13,281.00	(10,120.00)	3,161.00	2,915.50	239,740.86
Total regular programs	18,138,175.01	7,324.40	18,145,499.41	17,905,758.55	
Instruction - Special Education: Learning and/or Language Disabilities:					
Salaries of Teachers	271,784.00	3,207.18	274,991.18	274,991.18	14,713.00
Other salaries for instruction	138,731.00	(59,927.00)	78,804.00	64,091.00	0.44
General Supplies	8,900.00	(7,999.00)	901.00	900.56	
Textbooks	1,000.00	(1,000.00)			
Total Learning and/or Language Disabilities	420,415.00	(65,718.82)	354,696.18	339,982.74	14,713.44
Visual Impairments					
Other Salaries for Instruction	17,942.00	7,615.00	25,557.00	25,487.75	69.25
Total Visual Impairments	17,942.00	7,615.00	25,557.00	25,487.75	69.25
Multiple Disabilities					
Salaries for Teachers	383,513.00	(32,408.00)	351,105.00	351,102.30	2.70
Other Salaries for Instruction	95,032.00	14,044.27	109,076.27	109,076.27	
Purchased Prof- Educ Services	14,332.00	(14,332.00)			
Other purchased services	8,600.00	598.00	598.00	598.00	
General Supplies	4,800.00	13,452.00	22,052.00	19,767.65	2,284.35
Textbooks	4,800.00	(2,337.00)	2,463.00	2,462.88	0.12
Total Resource Room / Resource Center	506,277.00	(20,982.73)	485,294.27	483,007.10	2,287.17
Resource Room / Resource Center:					
Salaries of Teachers	2,578,494.00	156,668.19	2,735,162.19	2,735,162.19	
Other salaries for instruction	755,237.00	20,641.00	775,878.00	774,973.39	904.61
General Supplies	16,951.00	(12,076.00)	4,875.00	4,874.53	0.47
Textbooks	1,000.00	(1,000.00)			
Total Resource Room / Resource Center	3,351,682.00	164,233.19	3,515,915.19	3,515,010.11	905.08
Autism					
General Supplies	2,850.00	(2,850.00)			
Textbooks	1,000.00	(1,000.00)			
Total Autism	3,850.00	(3,850.00)			

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Preschool Disabilities - Full - Time:					
Salaries of Teachers	\$ 137,731.00	\$ (5,891.97)	\$ 131,839.03	\$ 131,839.03	
Other Salaries for Instruction	223,030.00	(56,243.00)	166,787.00	165,182.17	1,604.83
Supplies and Materials	2,500.00	39.84	2,539.84	2,539.84	
Supplies		10.00	10.00		10.00
Total Preschool Disabilities - Full - Time	363,261.00	(62,085.13)	301,175.87	299,561.04	1,614.83
Home Instruction:					
Salaries of Teachers		30,044.00	30,044.00	19,341.75	10,702.25
Purchased Professional-Educational Services	15,000.00	(1,926.00)	13,074.00	11,323.00	1,751.00
Total Home Instruction	15,000.00	28,118.00	43,118.00	30,664.75	12,453.25
Total Special Education	4,678,427.00	47,329.51	4,725,756.51	4,693,713.49	32,043.02
Basic Skills / Remedial:					
Salaries of Teachers	126,262.00	226,892.03	353,154.03	353,154.03	
Total Basic Skills / Remedial	126,262.00	226,892.03	353,154.03	353,154.03	
Bilingual Education:					
Salaries of Teachers	253,665.00	\$ (3,381.00)	\$ 250,284.00	\$ 243,898.61	\$ 6,385.39
Total Bilingual Education:	253,665.00	(3,381.00)	250,284.00	243,898.61	6,385.39
School Sponsored Co-Curricular Activities:					
Salaries	147,458.00	(84,518.00)	62,940.00	17,553.00	45,387.00
Supplies and Materials	18,750.00	(9,462.00)	9,288.00	7,825.24	1,462.76
Other Objects	11,320.00	13,830.99	25,150.99	25,150.99	
Total School Sponsored Co-Curricular Activities	177,528.00	(80,149.01)	97,378.99	50,529.23	46,849.76
School Sponsored Athletics:					
Salaries	616,683.00	(18,349.00)	598,334.00	596,564.75	1,769.25
Purchased Services (300-500 Series)	151,978.00	(45,464.00)	106,514.00	106,185.80	328.20
Supplies and Materials	66,076.00	(7,395.00)	58,681.00	56,388.01	2,292.99
Other Objects	40,107.00	(11,091.39)	29,015.61	25,645.00	3,370.61
Total School Sponsored Athletics	874,844.00	(82,299.39)	792,544.61	784,783.56	7,761.05
Total Other Instructional Programs	1,432,299.00	61,062.63	1,493,361.63	1,432,365.43	60,996.20
Total - Instruction	24,248,901.01	115,716.54	24,364,617.55	24,031,837.47	332,780.08

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's within the State - Regular	\$ 8,000.00	\$ (6,000.00)	\$ 2,000.00	\$ 2,000.00	\$
Tuition to Other LEA's within the State - Special	102,373.00	58,748.60	161,121.60	161,120.38	1.22
Tuition to County Vocational School District - Sp Ed					
Districts & Regional Day Schools	867,474.00	45,678.00	913,152.00	872,430.00	40,722.00
Tuition to Private Schools for the Handicapped w/in State	428,446.00	(101,474.00)	326,972.00	315,297.29	11,674.71
Tuition - Other	227,636.00	(6,087.60)	221,548.40	113,846.94	107,701.46
Total Undistributed Expenditures - Instruction	1,633,929.00	(9,135.00)	1,624,794.00	1,464,694.61	160,099.39
Attendance and Social Work Services:					
Salaries	105,983.00	11,215.00	117,198.00	116,588.23	609.77
Supplies and Materials					
Total Attendance and Social Work Services	105,983.00	11,215.00	117,198.00	116,588.23	609.77
Health Services:					
Salaries	697,972.00	(50,610.36)	647,361.64	647,361.64	
Purchased Professional and Technical Services	11,870.00	(907.06)	10,962.94	6,452.50	4,510.44
Other Purchased Services	1,675.00	(1,464.25)	210.75	151.84	58.91
Supplies and Materials	17,900.00	(2,374.39)	15,525.61	15,307.63	217.98
Other Objects	920.00	266.50	1,186.50	1,074.00	112.50
Total Health Services	730,337.00	(55,089.56)	675,247.44	670,347.61	4,899.83
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	430,460.00	51,420.00	481,880.00	479,743.26	2,136.74
Purchased Professional - Educational Services	582,953.00	(4,162.25)	578,790.75	545,354.77	33,435.98
Supplies and Materials	8,700.00	(1,372.00)	7,328.00	7,327.01	0.99
Total Other Support Services - Speech, OT, PT & Related Services	1,022,113.00	45,885.75	1,067,998.75	1,032,425.04	35,573.71
Other Support Services - Students - Extra Services					
Salaries	204,892.00	(149,636.00)	55,256.00	55,065.42	190.58
Aids for Instruction		139,841.00	139,841.00	138,933.40	907.60
Purchased Professional - Educational Services	247,265.00	5,614.70	252,879.70	247,824.74	5,054.96
Supplies and Materials	13,800.00	(4,037.00)	9,763.00	9,556.02	106.98
Total Other Support Services - Students - Extra Services	465,957.00	(8,217.30)	457,739.70	451,479.58	6,260.12

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Guidance:	\$	\$	\$	\$	\$
Salaries of Other Professional Staff	954,954.00	25,990.00	980,944.00	980,936.00	8.00
Salaries of Secretarial and Clerical Assistants	149,984.00	(29.50)	149,954.50	149,954.50	
Other Purchased Professional and Tech Services	4,000.00	(4,000.00)			
Other Purchased Services	14,736.00	(1,834.00)	12,902.00	12,153.07	748.93
Travel		150.00	150.00	150.00	
Supplies and Materials	38,216.00	4,506.00	42,722.00	40,164.70	2,557.30
Other Objects	3,675.00	(2,893.00)	782.00	610.00	172.00
Total Guidance	1,165,565.00	21,889.50	1,187,454.50	1,183,968.27	3,486.23
Child Study Teams:					
Salaries of Other Professional Staff	698,141.00	18,658.36	716,799.36	716,799.36	
Salaries of Secretarial and Clerical Assistants	141,276.00	(6,794.00)	134,482.00	133,287.67	1,194.33
Salaries of ABA In Home Therapy					
Purchased Professional Educational Services	42,770.00	74,130.30	116,900.30	49,979.23	66,921.07
Other Purchased Professional and Technical Services	9,500.00	5,498.70	14,998.70	14,197.00	801.70
Other Purchased Services (400-500 series)	22,924.83	(8,153.00)	14,771.83	12,306.57	2,465.26
Supplies and Materials	13,785.00	1,292.00	15,077.00	15,056.03	20.97
Other Objects	1,000.00	(480.00)	520.00	520.00	
Total Child Study Teams	929,396.83	84,152.36	1,013,549.19	942,145.86	71,403.33
Improvement of Instruction Services					
Other Support Services - Instructional Staff:					
Summer Curriculum Development		115,335.09	373,039.09	373,039.09	
Salaries of Supervisors of Instruction	257,704.00	4,503.57	39,812.57	39,812.57	
Salaries of Secretarial and Clerical Assts.	35,309.00	(15,160.00)	85,671.00	67,927.38	17,743.62
Other Salaries	100,831.00	600.00	600.00	600.00	
Purchased Prof. and Tech. Services					
Other Purch Prof. and Tech. Services	28,470.00	1,887.98	30,357.98	30,357.46	0.52
Other Purchased Services (400-500)		109.14	109.14	80.00	29.14
Travel	140,057.71	3,439.25	143,496.96	143,149.52	347.44
Supplies and materials	3,150.00	(3,150.00)			
Other Objects					
Total Improvement of Instruction Services /	565,521.71	107,565.03	673,086.74	654,966.02	18,120.72
Other Support Services - Instructional Staff					

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Educational Media Services / School Library:					
Salaries	\$ 469,759.00	\$ (54,151.00)	\$ 415,608.00	\$ 414,781.32	\$ 826.68
Purchased Professional and Technical Services	2,402.00	(1,543.00)	859.00	858.95	0.05
Other Purchased Services (400-500 Series)	43,730.00	(3,940.00)	39,790.00	37,834.79	1,955.21
Supplies and materials	35,179.00	(4,374.00)	30,805.00	30,531.64	273.36
Other Objects	1,050.00	(1,006.50)	43.50		43.50
Total Educational Media Services / School Library	552,120.00	(65,014.50)	487,105.50	484,006.70	3,098.80
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction Summer Hours	274,034.00	(43,527.88)	230,506.12	230,506.12	
Salaries of Other Professional Staff	17,424.00	(17,424.00)			
Salaries of Secretarial and Clerical Assistants	7,500.00	19,906.28	19,906.28	19,906.28	
Other Purchased Professional - Educational Services	31,400.00	(1,350.00)	6,150.00	6,150.00	
Other Purchased Services (400- 500)	425.45	(31,400.00)	13,908.76	13,082.84	825.92
Staff Training Travel	2,000.00	13,483.31	2,000.00	1,469.64	530.36
Supplies and materials	2,350.00	(933.00)	1,417.00	1,417.00	
Other Objects					
Total Instructional Staff Training Services	335,133.45	(61,245.29)	273,888.16	272,531.88	1,356.28
Support Services General Administration:					
Salaries	260,416.67	70,590.82	331,007.49	331,006.82	0.67
Legal Services	124,648.34	115.00	124,763.34	117,017.32	7,746.02
Expenditure and Internal Control Audit Fees	42,250.00	437.00	42,687.00	36,625.00	6,062.00
Architectural/Engineering Services	70,900.00	(35,624.77)	35,275.23	32,825.23	2,450.00
Other Purchased Professional Services	4,500.00	8,181.00	12,681.00	12,680.50	0.50
Communications / Telephone	169,688.00	(33,014.00)	136,674.00	136,673.31	0.69
Admin Travel Expense		893.94	893.94	893.94	
Board Travel Expense	20,000.00	(13,277.24)	6,722.76	6,418.93	303.83
Miscellaneous Expenditures	290,306.00	(26,801.00)	263,505.00	263,504.41	0.59
General Supplies	8,000.00	8,460.90	16,460.90	16,429.70	31.20
BOE In- House Training/ Meeting Supplies	2,500.00	1,002.50	3,502.50	3,118.05	384.45
Judgements against the District		1,000.00	1,000.00	1,000.00	
Miscellaneous Expenditures	10,036.00	(2,888.62)	7,147.38	6,140.92	1,006.46
BOE Membership Dues and Fees	26,000.00	(1,302.51)	24,697.49	24,696.90	0.59
Total Support Services General Administration	1,029,245.01	(22,226.98)	1,007,018.03	989,031.03	17,987.00

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Support Services School Administration:					
Salaries of Principals / Asst. Principals	\$ 1,796,887.00	\$ 251,729.51	\$ 2,048,616.51	\$ 2,048,616.51	\$
Salaries of Other Professionals	660,542.00	(660,542.00)			3,628.01
Salaries of Secretarial and Clerical Assistants	24,072.56	(1,025.24)	655,449.00	651,820.99	2,261.89
Other Purchased Services(400-500 series)	27,936.30	(2,700.08)	23,047.32	20,785.43	1,502.26
Supplies and Materials	10,894.00	(994.44)	25,236.22	23,733.96	2,934.70
Other Objects			9,899.56	6,964.86	
Total Support Services School Administration	2,520,331.86	241,916.75	2,762,248.61	2,751,921.75	10,326.86
Central Service:					
Salaries	584,257.00	474.94	584,731.94	584,731.94	
Purchased Professional Services	10,000.00	3,050.00	13,050.00	10,585.00	2,465.00
Other Purchase Professional Service	16,000.00	(3,163.00)	12,837.00	12,836.69	0.31
Travel	325.75	1,828.81	2,154.56	1,748.84	405.72
Misc. Purch Services (400-500)	114,353.11	3,885.69	118,238.80	113,247.26	4,991.54
Supplies and Materials	61,610.05	(24,598.76)	37,011.29	36,069.03	942.26
Miscellaneous Expenditures	3,000.00	(530.02)	2,469.98	2,065.71	404.27
Total Central Service	789,545.91	(19,052.34)	770,493.57	761,284.47	9,209.10
Administrative Information Technology:					
Salaries	464,990.00	(29,726.44)	435,263.56	435,263.56	
Purchased Technical Services	236,910.00	(31,083.00)	205,827.00	202,521.05	3,305.95
Other Purchased Services	1,500.00	(1,246.00)	254.00	253.50	0.50
Supplies and Materials	82,548.90	7,356.53	89,904.43	89,712.22	192.21
Total Administrative Information Technology	785,948.90	(54,699.91)	731,248.99	727,750.33	3,498.66
Required Maintenance for School Facilities:					
Salaries	739,161.00	30,120.00	30,120.00	22,000.00	8,120.00
Cleaning, Repair and Maintenance Services	991.10	446,574.04	1,185,735.04	833,666.10	352,068.94
Travel	123,000.00	(991.10)			
General Supplies		12,311.54	135,311.54	122,524.82	12,786.72
Other Objects		1,113.23	1,113.23	833.00	280.23
Total Required Maintenance for School Facilities	863,152.10	489,127.71	1,352,279.81	979,023.92	373,255.89

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Custodial Services:					
Salaries of Non-Instructional Aides	\$ 260,033.00	\$ 6,039.10	\$ 266,072.10	\$ 266,072.10	\$ 4,500.90
Purchased Professional and Technical Services	208,410.00	(9,079.00)	199,331.00	194,830.10	10,885.50
Cleaning, Repair and Maintenance Services	1,519,124.00	377,899.05	1,897,023.05	1,886,137.55	1,762.98
Other Purchased Property Services	160,000.00	1,587.00	161,587.00	159,824.02	0.94
Insurance	128,101.00	28,148.00	156,249.00	156,248.06	0.94
General Supplies	29,517.00	(17,265.00)	12,252.00	5,964.42	6,287.58
Energy (Natural Gas)	408,000.00	(113,000.00)	295,000.00	260,361.95	34,638.05
Energy (Heat and Electricity)	956,000.00	(100,000.00)	856,000.00	735,598.84	120,401.16
Other Objects	14,508.00	(12,000.00)	2,508.00	2,380.80	127.20
Total Custodial Services	3,683,693.00	162,329.15	3,846,022.15	3,667,417.84	178,604.31
Care and Upkeep of Grounds:					
Cleaning, Repair And Maintenance	440,955.00	(40,484.00)	400,471.00	377,915.35	22,555.65
General Supplies	66,438.25	(17,993.89)	48,444.36	48,406.56	37.80
Total Care and Upkeep of Grounds	507,393.25	(58,477.89)	448,915.36	426,321.91	22,593.45
Security:					
Salaries	51,202.00	(27,799.00)	23,403.00	23,401.15	1.85
General Supplies	290.00		290.00	179.78	110.22
Total Security	51,492.00	(27,799.00)	23,693.00	23,580.93	112.07

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Student Transportation Services:					
Salaries of Non-Instructional Aides	\$ 143,381.00	\$ 31,359.58	\$ 174,740.58	\$ 174,365.40	\$ 375.18
Salaries for Pupil Transportation (Between Home and School) - Regular	567.84	(567.84)			
Salaries for Pupil Transportation (Between Home and School) - Special	545,310.00	(8,584.74)	536,725.26	536,725.26	
Salaries (Other than H & S)	415.57	(415.57)			
Management Fee- ESC & CTSA Trans. Program	286,642.56	(2,345.78)	284,296.78	283,037.33	1,259.45
Transportation- Other Purchased Prof & Tech	111,050.00	(50.94)	110,999.06	105,294.01	5,705.05
Cleaning, Repair and Maintenance Services	10,000.00		10,000.00	8,871.16	1,128.84
Contracted Services - Aid in Lieu Payments-NonPub Sch	202,850.00	1,419.00	204,269.00	1,419.00	
Contracted Services - Aid in Lieu Payments-Charter Sch	137,020.00	28,743.62	165,763.62	201,372.20	30,221.42
Contracted Services (Other than Between Home and School) - Vendors	5,304.00	(300.00)	5,004.00	105,208.03	2,178.61
Contract Services (Sp. Ed. Stds.) - Vendors	22,354.80	(13,199.80)	9,155.00	4,420.00	584.00
Contracted Services - (Spec. Ed. Students) - Joint Agreements	46,000.00	2,058.00	48,058.00	3,812.10	5,342.90
Contracted Services - (Spec. Ed. Students) - ESCs & CTSA	305,000.00	15,090.40	320,090.40	2,057.16	0.84
Miscellaneous Purchased Services - Transportation	93,213.00	45,696.00	138,909.00	41,089.40	20,001.00
General Supplies	15,000.00	(23,307.00)	(8,307.00)	350,695.29	0.71
Transportation Supplies	155,250.00	(3,300.00)	151,950.00	64,313.51	5,592.49
Other Objects	1,500.00	(50,188.00)	(48,688.00)	9,529.45	2,170.55
		3,878.00	5,378.00	40,197.06	64,864.94
Total Student Transportation Services	2,080,858.77	(3,648.43)	2,077,210.34	1,937,784.36	139,425.98
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	739,233.20	(21,824.20)	717,409.00	633,797.64	83,611.36
Other Retirement Contributions - PERS	389,000.00	145,686.00	534,686.00	534,686.00	
Unemployment Compensation	50,000.00	(49,000.00)	1,000.00	960.00	40.00
Workmen's Compensation	174,491.00	(1,665.00)	172,826.00	172,825.46	0.54
Health Benefits	10,158,027.00	(993,636.33)	9,164,390.67	9,117,756.62	46,614.05
Tuition Reimbursements	65,500.00	(0.04)	65,499.96	32,610.01	32,889.95
Other Employee Benefits	96,831.00	(68,831.00)	28,000.00	28,000.00	
Unused sick payment		57,733.73	57,733.73	57,733.73	28,000.00
Total Unallocated Benefits - Employee Benefits	11,673,082.20	(931,556.84)	10,741,525.36	10,550,369.46	191,155.90

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Excess (deficiency) of revenues over (under) expenditures	\$ (1,684,512.00)	\$	\$ (1,684,512.00)	\$ 251,757.50	\$ 1,936,269.50
Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	(1,684,512.00)		(1,684,512.00)	251,757.50	1,936,269.50
Fund balances, July 1	5,801,143.00		5,801,143.00	5,801,143.00	
Fund balances, June 30	\$ 4,116,631.00	\$	\$ 4,116,631.00	\$ 6,052,900.50	\$ 1,936,269.50
Recapitulation:					
Assigned - year-end encumbrances				449,220.09	
Assigned - designated for subsequent years expenditures				108,104.00	
Restricted - excess surplus - designated for subsequent year's expenditures				1,214,259.00	
Restricted - excess surplus - current year				814,654.18	
Restricted - capital reserve				1,291,879.54	
Restricted - emergency reserve				197,335.30	
Restricted - maintenance reserve				701,320.12	
Unassigned fund balance				1,276,128.27	
				6,052,900.50	
Reconciliation to governmental funds statements (GAAP):					
Prior Year aid payment not recognized on GAAP basis			(880,993.00)		
Fund balance per governmental funds (GAAP)			\$	\$ 5,171,907.50	

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR FISCAL YEARS ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Other Sources	\$	\$ 137,132.96	\$ 137,132.96	\$ 92,209.90	\$ (44,923.06)
State Sources	52,800.00	333,400.00	386,200.00	337,471.95	(48,728.05)
Federal Sources	1,246,473.00	471,468.52	1,717,941.52	1,590,065.56	(127,875.96)
Total Revenues	\$ 1,299,273.00	\$ 942,001.48	\$ 2,241,274.48	\$ 2,019,747.41	\$ (221,527.07)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 434,910.00	\$ 67,673.95	\$ 502,583.95	\$ 436,441.30	\$ 66,142.65
Purchased Professional/Technical Services	759,663.00	(759,163.00)	500.00	500.00	500.00
Tuition		1,004,702.10	1,004,702.10	1,002,943.73	1,758.37
General Supplies		289,841.43	289,841.43	226,663.85	63,177.58
Textbooks		27,979.00	27,979.00	27,755.00	224.00
Other objects		3,000.00	3,000.00	3,000.00	3,000.00
Total Instruction	1,194,573.00	634,033.48	1,828,606.48	1,693,803.88	134,802.60
Support Services:					
Other Salaries		23,748.00	23,748.00	19,991.70	3,756.30
Purchased Services Employee Benefits		44,409.00	44,409.00	26,568.00	17,841.00
Purchased Professional/Technical Services		130,147.00	130,147.00	119,386.25	10,760.75
Other purchased services		11,869.00	11,869.00	9,091.50	2,777.50
Supplies and Materials		11,516.00	11,516.00	10,155.19	1,360.81
Other Objects	104,700.00	86,279.00	190,979.00	140,750.89	50,228.11
Total Support Services	104,700.00	307,968.00	412,668.00	325,943.53	86,724.47
Total expenditures	\$ 1,299,273.00	\$ 942,001.48	\$ 2,241,274.48	\$ 2,019,747.41	\$ 221,527.07

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI (REQUIRED SUPPLEMENTARY INFORMATION)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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	\$ 61,199,841.31	\$ 2,019,747.41
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously it was recognized for budgetary purposes.	1,126,446.00	5,280.00
The last state aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(880,993.00)	(5,280.00)
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		17,395.00
Less current year encumbrances		(57,516.97)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 61,445,294.31</u>	<u>\$ 1,979,625.44</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$	\$ 2,019,747.41
Difference - budget to GAAP:		
Adjust for encumbrances:		
Add prior year encumbrances		17,395.00
Less current year encumbrances		(57,516.97)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$</u>	<u>\$ 1,979,625.44</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

Borough of South Plainfield School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Years

Measurement Date Ending <u>June 30,</u>	District's Proportion of the Net Pension <u>Liability (Asset)</u>	District's Proportionate Share of the Net Pension <u>Liability (Asset)</u>	District's Covered-Employee <u>Payroll</u>	District's Proportion of the Net Pension Liability (Asset) as a percentage of it's Covered- <u>Employee Payroll</u>	Plan Fiduciary Net Position as a percentage of the total <u>Pension Liability</u>
2013	0.0610000000% \$	11,657,411 \$	4,226,333.00	275.83%	48.72%
2014	0.0614800000%	11,509,914	4,226,933.00	272.30%	52.08%
2015	0.0621921857%	13,960,899	4,280,395.00	326.16%	47.92%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Borough of South Plainfield School District
Schedule of the District's Contributions
Public Employees Retirement System
Last Ten Years

Fiscal Year Ending <u>June 30,</u>	<u>Contractually Required Contribution</u>	Contributions in Relation to the <u>Contractually Required Contributions</u>	Contribution Deficiency <u>(Excess)</u>	District's Covered- Employee <u>Payroll</u>	Contributions as a Percentage of Covered- Employee <u>Payroll</u>
2014	\$ 459,587	\$ 459,587	\$ -0-	\$ 4,226,933.00	\$ 10.87%
2015	506,796	506,796	-0-	4,280,395.00	11.84%
2016	534,686	534,686	-0-	\$ 3,960,898.00	\$ 13.50%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Borough of South Plainfield School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers Pension and Annuity Fund
Last Ten Years

Measurement Date Ending <u>June 30.</u>	District's Proportion of the Net Pension <u>Liability (Asset)</u>	District's Proportionate Share of the Net Pension <u>Liability (Asset)</u>	District's Covered-Employee <u>Payroll</u>	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered- <u>Employee Payroll</u>	Plan Fiduciary Net Position as a percentage of the total <u>Pension Liability</u>
2013	0.2600214795% \$	-0-	\$ 24,719,460.00	-0-	33.76%
2014	0.2515090687%	-0-	25,542,268.00	-0-	33.64%
2015	0.2493242221%	-0-	25,926,765.00	-0-	28.71%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION- PART III

Borough of South Plainfield School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2016

Public Employees Retirement System

Change in benefit terms: None

Change in assumptions: The discount rate changed from 5.39% to 4.90% as of June 30, 2015.

Teacher Pension and Annuity Fund

Change in benefit terms: None

Change in assumptions: The discount rate changed from 4.68% to 4.13% as of June 30, 2015.

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OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	NONPUBLIC TRANSPORTATION	NONPUBLIC TECHNOLOGY	NONPUBLIC COMPENSATORY EDUCATION	NONPUBLIC SUPPLEMENTAL INSTRUCTION	NONPUBLIC ESL	NONPUBLIC EXAM AND CLASS	NONPUBLIC SPEECH CORRECTION
REVENUES:							
Local Sources	\$ 8,558.00	\$ 11,761.00	\$ 18,613.00	\$ 9,727.00	\$ 17,255.00	\$ 10,228.00	\$ 8,361.00
State Sources							
Federal Sources							
Total Revenues	8,558.00	11,761.00	18,613.00	9,727.00	17,255.00	10,228.00	8,361.00
EXPENDITURES:							
Instruction:							
Salaries of Teachers							
Tuition							
General Supplies							
Textbooks							
Total Instruction							
Support Services:							
Other Salaries							
Personal Services Employee - Benefits							
Purchased Professional / Technical Services							
Other purchased services							
Supplies and Materials							
Other Objects	8,558.00	11,761.00	18,613.00	9,727.00	17,255.00	10,228.00	8,361.00
Total Support Services	8,558.00	11,761.00	18,613.00	9,727.00	17,255.00	10,228.00	8,361.00
Total Expenditures	8,558.00	11,761.00	18,613.00	9,727.00	17,255.00	10,228.00	8,361.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-0-	-0-	-0-	-0-	-0-	-0-	-0-

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	NONPUBLIC NURSING	NONPUBLIC TEXTBOOKS	NONPUBLIC SECURITY AID	PRESCHOOL EDUCATION AID	TITLE IIA	TITLE I
REVENUES:						
Local Sources	42,874.00	27,755.00	11,326.00	171,013.95	91,432.17	421,036.51
State Sources						
Federal Sources						
Total Revenues	42,874.00	27,755.00	11,326.00	171,013.95	91,432.17	421,036.51
EXPENDITURES:						
Instruction:						
Salaries of Teachers				171,013.95		259,132.62
Tuition					53.67	118,513.00
General Supplies		27,755.00				
Textbooks						
Total Instruction		27,755.00		171,013.95	53.67	377,645.62
Support Services:						
Other Salaries						26,568.00
Personal Services Employee - Benefits					77,438.00	10,000.00
Purchased Professional / Technical Services					8,591.50	
Other purchased services					5,224.00	4,900.00
Supplies and Materials					125.00	1,922.89
Other Objects	42,874.00		11,326.00			
Total Support Services	42,874.00		11,326.00		91,378.50	43,390.89
Total Expenditures	42,874.00	27,755.00	11,326.00	171,013.95	91,432.17	421,036.51
Excess (Deficiency) of Revenues Over (Under) Expenditures	-0-	-0-	-0-	-0-	-0-	-0-

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	LOCAL	IDEA PART B BASIC	IDEA PART B PRESCHOOL	TITLE III	TITLE III IMMIGRANT	Totals
REVENUES:						
Local Sources	\$ 92,209.90					\$ 92,209.90
State Sources		1,040,511.63	23,906.00	9,258.71	3,920.54	337,471.95
Federal Sources						1,590,065.56
Total Revenues	92,209.90	1,040,511.63	23,906.00	9,258.71	3,920.54	2,019,747.41
EXPENDITURES:						
Instruction:						
Salaries of Teachers						436,441.30
Tuition		1,002,943.73		6,294.73		1,002,943.73
General Supplies	92,209.90	6,068.65	3,914.30	2,963.98	2,940.35	226,663.85
Textbooks						27,755.00
Total Instruction	92,209.90	1,009,012.38	3,914.30	9,258.71	2,940.35	1,693,803.88
Support Services:						
Other Salaries			19,991.70			19,991.70
Personal Services Employee - Benefits						26,568.00
Purchased Professional / Technical Services		30,999.25			949.00	119,386.25
Other purchased services		500.00				9,091.50
Supplies and Materials					31.19	10,155.19
Other Objects						140,750.89
Total Support Services		31,499.25	19,991.70		980.19	325,943.53
Total Expenditures	92,209.90	1,040,511.63	23,906.00	9,258.71	3,920.54	2,019,747.41
Excess (Deficiency) of Revenues Over (Under) Expenditures	-0-	-0-	-0-	-0-	-0-	-0-

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

DISTRICT-WIDE TOTAL

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$ 171,367.00	\$ 171,013.95	\$ 353.05
Total instruction	171,367.00	171,013.95	353.05
Total expenditures	\$ 171,367.00	\$ 171,013.95	\$ 353.05

CALCULATION OF BUDGET & CARRYOVER

Total revised 2015-16 Preschool Education Aid Allocation	\$ 52,800.00
Add: Actual ECP/PEA Carryover (June 30, 2015)	118,567.00
Add: Budgeted Transfer from the General Fund 2015-16	
Total Preschool Education Aid Funds Available for 2015-16 Budget	171,367.00
Less: 2015-16 Budgeted Preschool Education Aid (Including Prior Year budget carryover)	(171,367.00)
Available and unbudgeted Preschool Education Aid Funds as of June 30, 2016	\$
Add: June 30, 2016 Unexpended Preschool Education Aid	353.05
2015-16 Carryover- Preschool Education Aid	\$ 353.05
2015-16 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2016-17	\$ 353.05

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 SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS
AS OF JUNE 30, 2016

<u>ISSUE/PROJECT TITLE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>BALANCE</u> <u>JUNE 30, 2016</u>
		<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
Franklin School Security Upgrade	\$ 56,994.00 \$	51,270.00 \$	7,921.00 \$	(2,197.00)
Kennedy School Security Upgrade	56,894.00	50,696.00	8,416.00	(2,218.00)
Riley School Security Upgrade	57,394.00	51,666.00	7,941.00	(2,213.00)
Roosevelt School Security Upgrade	24,000.00	14,918.00	5,000.00	4,082.00
Grant School Security Upgrade	54,369.00	47,742.00	8,737.00	(2,110.00)
Middle School Security Upgrade	39,110.00	34,395.00	6,430.00	(1,715.00)
High School Security Upgrade	135,239.00	133,158.00	(2,590.00)	4,671.00
Roosevelt Building Boiler Replacement	85,000.00	78,360.00	(9,932.00)	16,572.00
Kennedy Building Boiler Replacement	85,000.00	65,360.00	(9,985.00)	29,625.00
Franklin School Fire Alarm Replacement	166,000.00	100,641.00	(1,407.37)	66,766.37
Kennedy School Fire Alarm Replacement	166,000.00	121,489.00	(1,685.25)	46,196.25
Riley School Fire Alarm Replacement	166,000.00	145,719.00	5,183.78	15,097.22
Grant School Partial Roof Replacement	1,260,000.00	983,777.00	(22,579.90)	298,802.90
Totals	\$ 2,352,000.00 \$	1,879,191.00 \$	1,449.26 \$	471,359.74

BOROUGH OF SOUTH 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, 2016

EXPENDITURES AND OTHER FINANCING USES:	
Purchased Professional and Technical Services	\$ 2,100.00
Construction Services	<u>66,448.78</u>
Total Expenditures and Other Financing Uses	<u>68,548.78</u>
Excess (deficiency) of revenues over (under) expenditures	(68,548.78)
Other financing sources (uses):	
Canceled	<u>67,099.52</u>
Total other financing sources (uses)	<u>67,099.52</u>
Net change in fund balances	(1,449.26)
Fund Balance - Beginning of Year	<u>472,809.00</u>
Fund Balance - End of Year	<u>\$ 471,359.74</u>
<u>Reconciliation to GAAP Financial Statements:</u>	
Fund Balance- Budgetary Basis (Exhibit F-2)	\$ 471,359.74
Less: Unearned Revenue (GAAP Basis)	<u>176,694.00</u>
Fund Balance- GAAP Basis (Exhibit B-1)	<u>\$ 294,665.74</u>

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
FRANKLIN SCHOOL SECURITY UPGRADE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
SDA Grant	\$ 17,600.00	\$	\$ 17,600.00	\$ 17,600.00
Transfer from Capital Reserve	<u>39,394.00</u>	<u></u>	<u>39,394.00</u>	<u>39,394.00</u>
Total Revenues and Other Financing Sources	<u>56,994.00</u>	<u></u>	<u>56,994.00</u>	<u>56,994.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services		306.00	306.00	9,000.00
Construction Services	<u>51,270.00</u>	<u>7,615.00</u>	<u>58,885.00</u>	<u>47,994.00</u>
Total Expenditures and Other Financing Uses	<u>51,270.00</u>	<u>7,921.00</u>	<u>59,191.00</u>	<u>56,994.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 5,724.00</u>	<u>\$ (7,921.00)</u>	<u>\$ (2,197.00)</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4910-060-14-G1XQ			
Grant Date	8/22/14			
Bond Authorization Date	N/A			
Bonds Authorization	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$44,000.00			
Additional Authorized Cost	12,994.00			
Revised Authorized Cost	\$56,994.00			
Percentage Increase over Original Authorized Cost	29.53%			
Percentage Completion	103.85%			
Original Target Completion Date	6/30/15			
Revised Target Completion Date	6/30/16			

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
KENNEDY SCHOOL SECURITY UPGRADE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
SDA Grant	\$ 17,600.00	\$	\$ 17,600.00	\$ 17,600.00
Transfer from Capital Reserve	<u>39,294.00</u>	<u> </u>	<u>39,294.00</u>	<u>39,294.00</u>
Total Revenues and Other Financing Sources	<u>56,894.00</u>	<u> </u>	<u>56,894.00</u>	<u>56,894.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional Services	750.00	306.00	1,056.00	9,000.00
Construction Services	<u>50,696.00</u>	<u>8,110.00</u>	<u>58,806.00</u>	<u>47,894.00</u>
Total Expenditures and other financing uses	<u>51,446.00</u>	<u>8,416.00</u>	<u>59,862.00</u>	<u>56,894.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 5,448.00</u>	<u>\$ (8,416.00)</u>	<u>\$ (2,968.00)</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4910-55-14-G1XM			
Grant Date	8/22/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$44,000.00			
Additional Authorized Cost	12,894.00			
Revised Authorized Cost	\$56,894.00			
Percentage Increase over Original Authorized Cost	29.30%			
Percentage Completion	105.22%			
Original Target Completion Date	6/30/15			
Revised Target Completion Date	6/30/16			

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
RILEY SCHOOL SECURITY UPGRADE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
SDA Grant	\$ 17,600.00	\$	\$ 17,600.00	\$ 88,150.00
Transfer from Capital Reserve	39,794.00	_____	39,794.00	132,225.00
Total Revenues and Other Financing Sources	57,394.00	_____	57,394.00	220,375.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional Services		306.00	306.00	9,000.00
Construction Services	51,666.00	7,635.00	59,301.00	48,394.00
Total Expenditures and other financing uses	51,666.00	7,941.00	59,607.00	57,394.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 5,728.00	\$ (7,941.00)	\$ (2,213.00)	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4910-058-14-G1XO			
Grant Date	8/22/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$44,000.00			
Additional Authorized Cost	13,394.00			
Revised Authorized Cost	\$57,394.00			
Percentage Increase over Original Authorized Cost	30.44%			
Percentage Completion	103.86%			
Original Target Completion Date	6/30/15			
Revised Target Completion Date	6/30/16			

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS
 ROOSEVELT SCHOOL SECURITY UPGRADE
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
SDA Grant	\$ 9,600.00	\$	\$ 9,600.00	\$ 88,150.00
Transfer from Capital Reserve	<u>14,400.00</u>		<u>14,400.00</u>	<u>132,225.00</u>
Total Revenues and Other Financing Sources	<u>24,000.00</u>		<u>24,000.00</u>	<u>220,375.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional Services		170.00	170.00	5,000.00
Construction Services	<u>14,918.00</u>	<u>4,830.00</u>	<u>19,748.00</u>	<u>19,000.00</u>
Total Expenditures and other financing uses	<u>14,918.00</u>	<u>5,000.00</u>	<u>19,918.00</u>	<u>24,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 9,082.00</u>	<u>\$ (5,000.00)</u>	<u>\$ 4,082.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4910-058-14-G1XT			
Grant Date	8/22/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$24,000.00			
Additional Authorized Cost				
Revised Authorized Cost	\$24,000.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	82.99%			
Original Target Completion Date	6/30/15			
Revised Target Completion Date	6/30/16			

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
GRANT SCHOOL SECURITY UPGRADE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
SDA Grant	\$ 16,400.00	\$	\$ 16,400.00	\$ 16,400.00
Transfer from Capital Reserve	<u>37,969.00</u>	<u></u>	<u>37,969.00</u>	<u>37,969.00</u>
Total Revenues and Other Financing Sources	<u>54,369.00</u>	<u></u>	<u>54,369.00</u>	<u>54,369.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services		272.00	272.00	9,000.00
Construction Services	<u>47,742.00</u>	<u>8,465.00</u>	<u>56,207.00</u>	<u>45,369.00</u>
Total Expenditures and Other Financing Uses	<u>47,742.00</u>	<u>8,737.00</u>	<u>56,479.00</u>	<u>54,369.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 6,627.00</u>	<u>\$ (8,737.00)</u>	<u>\$ (2,110.00)</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4910-058-14-G1XS			
Grant Date	8/22/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$41,000.00			
Additional Authorized Cost	13,369.00			
Revised Authorized Cost	\$54,369.00			
Percentage Increase over Original Authorized Cost	32.61%			
Percentage Completion	103.88%			
Original Target Completion Date	6/30/15			
Revised Target Completion Date	6/30/16			

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
MIDDLE SCHOOL SECURITY UPGRADE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
SDA Grant	\$ 5,200.00	\$	\$ 5,200.00	\$ 5,200.00
Transfer from Capital Reserve	33,910.00		33,910.00	33,910.00
Total Revenues and Other Financing Sources	39,110.00		39,110.00	39,110.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional Services		85.00	85.00	3,000.00
Construction Services	34,395.00	6,345.00	40,740.00	36,110.00
Total Expenditures and other financing uses	34,395.00	6,430.00	40,825.00	39,110.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 4,715.00	\$ (6,430.00)	\$ (1,715.00)	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4910-058-14-G1XJ			
Grant Date	8/22/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$13,000.00			
Additional Authorized Cost	26,110.00			
Revised Authorized Cost	\$39,110.00			
Percentage Increase over Original Authorized Cost	200.85%			
Percentage Completion	104.39%			
Original Target Completion Date	6/30/15			
Revised Target Completion Date	6/30/16			

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS
 HIGH SCHOOL SECURITY UPGRADE
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
SDA Grant	\$ 15,200.00	\$	\$ 15,200.00	\$ 15,200.00
Transfer from Capital Reserve	120,039.00	_____	120,039.00	120,039.00
Total Revenues and Other Financing Sources	<u>135,239.00</u>	_____	<u>135,239.00</u>	<u>135,239.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional Services		255.00	255.00	8,000.00
Construction Services	133,158.00	(2,845.00)	130,313.00	127,239.00
Total Expenditures and other financing uses	<u>133,158.00</u>	<u>(2,590.00)</u>	<u>130,568.00</u>	<u>135,239.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,081.00</u>	<u>\$ 2,590.00</u>	<u>\$ 4,671.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4910-058-14-G1X1			
Grant Date	8/22/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$38,000.00			
Additional Authorized Cost	97,239.00			
Revised Authorized Cost	\$135,239.00			
Percentage Increase over Original Authorized Cost	255.89%			
Percentage Completion	96.55%			
Original Target Completion Date	6/30/15			
Revised Target Completion Date	6/30/16			

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
ROOSEVELT BUILDING BOILER REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
SDA Grant	\$ 34,000.00	\$	\$ 34,000.00	\$ 88,150.00
Transfer from Capital Reserve	<u>51,000.00</u>	<u></u>	<u>51,000.00</u>	<u>132,225.00</u>
Total Revenues and Other Financing Sources	<u>85,000.00</u>	<u></u>	<u>85,000.00</u>	<u>220,375.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional Services	360.00	200.00	560.00	19,000.00
Construction Services	<u>78,000.00</u>	<u>(10,132.00)</u>	<u>67,868.00</u>	<u>66,000.00</u>
Total Expenditures and other financing uses	<u>78,360.00</u>	<u>(9,932.00)</u>	<u>68,428.00</u>	<u>85,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 6,640.00</u>	<u>\$ 9,932.00</u>	<u>\$ 16,572.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4910-058-14-G1XU			
Grant Date	8/22/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$85,000.00			
Additional Authorized Cost				
Revised Authorized Cost	\$85,000.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	80.50%			
Original Target Completion Date	6/30/15			
Revised Target Completion Date	6/30/16			

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
KENNEDY SCHOOL BUILDING BOILER REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
SDA Grant	\$ 34,000.00	\$	\$ 34,000.00	\$ 34,000.00
Transfer from Capital Reserve	<u>51,000.00</u>	<u> </u>	<u>51,000.00</u>	<u>51,000.00</u>
Total Revenues and Other Financing Sources	<u>85,000.00</u>	<u> </u>	<u>85,000.00</u>	<u>85,000.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional Services	360.00	200.00	560.00	19,000.00
Construction Services	<u>65,000.00</u>	<u>(10,185.00)</u>	<u>54,815.00</u>	<u>66,000.00</u>
Total Expenditures and other financing uses	<u>65,360.00</u>	<u>(9,985.00)</u>	<u>55,375.00</u>	<u>85,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 19,640.00</u>	<u>\$ 9,985.00</u>	<u>\$ 29,625.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4910-058-14-G1XK			
Grant Date	8/22/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$85,000.00			
Additional Authorized Cost				
Revised Authorized Cost	\$85,000.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	65.15%			
Original Target Completion Date	6/30/15			
Revised Target Completion Date	6/30/16			

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
FRANKLIN SCHOOL FIRE ALARM REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
SDA Grant	\$ 66,400.00	\$	\$ 66,400.00	\$ 66,400.00
Transfer from Capital Reserve	<u>99,600.00</u>	<u> </u>	<u>99,600.00</u>	<u>99,600.00</u>
Total Revenues and Other Financing Sources	<u>166,000.00</u>	<u> </u>	<u>166,000.00</u>	<u>166,000.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services	750.00		750.00	34,000.00
Construction Services	<u>99,891.00</u>	<u>(1,407.37)</u>	<u>98,483.63</u>	<u>132,000.00</u>
Total Expenditures and Other Financing Uses	<u>100,641.00</u>	<u>(1,407.37)</u>	<u>99,233.63</u>	<u>166,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 65,359.00</u>	<u>\$ 1,407.37</u>	<u>\$ 66,766.37</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4910-058-14-G1XP			
Grant Date	8/22/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$166,000.00			
Additional Authorized Cost				
Revised Authorized Cost	\$166,000.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	59.78%			
Original Target Completion Date	6/30/15			
Revised Target Completion Date	6/30/16			

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
KENNEDY SCHOOL FIRE ALARM REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
SDA Grant	\$ 66,400.00	\$	\$ 66,400.00	\$ 66,400.00
Transfer from Capital Reserve	<u>99,600.00</u>	<u> </u>	<u>99,600.00</u>	<u>99,600.00</u>
Total Revenues and Other Financing Sources	<u>166,000.00</u>	<u> </u>	<u>166,000.00</u>	<u>166,000.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional Services	750.00		750.00	34,000.00
Construction Services	<u>120,739.00</u>	<u>(1,685.25)</u>	<u>119,053.75</u>	<u>132,000.00</u>
Total Expenditures and other financing uses	<u>121,489.00</u>	<u>(1,685.25)</u>	<u>119,803.75</u>	<u>166,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 44,511.00</u>	<u>\$ 1,685.25</u>	<u>\$ 46,196.25</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4910-058-14-G1XL			
Grant Date	8/22/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$166,000.00			
Additional Authorized Cost				
Revised Authorized Cost	\$166,000.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	72.17%			
Original Target Completion Date	6/30/15			
Revised Target Completion Date	6/30/16			

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
RILEY SCHOOL FIRE ALARM REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
SDA Grant	\$ 66,400.00	\$	\$ 66,400.00	\$ 66,400.00
Transfer from Capital Reserve	99,600.00		99,600.00	99,600.00
Total Revenues and Other Financing Sources	<u>166,000.00</u>		<u>166,000.00</u>	<u>166,000.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional Services	750.00		750.00	34,000.00
Construction Services	144,969.00	5,183.78	150,152.78	132,000.00
Total Expenditures and other financing uses	<u>145,719.00</u>	<u>5,183.78</u>	<u>150,902.78</u>	<u>166,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 20,281.00</u>	<u>\$ (5,183.78)</u>	<u>\$ 15,097.22</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4910-058-14-G1XN			
Grant Date	8/22/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$166,000.00			
Additional Authorized Cost				
Revised Authorized Cost	\$166,000.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	90.91%			
Original Target Completion Date	6/30/15			
Revised Target Completion Date	6/30/16			

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
GRANT SCHOOL PARTIAL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
SDA Grant	\$ 504,000.00	\$	\$ 504,000.00	\$ 504,000.00
Transfer from Capital Reserve	<u>756,000.00</u>	<u> </u>	<u>756,000.00</u>	<u>756,000.00</u>
Total Revenues and Other Financing Sources	<u>1,260,000.00</u>	<u> </u>	<u>1,260,000.00</u>	<u>1,260,000.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional Services	10,095.00		10,095.00	39,487.00
Construction Services	<u>973,682.00</u>	<u>(22,579.90)</u>	<u>951,102.10</u>	<u>1,220,513.00</u>
Total Expenditures and other financing uses	<u>983,777.00</u>	<u>(22,579.90)</u>	<u>961,197.10</u>	<u>1,260,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 276,223.00</u>	<u>\$ 22,579.90</u>	<u>\$ 298,802.90</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4910-058-14-G1XR			
Grant Date	8/22/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$166,000.00			
Additional Authorized Cost				
Revised Authorized Cost	\$166,000.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	76.29%			
Original Target Completion Date	6/30/15			
Revised Target Completion Date	6/30/16			

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.
PRESCHOOL PROGRAM FUND:	This fund provides for the operation of an early childhood learning program within the school district.
LATCHKEY PROGRAM FUND:	This fund provides for the operation of after school services within the school district.
ADULT EDUCATION FUND:	This fund provides for the operation of a adult education program within the school district.

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2016

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				
	MAJOR			NON-MAJOR	
	FOOD SERVICE	LATCHKEY PROGRAM	ADULT EDUCATION PROGRAM	PRESCHOOL PROGRAM	TOTALS
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	\$ 116,534.67	\$ 688,967.85	\$ 413,554.08	\$ 294,910.95	\$ 1,513,967.55
Accounts receivable:					
Federal	85,001.22				85,001.22
State	2,433.74				2,433.74
Other	12,648.69	24,043.00		1,825.00	38,516.69
Interfunds					
Inventories	17,967.43				17,967.43
Total Current Assets	<u>234,585.75</u>	<u>713,010.85</u>	<u>413,554.08</u>	<u>296,735.95</u>	<u>1,657,886.63</u>
Capital Assets:					
Equipment	400,309.00	96,700.00		57,921.00	554,930.00
Less: Accumulated Depreciation	<u>(309,127.00)</u>	<u>(32,879.00)</u>		<u>(19,693.00)</u>	<u>(361,699.00)</u>
Total Capital Assets	<u>91,182.00</u>	<u>63,821.00</u>		<u>38,228.00</u>	<u>193,231.00</u>
Total Assets	<u>325,767.75</u>	<u>776,831.85</u>	<u>413,554.08</u>	<u>334,963.95</u>	<u>1,851,117.63</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	241,986.63				241,986.63
Interfunds payable		275,000.00	125,000.00		400,000.00
Unearned revenue	19,040.53				19,040.53
Total Current Liabilities	<u>261,027.16</u>	<u>275,000.00</u>	<u>125,000.00</u>		<u>661,027.16</u>
Total Liabilities	<u>261,027.16</u>	<u>275,000.00</u>	<u>125,000.00</u>		<u>661,027.16</u>
NET POSITION					
Restricted for:					
Contributed capital					
Net Investment in Capital Assets	91,182.00	63,821.00		38,228.00	193,231.00
Unrestricted	<u>(26,441.41)</u>	<u>438,010.85</u>	<u>288,554.08</u>	<u>296,735.95</u>	<u>996,859.47</u>
Total Net Position	<u>\$ 64,740.59</u>	<u>\$ 501,831.85</u>	<u>\$ 288,554.08</u>	<u>\$ 334,963.95</u>	<u>\$ 1,190,090.47</u>

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				TOTALS
	MAJOR			NON-MAJOR	
	FOOD SERVICE	LATCHKEY PROGRAM	ADULT EDUCATION PROGRAM	PRESCHOOL PROGRAM	
OPERATING REVENUES:					
Charges for services:					
Daily sales	\$ 458,346.81	\$	\$	\$	\$ 458,346.81
Daily sales - non-reimbursable programs	309,021.00				309,021.00
Special Functions					
Miscellaneous	43,336.55				43,336.55
Program Fees		642,665.03	128,183.50	358,604.46	1,129,452.99
Total Operating Revenues	<u>810,704.36</u>	<u>642,665.03</u>	<u>128,183.50</u>	<u>358,604.46</u>	<u>1,940,157.35</u>
OPERATING EXPENSES:					
Cost of sales	448,238.74				448,238.74
Cost of sales - nonreimbursable	108,157.00				108,157.00
Salaries and employee benefits	616,331.34	562,522.17	21,600.00	299,356.61	1,499,810.12
Other purchased services	117,630.00	13,393.84	97,942.95	10,893.83	239,860.62
Supplies and materials	103,625.47	30,404.94	467.78	19,880.99	154,379.18
Miscellaneous	4,015.85				4,015.85
Depreciation	2,400.00	8,220.00		4,923.00	15,543.00
Total Operating Expenses	<u>1,400,398.40</u>	<u>614,540.95</u>	<u>120,010.73</u>	<u>335,054.43</u>	<u>2,470,004.51</u>
Operating Income (Loss)	<u>(589,694.04)</u>	<u>28,124.08</u>	<u>8,172.77</u>	<u>23,550.03</u>	<u>(529,847.16)</u>
NONOPERATING REVENUES:					
State Sources					
State School Lunch Program	13,545.81				13,545.81
State School Breakfast Program					
Federal Sources					
National School Lunch Program	414,002.73				414,002.73
National School Breakfast Program	47,272.39				47,272.39
National Food Distribution Commodities	99,391.46				99,391.46
Interest and Investment Revenue	823.68	2,821.40	1,701.94	1,215.73	6,562.75
Total Nonoperating Revenues	<u>575,036.07</u>	<u>2,821.40</u>	<u>1,701.94</u>	<u>1,215.73</u>	<u>580,775.14</u>
Net Income (Loss) before Contributions and Transfers	<u>(14,657.97)</u>	<u>30,945.48</u>	<u>9,874.71</u>	<u>24,765.76</u>	<u>50,927.98</u>
Transfers in (out)					
Change in net position	(14,657.97)	30,945.48	9,874.71	24,765.76	50,927.98
Total Net Position, Beginning of Year	<u>79,398.56</u>	<u>470,886.37</u>	<u>278,679.37</u>	<u>310,198.19</u>	<u>1,139,162.49</u>
Total Net Position, End of Year	<u>\$ 64,740.59</u>	<u>\$ 501,831.85</u>	<u>\$ 288,554.08</u>	<u>\$ 334,963.95</u>	<u>\$ 1,190,090.47</u>

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
 PROPRIETARY FUND
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				
	FOOD SERVICE	LATCHKEY PROGRAM	ADULT EDUCATION PROGRAM	PRESCHOOL PROGRAM	TOTALS
Cash flows from operating activities:					
Receipts from customers	\$ 868,037.63	\$ 623,456.40	\$ 128,183.50	\$ 360,029.46	\$ 1,979,706.99
Payments for employees' salaries and benefits	(503,228.93)	(562,522.17)	(21,600.00)	(299,356.61)	(1,386,707.71)
Payments to suppliers for goods and services	(792,599.20)	(43,798.78)	(98,410.73)	(30,774.82)	(965,583.53)
Net Cash Provided by (Used for) Operating Activities	(427,790.50)	17,135.45	8,172.77	29,898.03	(372,584.25)
Cash Flows from Noncapital Financing Activities:					
State Sources	12,196.25				12,196.25
Federal Sources	410,723.81				410,723.81
Transfers from/(to) other funds					
Net Cash Provided by (Used for) Noncapital Financing Activities	422,920.06				422,920.06
Cash Flows from Investing Activities:					
Interest on investments and deposits	823.68	2,821.40	1,701.94	1,215.73	6,562.75
Net Cash Provided by (Used for) by Investing Activities	823.68	2,821.40	1,701.94	1,215.73	6,562.75
Cash Flows from Capital and Related Financing Activities:					
Acquisition of Capital Assets	(14,381.00)				(14,381.00)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(14,381.00)				(14,381.00)
Net increase in cash and cash equivalents	(18,427.76)	19,956.85	9,874.71	31,113.76	42,517.56
Cash and cash equivalents, July 1	134,962.43	669,011.00	403,679.37	263,797.19	1,471,449.99
Cash and cash equivalents, June 30	\$ 116,534.67	\$ 688,967.85	\$ 413,554.08	\$ 294,910.95	\$ 1,513,967.55
Operating Income (Loss)	\$ (589,694.04)	\$ 28,124.08	\$ 8,172.77	\$ 23,550.03	\$ (529,847.16)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation and Net Amortization	2,400.00	8,220.00		4,923.00	15,543.00
Non-Cash Federal Assistance Food Distribution Program	99,391.46				99,391.46
Change in Assets and Liabilities:					
Increase / (Decrease) in Accounts Payable	(2,571.83)				(2,571.83)
Increase / (Decrease) in Unearned Revenue	2,434.67				2,434.67
(Increase) / Decrease in Accounts Receivable	50,313.62	(19,208.63)		1,425.00	32,529.99
(Increase) / Decrease in Other Current Assets					
(Increase) / Decrease in Inventory	9,935.62				9,935.62
Net Cash Provided by (Used for) by Operating Activities	\$ (427,790.50)	\$ 17,135.45	\$ 8,172.77	\$ 29,898.03	\$ (372,584.25)

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.

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 SOUTH PLAINFIELD SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2016

	UNEMPLOYMENT COMPENSATION TRUST	TOTAL TRUST FUNDS	STUDENT ACTIVITY	PAYROLL	TOTAL AGENCY FUNDS
ASSETS:					
Cash and Cash Equivalents	\$ 665,428.03	\$ 665,428.03	\$ 133,707.83	\$ 577,994.72	\$ 711,702.55
Total assets	\$ 665,428.03	\$ 665,428.03	\$ 133,707.83	\$ 577,994.72	\$ 711,702.55
LIABILITIES:					
Payroll Deductions and Withholdings Due to Student Groups Due to Other Funds	\$ 143.00	143.00	133,707.83	34,033.00	543,961.72
Total liabilities	\$ 143.00	\$ 143.00	\$ 133,707.83	\$ 577,994.72	\$ 711,702.55
NET POSITION:					
Held in trust for unemployment claims	\$ 665,285.03	\$ 665,285.03			
TOTAL NET POSITION	\$ 665,285.03	\$ 665,285.03			

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>TOTALS</u>
ADDITIONS:		
Contributions:		
Unemployment	\$ 36,107.27	\$ 36,107.27
Total contributions	<u>36,107.27</u>	<u>36,107.27</u>
Investment Earnings:		
Interest Earned	<u>2,625.44</u>	<u>2,625.44</u>
Net Investment Earnings	<u>2,625.44</u>	<u>2,625.44</u>
Total additions	<u>38,732.71</u>	<u>38,732.71</u>
DEDUCTIONS:		
Scholarships awarded		
Unemployment claims and contributions	<u>14,617.68</u>	<u>14,617.68</u>
Total deductions	<u>14,617.68</u>	<u>14,617.68</u>
Change in Net Position	24,115.03	24,115.03
Net Position, Beginning of Year	<u>641,170.00</u>	<u>641,170.00</u>
Net Position, End of Year	<u>\$ 665,285.03</u>	<u>\$ 665,285.03</u>

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>BALANCE</u> <u>JUNE 30, 2015</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2016</u>
ASSETS:				
Cash and cash equivalents	\$ 128,915.00	\$ 350,488.34	\$ 345,695.51	\$ 133,707.83
Total assets	<u>\$ 128,915.00</u>	<u>\$ 350,488.34</u>	<u>\$ 345,695.51</u>	<u>\$ 133,707.83</u>
LIABILITIES:				
Due student groups				
Grant School Student Council	\$ 6,371.00	\$ 180.06	\$	\$ 6,551.06
Middle School Activity Account	49,318.00	167,040.31	173,824.30	42,534.01
High School Student Activity	73,226.00	183,267.97	171,871.21	84,622.76
Total liabilities	<u>\$ 128,915.00</u>	<u>\$ 350,488.34</u>	<u>\$ 345,695.51</u>	<u>\$ 133,707.83</u>

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>BALANCE</u> <u>JUNE 30, 2015</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2016</u>
ASSETS:				
Cash and cash equivalents	\$ 386,471.00	\$ 36,536,162.50	\$ 36,344,638.78	\$ 577,994.72
Total assets	<u>\$ 386,471.00</u>	<u>\$ 36,536,162.50</u>	<u>\$ 36,344,638.78</u>	<u>\$ 577,994.72</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 349,126.00	\$ 16,722,361.80	\$ 16,527,526.08	\$ 543,961.72
Payroll	3,312.00	19,813,800.70	19,817,112.70	
Due to General Fund	<u>34,033.00</u>			<u>34,033.00</u>
Total liabilities	<u>\$ 386,471.00</u>	<u>\$ 36,536,162.50</u>	<u>\$ 36,344,638.78</u>	<u>\$ 577,994.72</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.

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2016

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>MATURITIES</u>		<u>RATE OF INTEREST</u>	<u>BALANCE JUNE 30, 2015</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2016</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Refunding Bonds	7/15/2009	\$ 9,765,000.00	7/15/2016	\$ 960,000.00	5.000%	\$	\$	\$
			7/15/2017	995,000.00	3.000%			
			7/15/2018	1,040,000.00	4.250%			
			7/15/2019	1,085,000.00	4.500%			
			7/15/2021	1,140,000.00	5.000%			
			7/15/2020	11,950,000.00	5.000%	7,325,000.00	910,000.00	6,415,000.00
						\$ 7,325,000.00	\$ 910,000.00	\$ 6,415,000.00

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL BUDGET</u>	<u>TRANSFERS</u>	<u>MODIFIED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 1,218,589.00		\$ 1,218,589.00	\$ 1,218,589.00	\$
Total revenues	<u>1,218,589.00</u>		<u>1,218,589.00</u>	<u>1,218,589.00</u>	
EXPENDITURES:					
Regular debt service:					
Interest	308,589.00		308,589.00	308,100.00	489.00
Redemption of principal	910,000.00		910,000.00	910,000.00	
Total regular debt service-expenditures	<u>1,218,589.00</u>		<u>1,218,589.00</u>	<u>1,218,100.00</u>	<u>489.00</u>
Excess (deficiency) of revenues over (under) expenditures				489.00	489.00
Fund balance, July 1	<u>1,176.00</u>		<u>1,176.00</u>	<u>1,176.00</u>	
Fund balance, June 30	<u>\$ 1,176.00</u>		<u>\$ 1,176.00</u>	<u>\$ 1,665.00</u>	<u>\$ 489.00</u>

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STATISTICAL SECTION
(UNAUDITED)

BOROUGH OF SOUTH 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.

SOUTH PLAINFIELD BOARD OF EDUCATION
NET POSITION BY COMPONENT
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net investment in capital assets	15,451,250.00	15,516,546.00	\$ 13,503,788	\$ 12,268,014	\$ 7,062,547	\$ 6,784,851	\$ 7,499,986	\$ 5,943,343	\$ 4,687,615	\$ 4,393,358
Restricted	4,372,522.94	1,780,651.00	2,548,548	3,489,765	3,386,689	5,156,707	5,861,710	6,950,391	5,917,921	5,917,921
Unrestricted(deficit)	(12,025,361.38)	(9,657,745.00)	(9,884,543)	1,833,466	2,386,482	(708,454)	(349,647)	(825,142)	(195,897)	1,689,210
Total governmental activities net position	\$ 7,798,412	\$ 7,639,452	\$ 6,167,793	\$ 17,591,245	\$ 12,855,718	\$ 11,233,104	\$ 13,012,049	\$ 12,068,592	\$ 10,409,639	\$ 6,082,568
Business-type activities										
Net investment in capital assets	193,231.00	194,393.00	\$ 219,324	\$ 244,255	\$ 219,204	\$ 77,411	\$ 90,092	\$ 83,035	\$ 90,356	\$ 97,677
Unrestricted	996,659.47	944,768.00	1,353,804	1,338,934	1,253,294	1,146,665	1,057,047	873,446	654,732	430,615
Total business-type activities net position	\$ 1,190,090	\$ 1,139,161	\$ 1,573,128	\$ 1,583,189	\$ 1,472,498	\$ 1,226,076	\$ 1,147,139	\$ 956,481	\$ 745,088	\$ 528,292
District-wide										
Net investment in capital assets	15,644,481.00	15,710,939	\$ 13,723,112	\$ 12,512,269	\$ 7,301,751	\$ 6,862,262	\$ 7,590,078	\$ 6,026,378	\$ 4,777,971	\$ 4,491,035
Restricted	4,372,522.94	1,780,651	2,548,548	3,489,765	3,386,689	5,156,707	5,861,710	6,950,391	5,917,921	5,917,921
Unrestricted(Deficit)	(11,026,501.91)	(8,712,977)	(8,530,739)	3,172,400	3,639,776	440,211	(707,400)	48,304	458,835	2,119,825
Total district net position	\$ 5,988,502	\$ 8,778,613	\$ 7,740,921	\$ 19,174,434	\$ 14,328,216	\$ 12,459,180	\$ 14,159,188	\$ 13,025,073	\$ 11,154,727	\$ 6,610,860

Source: CAFR Schedule A-1

SOUTH PLAINFIELD BOARD OF EDUCATION
CHANGES IN NET POSITION
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities										
Instruction										
Regular	\$ 32,407,070	\$ 29,815,485	\$ 26,744,764	\$ 25,895,594	\$ 24,701,312	\$ 24,293,199	\$ 24,613,371	\$ 23,907,312	\$ 23,899,746	\$ 24,943,639
Special education	10,818,458	10,104,837	9,076,153	8,361,993	8,395,082	7,674,924	7,502,098	5,990,400	6,090,215	7,128,497
Other instruction	2,343,782	1,496,543	971,985	1,122,688	1,079,829	1,815,960	1,920,632	1,763,815	1,954,057	1,134,712
School sponsored activities and athletics		1,248,712	1,461,816	1,312,462	1,180,725					
Support Services:										
Tuition	9,504,887	8,991,136	7,957,459	7,591,031	6,613,381	1,134,463	1,252,047	1,189,630	1,195,973	7,208,508
Student and instruction related services						5,901,185	6,341,027	6,149,740	6,195,047	
Educational media/school library	1,335,216	4,310,696	2,858,028	2,937,397	1,238,685	2,414,733	2,143,004	2,088,527	2,596,816	2,155,173
General administration	4,785,062	1,278,897	1,158,319	1,906,861	3,360,066	3,022,552	3,013,615	2,871,127	2,538,731	2,222,792
School administrative services	2,154,388	1,793,830	1,907,567	1,570,824	1,453,217	361,669	381,523	573,256		
Central services	5,616,513	4,899,308	5,124,060	4,775,302	4,504,179	4,811,259	5,562,928	5,700,095	5,416,890	5,192,684
Plant operations and maintenance	2,832,457	2,503,270	2,365,993	2,377,641	2,316,150	1,896,037	2,048,352	1,943,771	1,976,627	1,821,280
Pupil transportation	298,786	327,992	361,722	378,663	393,844	428,703	415,205	567,011	603,100	697,772
Interest on long-term debt						42,468	605,641	496,766	527,197	
Special Schools						8,044	32,262	28,669	4,478	
Charter Schools						66,734				
Debt Service Assessment	56,886									
Unallocated amortization	72,153,507	66,770,706	59,987,866	58,230,456	55,256,480	53,873,930	55,832,705	53,270,119	52,998,817	52,505,037
Total governmental activities expenses										
Business-type activities:										
Food service	1,400,398	1,375,120	1,311,366	1,237,900	1,302,832	1,209,946	1,163,548	1,186,806	1,140,614	1,121,588
Preschool Program	335,054	316,139	299,362	267,259	222,473	240,804	219,024	203,323	207,069	240,540
Latchkey Program	614,541	533,733	506,713	390,769	341,000	373,795	333,947	377,681	377,681	571,671
Adult Education Program	120,011	145,097	143,464	176,723	193,861	272,749	269,589	262,138	222,133	
Total business-type activities expense	2,470,005	2,370,089	2,260,905	2,072,651	2,060,166	2,114,978	1,986,108	2,026,062	1,947,497	1,933,799
Total district expenses	74,623,511	69,140,795	62,248,771	60,303,107	57,316,646	55,988,908	57,818,813	55,296,181	54,946,314	54,438,836
Program Revenues										
Governmental activities:										
Charges for services	\$ 207,778	\$ 198,711	\$ 218,941	\$ 202,237	\$ 262,772	\$ 744,247	\$ 835,394	\$ 850,520	\$ 10,759,447	\$ 10,052,012
Operating grants and contributions	18,843,702	15,229,636	8,870,576	9,491,962	8,503,754	8,369,423	8,354,394	8,505,200	10,759,447	10,052,012
Capital grants and contributions		693,706	2,030	21,656	58,154					
Total governmental activities program revenues	19,051,480	16,122,053	9,091,547	9,716,055	8,824,680	9,113,670	8,354,394	8,505,200	10,759,447	10,052,012
Business-type activities:										
Charges for services										
Food service	810,704	802,982	758,727	704,980	764,153	770,978	751,141	846,811	795,171	804,496
Preschool Program	358,604	257,751	289,016	274,011	356,161	288,641	304,575	263,628	239,418	296,227
Latchkey Program	642,665	554,312	528,822	421,823	454,134	383,424	394,804	515,361	473,314	654,852
Adult Education Program	128,184	174,100	153,180	224,107	226,534	303,827	271,505	283,090	262,396	288,812
Operating grants and contributions	580,775	541,313	520,893	491,431	505,606	442,431	422,602	328,564	297,316	288,812
Total business-type activities program revenues	2,520,932	2,330,458	2,250,636	2,116,352	2,306,588	2,169,301	2,144,627	2,237,454	2,067,615	2,044,387
Total district program revenues	21,572,412	18,452,511	11,342,185	11,832,407	11,131,268	11,302,971	10,499,021	10,742,654	12,827,062	12,096,399
Net (Expense)/Revenue										
Governmental activities	(53,102,027)	(50,648,653)	(50,896,319)	(48,514,401)	(46,431,800)	(44,760,260)	(47,478,311)	(44,764,919)	(42,239,370)	(42,453,025)
Business-type activities	50,928	(39,631)	(10,267)	43,701	246,422	74,323	158,519	211,392	120,118	110,588
Total district-wide net expense	\$ (53,051,099)	\$ (50,688,284)	\$ (50,906,586)	\$ (48,470,700)	\$ (46,185,378)	\$ (44,685,937)	\$ (47,319,792)	\$ (44,553,527)	\$ (42,119,252)	\$ (42,342,437)

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CHANGES IN NET POSITION
(accrual basis of accounting)
UNAUDITED

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Fiscal Year Ending June 30,										
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 44,942,061	\$ 43,653,001	\$ 42,499,883	\$ 41,446,285	\$ 40,139,182	\$ 39,438,003	\$ 39,255,222	\$ 39,108,513	\$ 40,097,815	\$ 38,070,174
Taxes levied for debt service	1,218,589.00	1,216,563.00	1,216,825.00	1,113,113	1,193,115	751,885	609,775	642,594	411,654	917,169
Unrestricted state aid	6,823,714.00	6,714,045.00	6,655,971.00	6,616,348	6,330,568	4,452,378	9,538,921	6,205,879	5,603,884	5,429,916
Tuition							10,584	112,190	3,984	
Transportation Fees							120,604	112,190		
Investment Earnings	209,522.57	136,703.00	359,897.00	840,148	391,449	24,138	134,801	113,338	301,285	415,312
Miscellaneous income		400,000.00				120,296	505,619	240,959	147,081	219,429
Transfers						(124,953)				
Special Items	67,100						(1,753,758)			26,123
Total governmental activities	\$ 53,260,986	\$ 52,120,312	\$ 50,772,686	\$ 50,015,894	\$ 48,054,314	\$ 44,661,707	\$ 48,421,768	\$ 46,423,873	\$ 46,565,703	\$ 45,078,123
Business-type activities:										
Investment earnings		5,664	206			4,614	8,876			(26,123)
Special Items		(400,000)					23,263			(26,123)
Total business-type activities	\$ 53,260,986	\$ 51,725,976	\$ 50,772,892	\$ 50,015,894	\$ 48,054,314	\$ 44,666,321	\$ 48,453,907	\$ 46,423,873	\$ 46,565,703	\$ 45,052,000
Change in Net Position										
Govemr	\$ 158,960	\$ 1,471,659	\$ (123,633)	\$ 1,501,493	\$ 1,622,514	\$ (98,553)	\$ 943,457	\$ 1,658,954	\$ 4,326,333	\$ 2,625,098
Business-type activities	50,928	(433,967)	(10,061)	43,701	246,422	78,937	190,698	211,392	120,118	84,465
Total district	\$ 209,888	\$ 1,037,692	\$ (133,694)	\$ 1,545,194	\$ 1,868,936	\$ (19,616)	\$ 1,134,115	\$ 1,870,346	\$ 4,446,451	\$ 2,709,563

Source: CAFR Schedule A-2

**SOUTH PLAINFIELD BOARD OF EDUCATION
FUND BALANCES, GOVERNMENTAL FUNDS**
(modified accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Reserved										
Unreserved(Deficit)										
Nonspendable Fund Balance										
Restricted	4,219,448	3,821,031	4,576,117	5,367,848	4,016,409	2,541,016				
Committed		169,420	292,322	228,600						
Assigned		596,356	543,468	865,067	1,104,018	986,078				
Unassigned		395,135	80,240	52,506	69,032	348,942				
Total general fund	\$ 5,171,908	\$ 4,674,697	\$ 5,494,147	\$ 6,514,021	\$ 5,189,459	\$ 3,876,036	\$ 3,339,309	\$ 7,229,353	\$ 6,797,841	\$ 2,382,915
All Other Governmental Funds										
Reserved										
Unreserved										
Restricted	276,014	297,291	588	588	1,685,608	1,685,608	3,308,168	(5,279)	(19,782)	(12,613)
Committed	20,317					(55,995)				
Unassigned	(4,927)									
Total all other governmental funds	\$ 291,404	\$ 297,291	\$ 588	\$ 588	\$ 1,685,608	\$ 1,629,613	\$ 3,308,168	\$ (5,279)	\$ (19,782)	\$ (12,613)

Source: CAFR Schedule B-1

SOUTH PLAINFIELD BOARD OF EDUCATION
CHANGES IN GOVERNMENTAL FUND BALANCES, GOVERNMENTAL FUNDS
UNAUDITED

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Tax Levy	\$ 46,160,650	\$ 44,869,564	43,716,718	42,559,398	\$ 41,332,297	\$ 40,621,123	\$ 40,281,202	\$ 40,318,292	\$ 41,113,292	\$ 38,987,343
Tuition Charges	207,778	198,711	216,941	202,237	53,092	535,779	10,584	112,190	3,984	5,300
Transportation Fees					209,660	24,139	120,604	113,337		
Interest Earnings	244,216	185,081	427,637	870,158	462,389	120,295	505,619	240,959	301,285	524,492
Miscellaneous	16,353,442	15,673,852	14,232,200	14,852,429	12,973,298	10,847,991	14,480,558	12,957,956	14,695,722	14,282,271
State Sources	1,672,496	1,029,853	1,268,737	1,247,727	1,848,238	1,542,575	2,986,551	1,186,112	1,063,786	1,192,605
Federal Sources										
Total Revenue	64,638,582	61,957,061	59,864,233	59,731,949	56,878,954	53,900,370	58,529,919	54,929,072	57,325,150	54,992,011
Expenditures										
Instruction										
Regular Instruction	18,501,370	25,655,145	26,358,792	25,405,012	24,283,097	17,343,994	18,171,974	17,721,073	16,878,859	24,692,329
Special Education Instruction	4,802,116	8,970,020	8,713,938	7,908,699	8,010,610	5,852,406	5,892,110	4,590,153	4,497,062	7,135,860
Other Instruction	1,432,365	1,321,975	972,115	1,121,091	1,078,811	1,405,314	1,533,100	1,419,635	1,502,790	1,136,298
School Sponsored Activities and Athletics		1,250,156	1,462,105	1,302,039	1,172,711					
Support Services:										
Tuition	2,467,638	8,280,195	7,932,585	7,399,777	6,420,096	1,134,464	1,252,047	1,189,630	1,195,973	7,208,568
Student & Instruction Related Services	6,081,126					4,395,094	4,864,503	4,803,496	4,590,296	
Educational Media / School Library										
General Administration	989,031	1,092,798	1,070,823	1,891,794	1,225,955	1,853,214	1,710,942	1,656,844	2,059,322	2,147,986
School Administration	2,751,922	3,848,209	2,856,089	2,931,523	3,375,506	2,155,640	2,174,202	2,130,476	1,694,404	2,216,477
School Administrative Services	1,489,035	1,795,797	1,907,865	1,568,005	1,451,515	366,467	402,246	573,256		
Central Services	5,096,345	4,864,744	5,089,219	4,764,414	4,495,180	4,064,956	4,760,982	4,972,103	4,740,506	4,516,340
Plant Operations and Maintenance	1,937,784	2,335,545	2,222,966	2,169,915	2,139,404	1,627,767	1,690,550	1,804,484	1,637,749	1,800,677
Pupil Transportation	16,904,054					12,201,279	11,397,191	10,266,779	11,823,855	
Employee Benefits	79,634					8,044	32,262	28,669	4,478	
Charter Schools						30,266	449,499	425,925	388,857	
Special Schools						1,273,541	3,651,217	1,690,526	805,420	630,141
Capital Outlay	463,837	2,249,249	1,081,185	2,557,613	295,569				485,000	796,401
Debt Service:										
Refunding Bond Issue Cost										
Principal	910,000	870,000	845,000	725,000	730,000	690,000	660,000	630,000	603,823	
Interest and Other Charges	308,100	345,975	371,825	387,525	412,400	446,125	463,691	580,005		
Debt Service Assessment						68,734				
Total Expenditures	64,214,358	62,879,808	60,884,107	60,092,407	55,100,854	54,917,305	59,106,516	54,483,056	52,918,394	54,367,902
Excess (Deficiency) of Revenues	424,224	(922,747)	(1,019,874)	(360,458)	1,778,140	(1,016,935)	(576,597)	446,016	4,406,756	624,109
Over (Under) Expenditures										
Other Financing Sources (Uses)										
Proceeds from Borrowing										
Capital Leases (Non-Budgeted)										
Cancelled Accounts Payable	67,100					(78,400)				190,000
Refund Prior Year Revenue		1,881,600		1,085,548		554,761	3,603,074			159,111
Cancelled SDA Grant		(1,481,600)		(1,085,548)		(601,354)	(3,603,074)			(132,988)
Transfers In										
Total Transfers Out	67,100	400,000				(124,993)				216,123
Net Change in Fund Balances	\$ 491,323	\$ (522,747)	\$ (1,019,874)	\$ (360,458)	\$ 1,778,140	\$ (1,141,926)	\$ (576,597)	\$ 446,016	\$ 4,406,756	\$ 640,232
Debt Service as a Percentage of	1.91%	2.01%	2.03%	1.93%	2.08%	2.12%	2.03%	2.29%		
Noncapital Expenditures										

Source: CAFR Schedule B-2

* Noncapital expenditures are total expenditures less capital outlay.

SOUTH PLAINFIELD BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
UNAUDITED

Fiscal Year Ended June 30,	Tuition	Interest on Investments	Athletic Receipts	Prior Year Refunds	Rentals	Transportation Fees	Prior Year Voided Checks	Miscellaneous	Total
2007	5,300	415,312	26,546		19,148	57,090		34,243	557,639
2008	3,984	301,285	604		11,940	106,768		27,768	452,349
2009	5,010	113,338		49,593		112,190		160,487	440,618
2010	10,584	134,801	16,753	92,775		120,604		35,094	410,611
2011	535,779	8,785	20,063	30,497		208,468		65,949	869,541
2012	53,092	10,537	26,236	66,420		209,680		288,256	654,221
2013		8,553	32,959	86,755	8,100	202,237	379,009	324,772	1,042,385
2014		5,869	28,923	96,417	16,600	218,941		252,188	618,938
2015		32,232	32,290	48,986	13,608	198,711		9,587	335,414
2016		31,186	24,033	102,257	11,348	207,778		40,699	417,300

Source: District Records

SOUTH PLAINFIELD BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Calendar Year	Vacant Land	Residential	Qlfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2007	18,675,700	861,041,900	82,500	176,902,300	354,383,000	22,000,000	1,433,085,400	2,719,361	1,435,804,761	2,790	3,553,294,856
2008	23,492,800	867,210,700	82,500	175,644,400	337,224,500	22,000,000	1,425,654,900	2,560,394	1,428,215,294	2,850	3,842,735,580
2009	18,865,200	874,160,200	82,500	175,920,110	333,379,600	21,875,000	1,424,282,610	2,612,373	1,426,894,983	2,824	3,985,358,298
2010	16,567,800	877,722,100	82,500	177,034,700	332,261,600	21,875,000	1,425,543,700	2,358,981	1,427,902,681	2,798	4,066,052,539
2011	16,010,600	881,938,600	82,500	167,989,000	328,349,700	21,875,000	1,416,245,400	2,138,401	1,418,383,801	2,889	4,073,891,820
2012	15,865,600	888,708,750	82,500	167,861,900	327,276,400	21,875,000	1,421,670,150	2,138,401	1,423,808,551	2,961	3,960,742,778
2013	16,255,800	875,415,360	82,500	165,630,900	321,530,251	18,277,800	1,397,192,611	2,055,443	1,399,248,054	3,083	3,653,543,945
2014	20,464,300	877,602,216	82,500	165,384,618	310,495,784	18,277,800	1,392,307,218	1,889,444	1,394,196,662	3,177	3,714,283,185
2015	18,131,100	880,542,206	82,500	165,745,351	306,447,490	18,277,800	1,389,226,447	1,850,510	1,391,076,957	3,272	3,832,729,139
2016	16,852,580	886,609,859	82,500	164,065,081	308,853,210	18,277,800	1,394,741,030	1,870,885	1,396,611,915	3,358	3,813,794,648

Source: District records Tax list summary & Municipal Tax Assessor

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.

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

b Tax rates are per \$100

SOUTH PLAINFIELD BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES

(rate per \$100 of assessed value)

UNAUDITED

Calendar Year Ended Dec. 31	Local School District	Municipality of South Plainfield	Municipal Public Library	County of Middlesex	Total
2007	2.790	0.890		0.710	4.390
2008	2.850	1.044		0.774	4.668
2009	2.824	1.374		0.820	5.018
2010	2.798	1.226		0.863	4.887
2011	2.889	1.116	0.095	0.964	5.064
2012	2.961	1.201	0.092	0.990	5.244
2013	3.083	1.217	0.092	0.995	5.387
2014	3.177	1.214	0.088	1.054	5.533
2015	3.272	1.255	0.091	1.079	5.697
2016	3.358	1.287	0.090	1.063	5.798

Source: District Records and Municipal Tax Collector

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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any appending growth adjustments.

- 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.

SOUTH PLAINFIELD BOARD OF EDUCATION
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Jayne Enterprises	\$ 18,268,400.00		1.31%	18,454,899	1	1.29%
Office Two Limited/o Ntl Tit Devl	13,772,700.00		0.99%	13,528,800	4	0.94%
Nakash 200 Helen	12,500,000.00		0.90%			
EQR- South Plainfield LLP	12,000,000.00		0.86%	16,000,000	2	1.11%
BIT Holdings Fifty Three Inc.	12,052,800.00		0.86%	16,000,000	3	1.11%
Harris Realty LLC	11,124,200.00		0.80%	11,001,100	8	0.77%
GBR Middlesex LLC	10,268,100.00		0.74%	10,000,000	9	0.70%
Plainfield Associates LLC	8,618,000.00		0.62%	11,144,000	7	0.78%
Oak Tree Associates	6,970,000.00		0.50%			
Favorite Realty North, LTD	69,130,000.00		4.95%			
Bell Atlantic				8,269,361	10	0.58%
Wells Oper. Part. LP				12,350,000	5	0.86%
The Home Depot				11,500,000	6	0.80%
Total	\$ 174,704,200.00		12.51%	128,248,160		8.93%

Source: District CAFR J11 and Municipal Tax Assessor

SOUTH PLAINFIELD BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
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	
2007	38,987,343	38,987,343	100.00%	-
2008	39,458,273	39,458,273	100.00%	-
2009	39,751,507	39,751,507	100.00%	-
2010	39,864,997	39,864,997	100.00%	-
2011	40,189,888	39,532,742	98.36%	657,146
2012	41,332,297	40,332,287	97.58%	1,000,010
2013	42,559,398	39,012,771	91.67%	3,546,627
2014	43,716,718	43,716,708	100.00%	10
2015	44,869,564	44,869,554	100.00%	10
2016	44,942,061	44,942,061	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 Statute, 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 year.

SOUTH PLAINFIELD BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Total District	Population	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases				
2007	12,421,000.00	460,000.00		12,881,000.00	22,442	574	
2008	12,386,000.00			12,386,000.00	22,516	550	
2009	11,756,000.00			11,756,000.00	22,626	520	
2010	11,185,000.00			11,185,000.00	23,395	478	
2011	10,495,000.00			10,495,000.00	23,506	446	
2012	9,765,000.00			9,765,000.00	23,708	412	
2013	9,040,000.00			9,040,000.00	23,844	379	
2014	8,195,000.00			8,195,000.00	24,016	341	
2015	7,325,000.00			7,325,000.00	24,290	302	
2016	6,415,000.00			6,415,000.00	24,290	264	

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.

SOUTH PLAINFIELD BOARD OF EDUCATION
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Total Municipal Assessed Value	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions				
2007	12,881,000.00	-0-	12,881,000.00	1,433,085,400	0.90%	574
2008	12,386,000.00	-0-	12,386,000.00	1,425,654,900	0.87%	550
2009	11,756,000.00	-0-	11,756,000.00	1,424,282,610	0.83%	520
2010	11,185,000.00	-0-	11,185,000.00	1,425,543,700	0.78%	478
2011	10,495,000.00	-0-	10,495,000.00	1,416,245,400	0.74%	446
2012	9,765,000.00	-0-	9,765,000.00	1,421,670,150	0.69%	412
2013	9,040,000.00	-0-	9,040,000.00	1,397,192,611	0.65%	379
2014	8,195,000.00	-0-	8,195,000.00	1,392,307,218	0.59%	341
2015	7,325,000.00	-0-	7,325,000.00	1,389,226,447	0.53%	302
2016	6,415,000.00	-0-	6,415,000.00	1,394,741,030	0.46%	264

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.

SOUTH PLAINFIELD BOARD OF EDUCATION
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2015
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 South Plainfield Borough (as of 12/31/15)	\$17,198,631.56	100.00%	\$ 17,198,632
Other debt Middlesex County (as of 12/31/15)	735,109,645.00	2.47%	<u>18,126,315</u>
Subtotal, overlapping debt			35,324,946
South Plainfield Borough School District Direct Debt			<u>6,415,000</u>
Total direct and overlapping debt			<u>\$ 41,739,946</u>

Sources: Borough Chief Financial Officer and County Treasurer's Office

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 South Plainfield. This process recognizes that, when considering the District's ability to issue and repay long-term 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. 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.

SOUTH PLAINFIELD BOARD OF EDUCATION
 LEGAL DEBT MARGIN INFORMATION
 UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2015

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 127,117,783	\$ 139,885,060	\$ 150,311,972	\$ 161,573,431	\$ 161,601,454	\$ 161,573,431	\$ 155,468,274	\$ 150,582,425	\$ 148,991,335	\$ 150,367,859
Total net debt applicable to limit	12,421,000	12,386,000	11,756,000	11,185,000	10,495,000	9,765,000	9,040,000	8,195,000	7,325,000	6,415,000
Legal debt margin	\$ 114,696,783	\$ 127,499,060	\$ 138,555,972	\$ 150,388,431	\$ 151,106,454	\$ 151,808,431	\$ 146,428,274	\$ 142,387,425	\$ 141,666,335	\$ 143,952,859
Total net debt applicable to the limit as a percentage of debt limit	9.77%	8.85%	7.82%	6.92%	6.49%	6.04%	5.81%	5.44%	4.92%	4.27%

	2015	2014	2013
Equalized valuation basis	\$ 3,768,926,877	\$ 3,811,407,659	3,697,254,858
			<u>\$ 11,277,589,394</u>
Average equalized valuation of taxable property	[A/3]		
Debt limit (4% of average equalization value)	[B]		
Net bonded school debt	[C]		
Legal debt margin	[B-C]		
	\$ 150,367,859	6,415,000	<u>\$ 143,952,859</u>

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

a Limit set by N.J.S.A. 18A:24-19 for a K through 12 district, other % limits would be applicable for other districts

SOUTH PLAINFIELD BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year Ended</u> <u>December 31</u>	<u>Unemployment Rate</u>	<u>Per Capita</u> <u>Income</u>	<u>Population</u>
2007	3.0%	46,519	22,442
2008	4.1%	48,248	22,516
2009	6.4%	45,829	22,626
2010	6.4%	46,572	23,395
2011	6.2%	48,883	23,506
2012	6.3%	50,261	23,708
2013	8.4%	50,267	23,844
2014	6.1%	52,486	24,016
2015	4.8%	52,486	24,290
2016	**	**	24,290

Source: N.J. Department of Labor

** Not available at audit

SOUTH PLAINFIELD BOARD OF EDUCATION
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 UNAUDITED

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction	253	255	244	228	227	228	233	227	230
Regular	48	49	61	49	50	50	54	48	58
Special education	10	10	10	12	12	12	14	20	32
Other special education									
Support Services:									
Student & instruction related services	51	51	49	45	45	50	118	117	116
General administration	12	12	7	7	9	10	4	2	2
School administrative services	9	9	11	12	12	12	25	29	12
Other Administrative Services	20	20	31	31	30	30			
Central Services	13	14	14	14	14	15	9	9	17
Other Support Services	36	38	79	70	70	70	29	30	29
Pupil transportation	55	55	36	32	31	33	36	36	35
Total	507	513	542	500	500	510	522	518	531

Source: District Personnel Records

SOUTH PLAINFIELD BOARD OF EDUCATION
OPERATING STATISTICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost per Pupil ^d	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	Senior High School	Average Daily Enrollment (ADE) ^c				
2007	3,889	51,807,265.00	13,321	1.00%	307.0	9.4	14.0	12.0	3,797	3,623	0.16%	95.42%	
2008	3,710	52,395,717.00	14,123	6.02%					3,721	3,557	-2.00%	95.59%	
2009	3,708	52,703,108.00	14,213	0.64%					3,705	3,536	-0.43%	95.44%	
2010	3,764	54,331,608.00	14,435	1.56%					3,739	3,585	0.92%	95.88%	
2011	3,753	52,438,805.00	13,973	-3.20%					9,714	3,551	-0.67%	95.61%	
2012	3,641	53,662,885.00	14,739	5.48%					3,630	3,490	-2.26%	96.14%	
2013	3,564	56,422,269.00	15,831	7.41%	291.0				3,558	3,408	-1.99%	95.79%	
2014	3,468	58,586,097.00	16,893	14.62%	293.0	12.6	10.7	12.6	3,461	3,322	-2.72%	95.98%	
2015	3,530	59,414,584.00	16,831	6.32%	343.0	11.0	8.2	10.4	3,576	3,416	3.32%	95.53%	
2016	3,527	62,532,420.57	17,730	5.34%	298.0	12.4	11.0	13.0	3,523	3,365	-1.48%	95.52%	

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

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures (modified accrual) 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).
- d Cost per pupil represents operating expenditures divided by enrollment.

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>District Building</u>										
<u>Elementary</u>										
Grant										
Square Feet	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833
Capacity (students)	683	683	683	683	683	683	683	683	683	683
Enrollment	590	564	564	547	544	536	515	500	542	553
Franklin										
Square Feet	36,629	36,629	36,629	36,629	36,629	36,629	36,629	36,629	36,629	36,629
Capacity (students)	371	371	371	371	371	371	371	371	371	371
Enrollment	360	329	329	317	312	312	327	299	268	257
Kennedy										
Square Feet	38,946	38,946	38,946	38,946	38,946	38,946	38,946	38,946	38,946	38,946
Capacity (students)	391	391	391	391	391	391	391	391	391	391
Enrollment	275	270	270	275	280	275	261	270	257	242
Riley										
Square Feet	39,404	39,404	39,404	39,404	39,404	39,404	39,404	39,404	39,404	39,404
Capacity (students)	391	391	391	391	391	391	391	391	391	391
Enrollment										318
Roosevelt										
Square Feet	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000
Capacity (students)	492	492	492	492	492	492	492	492	492	492
Enrollment	351	346	346	400	373	397	400	384	391	394
Middle School										
Square Feet	102,496	102,496	102,496	102,496	102,496	102,496	102,496	102,496	102,496	102,496
Capacity (students)	722	722	722	722	722	722	722	722	722	722
Enrollment	613	619	619	586	554	557	557	556	515	520
High School										
Square Feet	218,270	218,270	218,270	218,270	218,270	218,270	218,270	218,270	218,270	218,270
Capacity (students)	1,153	1,153	1,153	1,153	1,153	1,153	1,153	1,153	1,153	1,153
Enrollment	1,224	1,217	1,217	1,191	1,178	1,173	1,103	1,082	1,103	1,069
Other-Roosevelt Administration Building										
Square Feet	37,455	37,455	37,455	37,455	37,455	37,455	37,455	37,455	37,455	37,455
Number of Schools at June 30, 2016										
Elementary -	5									
Middle School -	1									
Senior High School -	1									
Other-	1									
	<u>8</u>									

Source: District records

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 UNAUDITED

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

School Facilities	Project # (s)	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
J.F.K. School	N/A	\$ 55,709	\$ 54,664	\$62,022	\$ 58,945	\$ 33,826	\$ 34,412	\$ 70,708	\$ 62,798	\$ 22,588	\$ 23,439
John E. Riley School	N/A	56,434	55,349	62,800	59,684	34,250	34,843	71,595	64,786	23,310	24,180
Franklin School	N/A	57,981	55,691	63,188	60,053	34,462	35,059	72,038	61,303	22,072	22,881
Grant School	N/A	102,745	99,474	112,864	107,265	61,555	62,621	128,671	117,989	30,736	31,865
Roosevelt Administration	N/A	57,952	52,608	59,689	56,728	32,554	33,117	68,048	66,750		
Roosevelt School	N/A	99,110	88,510	100,424	95,442	54,770	55,719	114,486	114,155	23,723	24,558
South Plainfield Middle School	N/A	169,209	143,942	163,318	155,216	89,072	90,614	186,191	176,871	63,673	66,016
South Plainfield High School	N/A	379,883	306,562	347,829	330,573	189,702	192,987	396,543	438,039	157,703	163,544
Grand Total		\$ 979,023	\$ 856,800	\$ 972,134	\$ 923,906	\$ 530,191	\$ 539,372	\$ 1,108,280	\$ 1,102,691	\$ 343,805	\$ 356,483

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2016
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Package Policy-New Jersey School Boards Association Insurance Group (NJSIG)		
Real and Personal Property-Building and Contents (NJSIG Limit)	\$ 400,000,000	\$ 5,000
Electronic Data Processing	2,500,000	1,000
Environmental Package	1,000,000	10,000
Comprehensive General Liability	16,000,000	
School Leaders Errors and Omissions Liability	16,000,000	10,000
Automobile Liability	16,000,000	1,000
Faithful Performance Crime Coverage	500,000	1,000
Workers Compensation and Employees Liability	2,000,000	
Surety Bond - Treasurer of School Monies	350,000	
Surety Bond - Business Administrator/Board Secretary	350,000	

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SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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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 South Plainfield School District
County of Middlesex
South Plainfield, New Jersey 07080

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Borough of South Plainfield School District (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 2, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of South Plainfield's School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

SUPLEE, CLOONEY & COMPANY

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However we noted immaterial instances of noncompliance that we have reported to the Board of Education of the Borough of South Plainfield School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated December 2, 2016.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANT



PUBLIC SCHOOL ACCOUNTANT NO. 948

December 2, 2016



SUPLEE, CLOONEY & COMPANY

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND WITH
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Borough of South Plainfield School District
County of Middlesex
South Plainfield, New Jersey 07080

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of South Plainfield School District's compliance with the types of compliance requirements described in the Federal *OMB Compliance Supplement* and the New Jersey *OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Borough of South Plainfield School District's major federal and state programs for the year ended June 30, 2016. The 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of South Plainfield School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance*) and New Jersey *OMB 15-08*. Those standards, the *Uniform Guidance* and New Jersey *OMB 15-08* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough of South 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of South Plainfield School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Borough of South Plainfield School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the Borough of South Plainfield School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Borough of South Plainfield School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the *Uniform Guidance* and New Jersey OMB 15-08, 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 South Plainfield School District's internal control over compliance.

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

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

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


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

December 2, 2016

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	FEDERAL AWARD I.D. NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE JUNE 30, 2015 (ACCOUNTS RECEIVABLE) UNEARNEED REVENUE	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT BUDGETARY EXPENDITURES	ADJUSTMENTS	(ACCOUNTS RECEIVABLE) UNEARNEED REVENUE	DUE TO GRANTOR
Enterprise Funds											
U.S. Department of Agriculture											
Passed-through State Department of Education:											
Child Nutrition Cluster											
10.555	N/A	16161NJ304N1099	7/1/14-6/30/15	94,807.00	\$ 6,089.00	\$ 99,806.48	(6,089.00)	\$		\$	\$ 1,504.02
10.555	N/A	16161NJ304N1099	7/1/15-6/30/16	99,806.48			(98,302.46)				
10.555	N/A	16161NJ304N1099	7/1/14-6/30/15	398,043.00	(30,920.00)	30,920.00				(73,564.20)	
10.555	N/A	16161NJ304N1099	7/1/15-6/30/16	414,002.73		340,438.53	(414,002.73)				
10.553	N/A	16161NJ304N1099	7/1/14-6/30/15	36,981.00	(3,529.00)	3,529.00				(11,437.02)	
10.553	N/A	16161NJ304N1099	7/1/15-6/30/16	47,274.04	(28,360.00)	35,837.02	(565,668.23)			(85,001.22)	1,504.02
Total U.S. Department of Agriculture					(28,360.00)	510,531.03	(665,668.23)			(85,001.22)	1,504.02
Special Revenue Funds											
U.S. Department of Education											
Passed-through State Department of Education:											
Title I											
84.010	NCLB491015	S010A150030	7/1/14-6/30/15	\$ 293,417.00	(123,962.00)	123,962.00				(129,754.51)	
84.010	NCLB491016	S010A150030	7/1/15-6/30/16	495,061.00		291,282.00	(421,036.51)			(129,754.51)	
Total Title I					(123,962.00)	415,244.00	(421,036.51)				
Title II											
84.367	NCLB491015	S367A150029	7/1/14-6/30/15	69,740.00	(60,969.00)	60,969.00				(6,454.17)	
84.367	NCLB491016	S367A150029	7/1/15-6/30/16	107,965.00		84,978.00	(91,432.17)			(6,454.17)	
Total Title II					(60,969.00)	145,947.00	(91,432.17)				
Title III-Emergency Immigrant Assistance											
84.365	NCLB491015	S365A150030	7/1/14-6/30/15	15,538.00	(9,090.00)	8,674.00				(416.00)	
84.365	NCLB491016	S365A150030	7/1/15-6/30/16	22,358.00		447.00	(4,336.38)			(3,889.38)	
84.365	NCLB491015	S365A150030	7/1/14-6/30/15	16,629.00	(15,629.00)	15,629.00					
84.365	NCLB491016	S365A150030	7/1/15-6/30/16	18,489.00		3,898.00	(8,842.87)			(4,944.87)	
Total Title III					(24,719.00)	28,648.00	(13,179.25)			(9,250.25)	
Special Education Cluster											
ID.E.A. Part B. Basic											
84.027	IDEA491015	S027A150100	7/1/14-6/30/15	866,381.00	(117,601.00)	117,601.00					
84.027	IDEA491016	S027A150100	7/1/15-6/30/16	1,043,787.00		643,455.00	(1,040,511.63)			(387,056.63)	
84.173	IDEA491016	S1733A150114	7/1/15-6/30/16	30,624.00	(117,601.00)	761,056.00	(1,064,417.63)			(420,862.63)	
Total U.S. Department of Education					(327,251.00)	1,350,895.00	(1,590,065.56)			(566,421.56)	
General Fund											
U.S. Department of Health & Human Services											
Passed-through State Department of Education:											
Medical Assistance Prog. (SEM)											
93.778		1605NJMAP	7/1/15-6/30/16	65,035.85		42,957.57	(65,035.85)			(22,078.28)	
Total U.S. Department of Health & Human Services						42,957.57	(65,035.85)			(22,078.28)	
Total Federal Financial Assistance					(9355.611.00)	\$1,904,383.60	(\$2,220,769.64)			(\$673,501.00)	\$1,504.02

The accompanying notes to schedules of financial assistance are an integral part of this schedule.

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

STATE GRANT OR PROGRAM TITLE State Department of Education General Funds	PROJECT OR STATE NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2015		CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2016		MEMO CUMULATIVE TOTAL EXPENDITURES
				(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE						(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	
				DUE TO GRANTOR	DUE TO GRANTOR						(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	
16-495-034-5120-078	7/1/15-6/30/16		\$6,660,858.00			\$6,017,735.00	(\$6,660,858.00)	\$643,123.00			\$643,123.00	\$6,660,858.00	
16-495-034-5120-086	7/1/15-6/30/16		2,204,418.00			1,992,976.00	(2,204,418.00)	211,440.00			211,440.00	2,204,418.00	
16-495-034-5120-084	7/1/15-6/30/16		97,143.00			88,333.00	(97,143.00)	8,810.00			8,810.00	97,143.00	
PARCC Readiness Aid			34,410.00			30,005.00	(34,410.00)	4,405.00			4,405.00	34,410.00	
Per Pupil Growth Aid			34,410.00			30,005.00	(34,410.00)	4,405.00			4,405.00	34,410.00	
Total State Aid Cluster			100,859.00			8,150,066.00	(8,031,239.00)	872,183.00			872,183.00	9,091,239.00	
Transportation Aid			100,859.00			92,049.00	(100,859.00)	8,810.00			8,810.00	100,859.00	
Non-Public Transportation Aid			26,100.00			26,100.00	(26,100.00)					26,100.00	
Non-Public Transportation Aid			25,404.00			246,674.00	(25,404.00)				(25,404.00)	25,404.00	
Extraordinary Aid			264,258.00			1,919,493.00	(264,258.00)				(264,258.00)	264,258.00	
Extraordinary Aid			1,919,493.00			95,617.00	(1,919,493.00)					1,919,493.00	
On-behalf TPAE Contributions			95,617.00			2,399,438.00	(2,399,438.00)					95,617.00	
NCGI			2,399,438.00			98,814.00						2,399,438.00	
Post Retirement Medical			2,001,968.00			1,843,013.92	(1,939,136.09)				(86,122.17)	2,001,968.00	
TPAE Social Security Aid			1,939,136.09			14,880,254.52	(15,775,444.09)	880,993.00			(385,784.27)	1,939,136.09	
TPAE Social Security Aid													
Total General Fund			\$113,287.00			5,280.00	(118,587.00)					118,587.00	
Special Revenue Fund			52,800.00			47,520.00	(52,446.95)					52,800.00	
Preschool Education Aid			17,588.00			12,740.00	(11,761.00)					17,588.00	
Preschool Education Aid			12,740.00			27,979.00	(27,755.00)					12,740.00	
NJ Nonpublic Aid			32,709.00			12,425.00	(11,326.00)					32,709.00	
Technology Aid			27,979.00			44,730.00	(42,874.00)					27,979.00	
Technology Aid			43,417.00									43,417.00	
Textbook Aid			53,021.00									53,021.00	
Textbook Aid			44,730.00									44,730.00	
Security Aid			27,405.00									27,405.00	
Nursing			34,510.00									34,510.00	
Nursing			51,956.00									51,956.00	
Auxiliary Services			38,917.00									38,917.00	
Auxiliary Services			8,558.00									8,558.00	
English as a Second Language			27,405.00									27,405.00	
English as a Second Language			34,510.00									34,510.00	
Compensatory Education			51,956.00									51,956.00	
Compensatory Education			38,917.00									38,917.00	
Transportation			8,558.00									8,558.00	

The accompanying notes to schedules of financial assistance are an integral part of this schedule.

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

STATE GRANT/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2015		CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2016		CUMULATIVE TOTAL EXPENDITURES
				(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE						(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	
Special Revenue Fund													
NJ Nonpublic Aid													
Handicapped Services													
Supplemental Instruction	15-100-034-5120-068	7/1/14-6/30/15	11,771.00		\$3,924.00		\$9,727.00	(\$9,727.00)		(\$3,924.00)			11,771.00
Supplemental Instruction	16-100-034-5120-068	7/1/15-6/30/16	9,727.00										9,727.00
Examination & Classification	15-100-034-5120-068	7/1/14-6/30/15	17,107.00		9,180.00		13,805.00	(10,228.00)		(9,180.00)	\$3,677.00		17,107.00
Examination & Classification	16-100-034-5120-068	7/1/15-6/30/16	13,805.00										10,228.00
Corrective Speech	15-100-034-5120-068	7/1/14-6/30/15	11,486.00		1,767.00		12,541.00	(6,361.00)		(1,767.00)			11,486.00
Corrective Speech	16-100-034-5120-068	7/1/15-6/30/16	12,541.00								4,180.00		12,541.00
Total Special Revenue Fund				\$113,287.00	46,248.00		268,732.00	(337,471.95)		(45,060.00)	50,662.00	4,926.95	608,487.06
Capital Projects Fund													
School Development Authority - Facilities Grant													
Franklin School Security Upgrade	4910-060-14-G1XQ	N/A	\$17,600.00	(\$17,600.00)									\$17,600.00
Kennedy School Security Upgrade	4910-055-14-G1XM	N/A	\$17,600.00	(17,600.00)									17,600.00
Riley School Security Upgrade	4910-058-14-G1XO	N/A	\$17,600.00	(17,600.00)									17,600.00
Roosevelt School Security Upgrade	4910-060-14-G1XT	N/A	9,600.00	(5,967.00)									5,967.00
Grant School Security Upgrade	4910-070-14-G1XS	N/A	18,400.00	(16,400.00)									16,400.00
Middle School Security Upgrade	4910-053-14-G1XJ	N/A	5,200.00	(5,200.00)									5,200.00
High School Security Upgrade	4910-050-14-G1XI	N/A	15,200.00	(15,200.00)									15,200.00
Roosevelt Building Boiler Replacement	4910-065-14-G1XU	N/A	34,000.00	(31,344.00)									31,344.00
Kennedy Building Boiler Replacement	4910-055-14-G1XK	N/A	34,000.00	(26,144.00)									26,144.00
Franklin School Fire Alarm Replacement	4910-060-14-G1XP	N/A	66,400.00	(40,256.00)									40,256.00
Kennedy School Fire Alarm Replacement	4910-065-14-G1XL	N/A	66,400.00	(48,596.00)									48,596.00
Riley School Fire Alarm Replacement	4910-058-14-G1XN	N/A	66,400.00	(58,288.00)									58,288.00
Grant School Partial Roof Replacement	4910-070-14-G1XR	N/A	504,000.00	(393,511.00)									393,511.00
Total Capital Projects Fund													693,706.00
Enterprise Fund													
National School Lunch Program	16-100-020-3350-023	7/1/15-6/30/16	13,545.81			11,112.07	(13,545.81)						11,725.92
National School Lunch Program	15-100-020-3350-023	7/1/14-6/30/15	13,728.00	(1,085.00)		1,085.00							10,307.27
Total Enterprise Fund													22,033.19
Total State Financial Assistance				\$113,287.00	\$46,248.00		\$15,161,163.86	(\$16,126,461.85)	\$880,993.00	(\$45,060.00)	\$50,662.00	\$877,109.95	\$18,479,920.34
Less: On-Benefit amounts not utilized for determination of Major Programs													
On-Benefit TPAP Contributions	16-495-034-5094-002	7/1/15-6/30/16	1,819,483.00			\$1,819,483.00	(\$1,819,483.00)						
NCSI	16-495-034-5094-004	7/1/15-6/30/16	95,617.00			95,617.00	(\$95,617.00)						
Post Retirement Medical	16-495-034-5094-001	7/1/15-6/30/16	2,398,438.00			2,398,438.00	(2,398,438.00)						
Total State Financial Assistance Subject to Single Audit						\$10,746,635.89	(\$11,711,913.85)						

The accompanying notes to schedules of financial assistance are an integral part of this schedule.

Borough of South Plainfield School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2016

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, South 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 Uniform Guidance, 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. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

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 South Plainfield School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2016

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$24,960.00 for the general fund. The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$3,460.14 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	\$79,618.76	\$3,663,380.78	\$3,742,999.54
Special Revenue Fund	1,127,634.99	255,823.91	1,383,458.90
Debt Service Fund		200,355.00	200,355.00
Food Service Fund	<u>377,354.80</u>	<u>(9,419.11)</u>	<u>367,935.69</u>
Total Awards & Financial Assistance	<u>\$1,584,608.55</u>	<u>\$4,110,140.58</u>	<u>\$5,694,749.13</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. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2016. 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, 2016.

Borough of South Plainfield School District
Middlesex County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued: | Unmodified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weakness(es) identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (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? | No |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance? | No |

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

<u>Program</u>	<u>CFDA</u>
IDEA Part B Basic	84.027
IDEA Part B Preschool	84.173
Title I	84.010

- | | | |
|-----|---|-----|
| (5) | Program Threshold Determination:
Type A Federal Program Threshold > \$750,000.00
Type B Federal Program Threshold <= \$750,000.00 | |
| (6) | Auditee qualified as a low-risk auditee under OMB Circular Uniform Guidance? | Yes |

Borough of South Plainfield School District
Middlesex County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

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

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? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? Yes

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

<u>Program</u>	<u>Grant Number</u>
Equalization Aid	16-495-034-5120-078
Special Education Aid	16-495-034-5120-089
Security Aid	16-495-034-5120-084
PARCC Aid	16-495-034-5120-097
Per Pupil Growth Aid	16-495-034-5120-098
Extraordinary Aid	16-100-034-5120-473

- (5) Program Threshold Determination:
Type A State Program Threshold > \$750,000.00
Type B State Program Threshold <= \$750,000.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

Borough of South Plainfield School District
Middlesex County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

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 South Plainfield School District
Middlesex County, New Jersey

Schedule of Prior Year Audit Findings

Finding 2015-001

-There were several amounts encumbered at year end in the amount of \$172,724 that should have been classified as accounts payable.

-There were unrecorded purchase orders at June 30, 2015 in the amount of \$125,258 that should have been set up as reserve for encumbrances and/or accounts payable.

-There were several instances where approved change orders in the net amount of \$25,489 were not reflected in the open purchase order balance at June 30, 2015.

Current Status

Partial corrective action has been taken.

Finding 2015-002

Reimbursement requests and final expenditure reports for the NCLB grant programs were not in agreement with District's accounting records.

Current Status

Corrective action has been

Finding 2015-003

-There were two instances where transportation expenses for trips in the Adult School exceeded the quote threshold where quotes were not obtained. In addition, the vendor was paid \$64,660 in the aggregate for the school year. In addition, we noted that pricing on parts.

-Review of bus repairs revealed certain per unit labor costs and the markup in parts were not in accordance with the bid award terms.

-There was insufficient documentation to support the District's assertion that the alarm system was purchased through the use of a State Contract.

Current Status

Partial corrective action has been.

Borough of South Plainfield School District
Middlesex County, New Jersey

Schedule of Prior Year Audit Findings

Finding 2015-004

Expenditures for security projects were charged to the Capital Projects Fund that were not allowable project expenditures. An audit adjustment was subsequently made to reclassify those expenditures to the General Fund.

Current Status

Corrective action has been

