

**Comprehensive Annual
Financial Report**

of the

Borough of North Plainfield Board of Education

County of Somerset

North Plainfield, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

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

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INTRODUCTORY SECTION

**North Plainfield Board of Education
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James V. McLaughlin, Ed.D.
Superintendent of Schools
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Donald Sternberg
Business Administrator
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November 27, 2017

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

Dear Board Members:

The comprehensive annual financial report of the North Plainfield Borough School District (the "District") for the fiscal year ended June 30, 2017 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 North Plainfield Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The comprehensive annual financial report is presented in five sections: introductory, financial, basic financial statements, required supplementary information, and other supplementary information. The introductory section includes this transmittal letter, the roster of officials, consultants and advisors, and the District's organizational chart. The financial section includes the independent auditor's report and the management's discussion and analysis. The basic financial statements include the district-wide financial statements, fund financial statements, and notes to the financial statements. The required supplementary information reports on budget comparisons for the general and special revenue funds. The other supplementary information consists of various financial statements, statistical information and single audit. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The North Plainfield School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) established by GASB Statement No. 14. All funds of the District are included in this report. The North Plainfield Board of Education and all its schools constitute the District's reporting entity.

The North Plainfield School programs are designed to meet the academic and curricular needs of all students Pre-K through 12. Academic programs address specific content areas, gifted and talented enrichment, college preparatory, advanced placement, career readiness, basic skills and special education. Middle and High School programs include a wide selection of elective courses in science, communications, social studies, world languages, music, art, computer sciences, media, home economics, and industrial technologies. To accommodate these offerings, the district maintains safe, well-equipped, professionally functioning buildings that are developmentally appropriate. The district configuration by school is PreK-4, 5-6, 7-8, and 9-12. The District completed the 2016-2017 fiscal year with an enrollment of 3325 students, which is sixty nine (76) students above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-17	3325	-2.00%
2015-16	3401	2.00%
2014-15	3332	-.36%
2013-14	3344	.66%
2012-13	3322	.18%

2. ECONOMIC CONDITION AND OUTLOOK: This year continued to be difficult in light of the challenges faced by economic development which was continues to be slower than national trends. Central New Jersey and North Plainfield Borough continued to be in a period of depressed economic growth and slow development due to recessionary trends which persisted throughout the year. Particularly troublesome to annual budgets of both the borough and the school district are the amount of successful tax appeals that reduce the value of the overall tax base of the borough for both residential and commercial property. This is due to declining property values during the period. Some improvement have begun to show including the redevelopment and addition of commercial retail business along the Route 22 corridor. This increase in economic activity should improve the overall ratable for the borough.

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

Educational Program

During the 2016-17 school year, the Board of Education reaffirmed the following mission statement:

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

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

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

Curriculum

In its continued commitment to offering a quality, innovative, and comprehensive educational programs to all of its students, the district continued to expand, update, and revise all of its curriculum so that it aligns with the NJ Student Learning Standards, Core Curriculum Content Standards, and the Next Generation Science Standards. The district continues to prepare both teachers and students to for any additions and or changes to the PARCC assessment, which measures the student understanding of the standards. The district is engaged in furthering the advancement of its students along career pathways and college preparation through increased involvement in Career and Technical Education (CTE), as well as expanding offerings. Career and Technical Education is a proven strategy engaging students, effectively connecting them to college and careers, increasing high school graduation rates and improving labor market outcomes for high school graduates. Using data to drive curriculum is critical in making instructional decisions and the administration and staff members are actively engaging in this process. This ranges from using the Evidence Statements from PARCC to drive curriculum and instruction, to reviewing tally requests in Genesis to drive our elective program

offering. There is a multi-year Advanced Placement (AP) strategic plan that involves middle and high school in order to continue the work of college and career preparedness. Our curriculum writing takes the format and philosophy of Understanding by Design and the district is committed to common unit assessments. Supervisors and staff have made curriculum a living document in order to provide a curriculum that is viable and teachable. It is updated on a regular basis.

Technology

The district continually reflects and expands upon its use of technology in terms of administrative functions, instructional application, and community outreach. The district has expanded the use of its administrative software particularly using My Learning Plan for observations, evaluations, professional development requests, and logging professional development hours. In addition, we continue to use IEP direct System for students receiving special education, and the Applitrack employee recruitment program. Veritime has assisted with streamlining an efficient payroll process. Instructionally, the district expanded upon its use of Compass Learning, which provides individual learning paths for students that are uniquely tailored to each pupil's needs. Google Apps for Education has become integral in our work and has streamlines communication, instruction and scheduling. The 1 to 1 device initiative was also expanded to the entire high school and half the middle school population. The wide area network and wireless infrastructure of the district continues to be strengthened by using faster broadband speeds and state of the art network electronics. The district is making expanded use of on-line course offerings for both credit recovery and original credit, providing effective interventions for students to stay on course toward graduation, and for other students to expand upon the offerings provided at the high school.

Community Involvement

During the 2016-2017 school year, community involvement was specifically solicited and focused in various areas that require stakeholder input and participation:

- a. Early Childhood Advisory Council (ECAC) - this committee supports the work of the district's full day preschool program focusing on the preschool to third grade continuum.
- b. North Plainfield Business Association- the NPSD actively participates and interacts with area employers to support the work of the student mentorship program.
- c. Somerset County Business Partnership- the SCBP actively participates and interacts with area employers to support the work of the student mentorship program.
- d. North Plainfield Public Library Board- serves to foster an active partnership dedicated to literacy and other areas, including robotics.
- e. Community Forum- a monthly meeting of municipal, school, service organization and clergy centered on meeting the needs of the community.
- f. Municipal Alliance- community stakeholders inclusive of the schools, that place and enact activities designed to prevent substance abuse.

Parental Involvement

During the 2016-2017 school year, in addition to many special events, parental involvement is a key part of two critical committees;

- a. K-12 Advisory Committee provides ideas and feedback to assist the district in meeting the needs of students who are designated as English Language Learners
- b. Kindergarten Bi-literacy Parent Advisory Committee comprised of parents of students in the district's dual language immersion program providing information to support in order that parents may partner with school in this important initiative.

Additionally, each school has an active PTO and/or PTA. Special Education also supports an active parent advisory council that provides informational programs for parents of students with individual education plans.

Food Services Program

The District maintains an extensive district wide food service program in compliance with all state and federal regulations and requirements. This program provides both breakfast and lunch to over 80% of our students on a daily basis, and is an integral part of the educational environment. With reimbursements from both Federal and State, along with paid meals this program is self-sufficient, and has in certain year's returned excess funds to the district. In order to actively work to increase participation the district provides additional opportunities for students not to miss out on breakfast by providing "Breakfast After The Bell" program, to ensure all students start their day with a meal. Additionally all of our prekindergarten students receive breakfast and lunch both in district and at our provider services locations.

Facilities

The District continues to ensure its commitment to a safe and secure educational environment that promotes learning, the details of which are presented in the Comprehensive Maintenance Plan submitted to the State for approval. In addition the district partnered with Sustainable NJ, and undertook several major initiative in all schools and operationally to increase awareness of environmental issues and to improve its carbon footprint. Some initiatives included eliminating styrofoam use throughout the district, instituting recycling programs, implementing new policies aimed at conservation, and providing environment and educational programs to change behaviors including the development of Green Teams in all buildings. These efforts were recognized by Sustainable NJ, and four district schools received awards for their efforts.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital project 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 cancelled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2017.

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

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

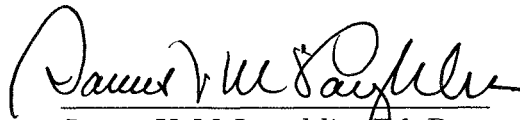
8. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District's cash management plan allows it to deposit public funds in public depositories protected from laws under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 and updated in 2009 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

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

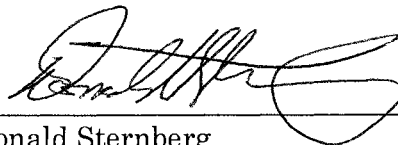
10. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee, Clooney & Company, CPAs was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit section of this report.

11. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Borough of North Plainfield 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 financial and accounting staff.

Respectfully Submitted:



James V. McLaughlin, Ed. D.
Superintendent of Schools



Donald Sternberg
Board Secretary/Business Administrator

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

**ROSTER OF OFFICIALS
JUNE 30, 2017**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Linda L. Bond-Nelson, President	2019
Bianca Butler, Vice President	2018
Thomas Allen	2017
David W. Branan	2017
John Fellin, Jr.	2019
Sandra J. Dodd	2018
Kathleen Mullen	2018

Other Officials

Dr. James V. McLaughlin, Superintendent

Ms. Michelle Vella, Assistant Superintendent

Donald Sternberg, School Business Administrator/ Board Secretary

Annette Wells, Treasurer

Anthony P. Sciarrillo, Board Attorney

North Plainfield Board of Education

North Plainfield, New Jersey

Consultants and Advisors

June 30, 2017

Architect

Parette Somjen Architects
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Rockaway, NJ 07866

Audit Firm

Suplee, Clooney & Company
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Westfield, NJ 07090

Attorney

Anthony P. Sciarrilo
238 St. Paul Street
Westfield, NJ 07090

Bonding Attorney

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

Official Depository

TD Bank

Financial Advisors

Phoenix Advisors
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Mount Laurel, NJ 08054

FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR REPORT

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

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 North Plainfield School District, County of Somerset, New Jersey (the "District") as of and for the year ended June 30, 2017, 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 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 North Plainfield School District, County of Somerset, New Jersey as of June 30, 2017, 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, budgetary comparison information in Exhibit C-1 through C-3 and the pension schedules 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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of North Plainfield School District's basic financial statements. The accompanying supplementary schedules such as the combining and individual fund financial statements, long-term debt schedules 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, long-term debt schedules 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 27, 2017 on our consideration of the Borough of North Plainfield School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 North Plainfield School District's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

November 27, 2017

REQUIRED SUPPLEMENTARY INFORMATION – Part I

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

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2017 UNAUDITED

This section of The Borough of North Plainfield School District's ("The District") annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current fiscal year and the prior year is presented in the MD&A.

Financial Highlights

- 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 2016-2017 school year. The amount of the deferred state aid payments, which were received in July 2017, is \$2,453,239.00
- Revenue from governmental activities accounted for \$66,099,184.45 or 97.32 percent of total school district revenue. The other 2.68 percent of revenue was generated by the business type activities.
- Excluding the net pension and premium liabilities, the District reduced its outstanding long-term debt by \$857,841.40, a 7.83% reduction.

Overview of the Financial Statements

This Comprehensive Annual Financial Report ("CAFR") consists of three parts: Management's Discussion and Analysis (this section), The Basic Financial Statements, and Required Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the District, District-wide Financial Statements and Fund Financial Statements.

- District-Wide Financial Statements provide both short-term and long-term information about the District's overall financial status.
- Fund Financial Statements report the District's operations in more detail than the District-wide statements on individual parts of the District, the Governmental Funds, Proprietary Funds and Fiduciary Funds.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2017 UNAUDITED

- Governmental Fund Statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- Proprietary Fund Statements offer short and long-term financial information about the activities the District operates like a business, which include food services.
- Fiduciary Funds Statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The notes to financial statements are also included, which are an integral part of the financial statements. The information in the notes provides detailed data on the District's financial operations.

Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year. Table 1 reflects how the various parts of this annual report are arranged and related to one another.

District-wide Financial Statements

The District-wide Financial Statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or disbursed.

The District-wide Financial Statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position is an indicator of whether its financial position has improved or diminished. The causes of this change may be a result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the District-wide Financial Statements, the District's activities are divided into two categories, governmental and business-type activities.

- Governmental activities - All of the District's programs and services are reported here including, but not limited to regular and special education instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. Property taxes and state formula aid finance most of these activities.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2017 UNAUDITED

- Business-type activities - These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. District charges fees to help it cover the costs of certain services it provided. The food service activities are reported as business activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on major funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e. long-term debt) or to show that it is properly using certain restricted revenues (i.e. entitlement grants).

The District maintains three financial funds:

- **Governmental Funds:** The District's activities reported in governmental funds focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting that 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 you 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 government-wide Statement of Net Position and Statement of Activities) and governmental funds statements is reconciled in the financial statements.
- **Proprietary Funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide financial statements. The District's enterprise fund (one type of proprietary fund) is the same as its business-type activities but provide more detail and additional information, such as cash flow.
- **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

The District's statement of net position shown in Table 1 on the next page reflects the District's net position as a whole. Table 2 reflects the changes in net position from operating results.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
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**Table 1
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	Change
Current and Other Assets	\$5,353,330.91	\$5,986,662.77	\$791,991.20	\$706,443.22	\$6,145,322.11	\$6,693,105.99	-8.18%
Capital Assets	50,985,392.92	52,297,110.96	246,616.03	131,215.44	51,232,008.95	52,428,326.40	-2.28%
Total Assets	56,338,723.83	58,283,773.73	1,038,607.23	837,658.66	57,377,331.06	59,121,432.39	-2.95%
Deferred Outflows of Resources	7,941,984.30	3,353,154.00			7,941,984.30		
Long-Term Liabilities	32,440,219.56	27,038,477.66			32,440,219.56	27,038,477.66	19.98%
Short-Term Liabilities	3,205,290.01	3,370,186.07	254,540.34	111,903.81	3,459,830.35	3,482,089.88	-0.64%
Total Liabilities	35,645,509.57	30,408,663.73	254,540.34	111,903.81	35,900,049.91	30,520,567.54	17.63%
Deferred Inflows of Resources	950,200.01	1,154,508.30			950,200.01	1,154,508.30	-17.70%
Net Position:							
Net Investment In Capital Assets	41,173,588.91	41,590,275.66	246,616.03	131,215.44	41,420,204.94	41,721,491.10	-0.72%
Restricted	3,673,162.90	4,269,563.92			3,673,162.90	4,269,563.92	-13.97%
Unrestricted	(17,161,753.26)	(15,700,662.88)	537,450.86	594,539.41	(16,624,302.40)	(15,106,123.47)	10.05%
Total Net Position	\$27,684,998.55	\$30,159,176.70	\$784,066.89	\$725,754.85	\$28,469,065.44	\$30,884,931.55	-7.82%

The largest portion of the District's net position is its net investment in capital assets. Restricted net positions includes those items that are subject to external restrictions (e.g. for capital projects, capital reserve and excess fund balance in the general fund).

There was a slight decrease in investment in capital assets as there were less capital expenditures. Restricted net position decreased slightly due to less excess surplus realized. Unrestricted net position is at a large deficit due to the net pension liability.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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**Table 2
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District	
	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2016</u>
Revenue:						
Program Revenue:						
Charges for Services			\$537,765.57	\$521,326.31	\$537,765.57	\$521,326.31
Operating Grants and Contributions	\$21,241,262.85	\$16,104,635.27	1,281,895.33	1,269,641.62	22,523,158.18	17,374,276.89
General Revenue:						
Property Taxes	30,887,194.00	30,325,919.00			30,887,194.00	30,325,919.00
Federal and State Aid not restricted	25,390,776.50	24,860,106.15			25,390,776.50	24,860,106.15
Federal and State Aid restricted	64,315.43	611,015.19			64,315.43	611,015.19
Other	173,396.96	207,690.36			173,396.96	207,690.36
Total Revenue	<u>77,756,945.74</u>	<u>72,109,365.97</u>	<u>1,819,660.90</u>	<u>1,790,967.93</u>	<u>79,576,606.64</u>	<u>73,900,333.90</u>
Expenses:						
Instruction	50,655,988.33	47,116,550.26			50,655,988.33	47,116,550.26
Student & Instructional Support Services	12,033,381.47	10,421,771.77			12,033,381.47	10,421,771.77
Administrative and Business	6,527,684.07	5,455,454.17			6,527,684.07	5,455,454.17
Maintenance & Operations	7,226,030.97	6,723,754.02			7,226,030.97	6,723,754.02
Transportation	1,942,646.10	1,723,701.50			1,942,646.10	1,723,701.50
Other	1,845,392.95	1,952,136.75	1,761,348.86	1,587,609.32	3,606,741.81	3,539,746.07
Total Expenses	<u>80,231,123.89</u>	<u>73,393,368.47</u>	<u>1,761,348.86</u>	<u>1,587,609.32</u>	<u>81,992,472.75</u>	<u>74,980,977.79</u>
Increase/(Decrease) in Net Position	<u>(\$2,474,178.15)</u>	<u>(\$1,284,002.50)</u>	<u>\$58,312.04</u>	<u>\$203,358.61</u>	<u>(\$2,415,866.11)</u>	<u>(\$1,080,643.89)</u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Sources of Revenue

The District's total revenue for the 2016-2017 school year was \$79,576,606.64 as reflected in Table 3 below. Property taxes and state and federal aid including pensions accounted for 95.69 percent of the total revenue with the other 4.31 percent consisting of restricted and unrestricted state and federal grants, charges for services, and miscellaneous sources.

Table 3
Sources of Revenue

<u>Sources of Revenue</u>	<u>FY 2017</u>		<u>FY 2016</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$30,887,194.00	38.81%	\$30,325,919.00	41.04%
State and Federal Aid	45,260,574.92	56.88%	39,642,677.84	53.64%
Federal and State Grants	2,717,675.19	3.42%	3,202,720.39	4.33%
Charges for Services	537,765.57	0.68%	521,326.31	0.71%
Other	173,396.96	0.21%	207,690.36	0.28%
	<u>\$79,576,606.64</u>	<u>100.00%</u>	<u>\$73,900,333.90</u>	<u>100.00%</u>

The increase in property taxes of \$546,079 is mainly attributable to an increase in the tax levy within the 2% allowed increase under current state regulations.

The increase of \$5,617,897.08 in other state and federal aid is mainly due to an increase in the State on behalf pension and post-retirement benefits paid by the State on behalf of the District and an increase in the actuarial pension as per the implementation of GASB 68 in 2015-2016.

Federal and State grants slightly decreased due to capital projects being completed with capital sda funding.

Charges for services slightly increased due to an increase in participation in the food service program

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Expenses

The total expenditures for the 2016-2017 fiscal year for all programs and services were \$81,992,472.75. Exhibit A-4 below summarizes these program costs. The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through twelve, which accounts for 78.83 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in all five school buildings. Maintenance and operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, unallocated depreciation expense and the costs of the business-type activities of the proprietary funds. It is important to note that depreciation expense on capital assets is included in expenses for the year under the new accounting reporting model; expenses therefore include \$1,892,136.47 for depreciation.

**Table 4
Expenses**

<u>Expense Category</u>	<u>FY 2017</u>		<u>FY 2016</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$50,655,988.33	61.78%	\$47,116,550.26	62.84%
Student & Instruction Services	12,033,381.47	14.68%	10,421,771.77	13.90%
Administrative and Business	6,527,684.07	7.96%	5,455,454.17	7.28%
Maintenance & Operations	7,226,030.97	8.81%	6,723,754.02	8.97%
Transportation	1,942,646.10	2.37%	1,723,701.50	2.30%
Other	3,606,741.81	4.40%	3,539,746.07	4.71%
	<u>\$81,992,472.75</u>	<u>100.00%</u>	<u>\$74,980,977.79</u>	<u>100.00%</u>

Governmental Activities

Table 5 presents the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) of seven major District activities: instruction, tuition, student and instructional services, administration and business, maintenance and operations, transportation, and other. The net cost shows the financial burden placed on the District's taxpayers and the state by each of these functions.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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**Table 5
Net Cost of Governmental Activities**

<u>Expense Category</u>	<u>FY 2017</u>		<u>FY 2016</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$35,154,538.92	59.65%	\$34,317,210.09	60.12%
Student & Instruction Services	7,822,204.50	13.27%	8,015,231.43	14.04%
Administrative and Business	5,069,141.60	8.60%	4,616,863.41	8.09%
Maintenance & Operations	7,226,030.97	12.26%	6,723,754.02	11.78%
Transportation	1,872,552.10	3.18%	1,663,537.50	2.91%
Other	1,787,080.91	3.04%	1,748,778.14	3.06%
	<u>\$58,931,549.00</u>	<u>100.00%</u>	<u>\$57,085,374.59</u>	<u>100.00%</u>

Instruction expenses include activities directly dealing with the teaching of students and the interaction between teacher and student, including extracurricular activities.

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, interest on long term debt, Extendicare program and food service.

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey Statutes and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the general fund. During the fiscal year there were differences between the original budget and the final amended budget as a result of transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between actual and budgeted amounts.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Described below are explanations for variations in revenues and expenditures for certain lines where the modified budgeted amounts differ from the original budget by significant amounts. All other fluctuations were considered immaterial and no explanations were deemed required.

Expenditures

The actual amounts expended for instruction, student & instruction related services, administrative & business, maintenance & operations and transportation increased slightly as employee contracts were settled. Transportation expenses increased due to increased contracted services for special education.

Other expenses remained relatively the same from the prior fiscal year.

Revenues

Revenues remained relatively the same as in the prior year. There was an increase in on-behalf pension contributions and pension actuarial liabilities, both provided by the state.

Capital Assets

During the fiscal year 2016-2017, the District's depreciation expense exceeded capital acquisitions, therefore capital assets net of depreciation decreased. Table 6 reflects the comparative balances of capital assets net of depreciation. The detail of the changes in capital assets is reflected in Note 3 to the financial statements.

Table 6
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2016</u>	
Constructon in Progress			\$129,906.68		\$129,906.68		100.00%
Site Improvements	\$276,478.89	\$308,956.43			276,478.89	\$308,956.43	-10.51%
Building and Building Improvements	49,417,970.35	50,598,983.91			49,417,970.35	50,598,983.91	-2.33%
Machinery and Equipment	<u>1,290,943.68</u>	<u>1,389,170.62</u>	<u>116,709.35</u>	<u>\$131,215.44</u>	<u>1,407,653.03</u>	<u>1,520,386.06</u>	<u>-7.41%</u>
Total Assets	<u>\$50,985,392.92</u>	<u>\$52,297,110.96</u>	<u>\$246,616.03</u>	<u>\$131,215.44</u>	<u>\$51,232,008.95</u>	<u>\$52,428,326.40</u>	<u>-2.28%</u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Debt Administration

At June 30, 2017 the District had \$33,245,219.56 outstanding long-term liabilities, consisting of bonds payable from construction, original issue premium, compensated absences and net pension liability. The District will continue to pay down its debt, as the obligations are due. Table 7 reflects the comparison of outstanding debt for the past two fiscal years. More information of the District's long-term liabilities is presented in Note 4 to the financial statements. A new refunding bond issue from 2015-2016 resulted in premium issue debt and well as a decrease in bonds payable. The most significant change was the increase in the net pension liability.

**Table 7
Outstanding Long-Term Liabilities**

	<u>Total School Debt</u>		<u>Total Percentage Change</u>
	<u>FY 2017</u>	<u>FY 2016</u>	
Compensated Absences	\$1,096,341.26	\$1,084,182.66	1.12%
Bonds Payable	8,995,000.00	9,865,000.00	-8.82%
Original Issue Premium	1,020,784.30		100.00%
Net Pension Liability	22,133,094.00	16,959,295.00	30.51%
	<u>\$33,245,219.56</u>	<u>\$27,908,477.66</u>	<u>19.12%</u>

The District's Future

The North Plainfield School District is currently in good financial condition. However, the regulatory climate continues to be a challenge adding additional administrative and operational burdens, without state financial support for ongoing extensive initiatives. Cases in point are the continuance of the enacted teacher and principal evaluation systems/procedures and the continuance of student testing procedures/requirements each of which necessitate committing scarce financial resources to support these overreaching state mandated programs. Additionally, the labor environment is becoming ever more restrictive and combative, requiring complicated contractual agreements, and driving increasing labor costs for salaries and health benefits.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Donald Sternberg, School Business Administrator/Board Secretary at the North Plainfield Board of Education, 33 Mountain Ave., North Plainfield, New Jersey 07060. Please visit our website at www.nplainfield.org 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, 2017.

DISTRICT-WIDE FINANCIAL STATEMENTS

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

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$3,727,068.71	\$695,079.55	\$4,422,148.26
Receivables, net	1,139,197.79	78,081.04	1,217,278.83
Inventory		18,830.61	18,830.61
Restricted assets:			
Restricted cash and cash equivalents	487,064.41		487,064.41
Capital assets:			
Construction in progress	6,332,618.07	129,906.68	6,462,524.75
Other capital assets, net of depreciation	<u>44,652,774.85</u>	<u>116,709.35</u>	<u>44,769,484.20</u>
Total Assets	56,338,723.83	1,038,607.23	57,377,331.06
DEFERRED OUTFLOW OF RESOURCES:			
Unamortized premium on refunding of long term debt	1,020,784.30		1,020,784.30
Related to pensions	<u>6,921,200.00</u>		<u>6,921,200.00</u>
Total deferred outflows of resources	7,941,984.30		7,941,984.30
LIABILITIES:			
Accounts payable	2,061,602.83	215,353.74	2,276,956.57
Payable to state government	28,946.97		28,946.97
Interfunds payable		20,000.00	20,000.00
Unearned revenue	186,843.33	19,186.60	206,029.93
Accrued interest on bonds	122,896.88		122,896.88
Noncurrent liabilities:			
Due within one year	805,000.00		805,000.00
Due beyond one year:			
Net pension liability	22,133,094.00		22,133,094.00
Compensated absences payable	1,096,341.26		1,096,341.26
Refunding bond premium	1,020,784.30		1,020,784.30
Bonds payable	<u>8,190,000.00</u>		<u>8,190,000.00</u>
Total liabilities	35,645,509.57	254,540.34	35,900,049.91
DEFERRED INFLOW OF RESOURCES:			
Gain on refunding bonds	816,804.01		816,804.01
Related to pensions	<u>133,396.00</u>		<u>133,396.00</u>
Total deferred inflows of resources	950,200.01		950,200.01
Net investment in capital assets	41,173,588.91	246,616.03	41,420,204.94
Restricted for:			
Capital projects	1,175,402.32		1,175,402.32
Debt Service (Deficit)	(10,411.33)		(10,411.33)
Other purposes	2,508,171.91		2,508,171.91
Unrestricted (deficit)	<u>(17,161,753.26)</u>	<u>537,450.86</u>	<u>(16,624,302.40)</u>
Total net position	<u>\$27,684,998.55</u>	<u>\$784,066.89</u>	<u>\$28,469,065.44</u>

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

NORTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2017

FUNCTIONS/PROGRAMS	EXPENSES	INDIRECT EXPENSES ALLOCATION	CHARGES FOR SERVICES	PROGRAM REVENUES OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular	\$17,990,096.04	\$15,069,212.90		\$10,785,571.94	(\$22,273,737.00)		(\$22,273,737.00)
Special education	8,496,351.89	3,311,883.62		3,186,164.59	(8,622,070.92)		(8,622,070.92)
Other	3,532,832.39	2,255,611.49		1,529,712.88	(4,258,731.00)		(4,258,731.00)
Support services:							
Tuition							
Student and instruction related services	7,201,445.67	4,831,935.80		4,211,176.97	(7,822,204.50)		(7,822,204.50)
General administrative services	893,518.73	398,582.63			(1,292,101.36)		(1,292,101.36)
School administrative services	2,480,427.50	2,155,583.29		1,458,542.47	(3,177,468.32)		(3,177,468.32)
Central services	388,086.40	211,485.52			(599,571.92)		(599,571.92)
Plant operations and maintenance	5,296,974.06	1,929,056.91			(7,226,030.97)		(7,226,030.97)
Student transportation services	1,725,011.41	217,634.69		70,094.00	(1,872,552.10)		(1,872,552.10)
Unallocated benefits	30,043,286.36	(30,043,286.36)					
Unallocated Depreciation	1,869,105.38	(337,700.49)			(1,531,404.89)		(1,531,404.89)
Interest on long term debt	313,988.06				(313,988.06)		(313,988.06)
Total governmental activities	80,231,123.89			21,241,262.85	(58,989,861.04)		(58,989,861.04)
Business-type activities:							
Food service	1,761,348.86		537,765.57	1,281,895.33		58,312.04	58,312.04
Total business-type activities	1,761,348.86		537,765.57	1,281,895.33		58,312.04	58,312.04
Total primary government	\$81,992,472.75		\$537,765.57	\$22,523,158.18	(\$58,989,861.04)	\$58,312.04	(\$58,931,549.00)
General Revenues:							
Taxes:							
Property taxes - general					\$29,641,483.00		\$29,641,483.00
Property taxes - debt service					1,245,711.00		1,245,711.00
Federal and state aid not restricted					25,390,776.50		25,390,776.50
Capital Grants					64,315.43		64,315.43
Miscellaneous income					173,396.96		173,396.96
Total general revenues					56,515,682.89		56,515,682.89
Change in net position					(2,474,178.15)	58,312.04	(2,415,866.11)
Net Position - beginning					30,159,176.70	725,754.85	30,884,931.55
Net Position ending					\$27,684,998.55	\$784,066.89	\$28,469,065.44

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 NORTH PLAINFIELD SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	<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	\$ 1,519,039.65	\$	\$ 2,095,543.51	\$ 112,485.55	\$ 3,727,068.71
Cash, capital reserve	487,064.41				487,064.41
Accounts receivable:					
Federal		109,201.57			109,201.57
State	472,552.00	58,633.18	467,563.26		998,748.44
Other	11,247.78				11,247.78
Interfunds	<u>121,449.76</u>				<u>121,449.76</u>
 Total assets	 <u>2,611,353.60</u>	 <u>167,834.75</u>	 <u>2,563,106.77</u>	 <u>112,485.55</u>	 <u>5,454,780.67</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	103,181.69	28,371.13	1,209,928.01		1,341,480.83
Interfund payable		101,449.76			101,449.76
Intergovernmental payables:					
State		28,946.97			28,946.97
Unearned revenue		<u>9,066.89</u>	<u>177,776.44</u>		<u>186,843.33</u>
 Total liabilities	 <u>103,181.69</u>	 <u>167,834.75</u>	 <u>1,387,704.45</u>		 <u>1,658,720.89</u>
Fund balances:					
Restricted for:					
Capital reserve account	487,064.41				487,064.41
Excess surplus	651,768.29				651,768.29
Excess surplus - designated for subsequent year's expenditures	1,343,274.00				1,343,274.00
Capital projects fund			130,569.77		130,569.77
Debt service fund				112,485.55	112,485.55
Committed for:					
Year-end encumbrances			1,044,832.55		1,044,832.55
Assigned for:					
ARRA/SEMI - Designated for subsequent years expenditures	<u>26,065.21</u>				<u>26,065.21</u>
 Total fund balances	 <u>2,508,171.91</u>		 <u>1,175,402.32</u>	 <u>112,485.55</u>	 <u>3,796,059.78</u>
 Total liabilities and fund balances	 <u>\$ 2,611,353.60</u>	 <u>\$ 167,834.75</u>	 <u>\$ 2,563,106.77</u>	 <u>\$ 112,485.55</u>	 <u>\$ 5,454,780.67</u>

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

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

Total Fund Balances (Brought Forward) \$3,796,059.78

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

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

Cost of Assets	\$74,018,578.87	
Accumulated Depreciation	<u>(23,033,185.95)</u>	50,985,392.92

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.

Net pension liability	(22,133,094.00)	
Serial bonds payable	(8,995,000.00)	
Premium on refunding debt, net	(816,804.01)	
Compensated absences payable	<u>(1,096,341.26)</u>	(33,041,239.27)

Deferred Outflows and Inflows of resources are applicable
to future periods and therefore are not reported in the funds.

Pensions:

Deferred Outflows		
Pension related		6,456,636.00

Deferred Inflows:

Pension related		(133,396.00)
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Certain liabilities are not due and payable in the current period
and therefore, are not reported in the governmental funds.

Accounts Payable - Pension related	(255,558.00)	
Accrued Interest Payable	<u>(122,896.88)</u>	<u>(378,454.88)</u>

Net Position of Governmental Activities \$27,684,998.55

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

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$ 29,641,483.00	\$ -	\$ -	\$ 1,245,711.00	\$ 30,887,194.00
Miscellaneous	146,730.73	6,774.54		1,634.95	155,140.22
Total - local sources	29,788,213.73	6,774.54		1,247,345.95	31,042,334.22
State sources	32,106,984.09	797,170.43	64,315.43		32,968,469.95
Federal sources	238,965.49	1,849,414.79			2,088,380.28
Total revenues	62,134,163.31	2,653,359.76	64,315.43	1,247,345.95	66,099,184.45
EXPENDITURES:					
Current expense:					
Regular instruction	17,128,400.13	779,001.91			17,907,402.04
Special instruction	3,640,756.51	940,108.00			4,580,864.51
Other Instruction	2,739,520.39				2,739,520.39
Support services:					
Tuition	4,098,258.38				4,098,258.38
Student & instruction related services	6,070,333.92	934,249.85			7,004,583.77
General administrative services	893,518.73				893,518.73
School administrative services	2,480,427.50				2,480,427.50
Central services	388,086.40				388,086.40
Plant operations and maintenance	5,296,974.06				5,296,974.06
Student transportation	1,725,011.41				1,725,011.41
Employee benefits	16,875,696.76				16,875,696.76
Capital outlay debt assessment	196,636.00				196,636.00
Capital outlay	498,514.94		59,098.30		557,613.24
Charter schools	693,235.00				693,235.00
Debt Service:					
Principal				870,000.00	870,000.00
Interest				270,377.22	270,377.22
Total expenditures	62,725,370.13	2,653,359.76	59,098.30	1,140,377.22	66,578,205.41
Excess (deficiency) of revenues over (under) expenditures	(591,206.82)		5,217.13	106,968.73	(479,020.96)
Other financing sources (uses):					
Transfers in	5,724.94				5,724.94
Transfer out			(5,724.94)		(5,724.94)
Total other financing sources	5,724.94		(5,724.94)		
Net change in fund balances	(585,481.88)		(507.81)	106,968.73	(479,020.96)
Fund balances, July 1, 2016	3,093,653.79		1,175,910.13	5,516.82	4,275,080.74
Fund balances, June 30, 2017	\$ 2,508,171.91	\$ -0-	\$ 1,175,402.32	\$ 112,485.55	\$ 3,796,059.78

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

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Total net change in fund balances - governmental funds (from B-2) \$ (479,020.96)

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	\$	(1,869,105.38)	
Capital outlays		754,249.24	
Less: Capital outlays not capitalized		<u>(196,861.90)</u>	
			(1,311,718.04)

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		870,000.00	
Amortization of deferred amounts on refunding bonds		<u>25,031.29</u>	
			895,031.29

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

Increase in accrued interest payable			(43,610.84)
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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		663,897.00	
Less: Pension expense		<u>(2,186,598.00)</u>	
			(1,522,701.00)

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 (+).

Increase in compensated absences payable			<u>(12,158.60)</u>
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Change in net position of governmental activities	\$		<u>(2,474,178.15)</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

OTHER FUNDS

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS (MAJOR)</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 695,079.55
Accounts receivable:	
Federal	72,898.27
State	1,127.89
Other	4,054.88
Inventories	<u>18,830.61</u>
Total current assets	<u>791,991.20</u>
Noncurrent assets:	
Furniture, machinery & equipment	594,735.25
Less accumulated depreciation	<u>(348,119.22)</u>
Total noncurrent assets	<u>246,616.03</u>
Total assets	<u>1,038,607.23</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	215,353.74
Interfunds payable	20,000.00
Unearned revenue	<u>19,186.60</u>
Total current liabilities	<u>254,540.34</u>
Total liabilities	<u>254,540.34</u>
NET POSITION:	
Restricted for:	
Net investment in capital assets	246,616.03
Unrestricted	<u>537,450.86</u>
Total net position	<u>\$ 784,066.89</u>

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

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS (MAJOR)</u>
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 407,079.37
Daily sales non-reimbursable programs	<u>130,686.20</u>
Total operating revenues	<u>537,765.57</u>
OPERATING EXPENSES:	
Cost of sales-reimbursable programs	786,652.04
Cost of sales-non-reimbursable programs	53,068.46
Salaries and employee benefits	629,777.12
Management fee	23,362.00
Other Purchased services	20,000.00
Repairs and other	225,458.15
Depreciation	<u>23,031.09</u>
Total operating expenses	<u>1,761,348.86</u>
Operating loss	<u>(1,223,583.29)</u>
NONOPERATING REVENUES:	
State Sources	
State school lunch program	18,985.15
Federal Sources	
National school lunch program	922,582.78
National school breakfast program	207,155.99
National food distribution commodities	<u>133,171.41</u>
Total nonoperating revenues	<u>1,281,895.33</u>
Change in net position	58,312.04
Total net position - beginning	<u>725,754.85</u>
Total net position - ending	<u>\$ 784,066.89</u>

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

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS (MAJOR)</u>
Cash flows from operating activities:	
Receipts from customers	\$ 562,325.35
Payments to employees and employee benefits	(629,777.12)
Payments to suppliers	<u>(1,120,368.80)</u>
Net cash provided by (used for) operating activities	<u>(1,187,820.57)</u>
Cash flows from noncapital financing activities:	
State Sources	19,291.68
Federal Sources	<u>1,280,587.08</u>
Net cash provided by noncapital financing activities:	<u>1,299,878.76</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	<u>(8,525.00)</u>
Net cash provided by (used for) capital and related financing activities	<u>(8,525.00)</u>
Net decrease in cash and cash equivalents	103,533.19
Cash and cash equivalents, July 1, 2016	<u>591,546.36</u>
Cash and cash equivalents, June 30, 2017	<u>\$ 695,079.55</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ (1,223,583.29)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation and net amortization	23,031.09
Change in assets and liabilities:	
(Increase) decrease in inventories	3,797.77
Increase (decrease) in unearned revenue	8,614.66
(Increase) decrease in accounts receivable	(4,054.88)
Increase (decrease) in accounts payable	<u>4,374.08</u>
Net cash provided by (used for) operating activities	<u>\$ (1,187,820.57)</u>

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

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>AGENCY FUNDS</u>	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>PRIVATE PURPOSE SCHOLARSHIP FUNDS</u>
ASSETS:			
Cash and cash equivalents	\$ <u>737,608.65</u>	\$ <u>154,161.18</u>	\$ <u>478,720.80</u>
Total assets	<u>737,608.65</u>	<u>154,161.18</u>	<u>478,720.80</u>
LIABILITIES:			
Payroll deductions and withholdings	94,733.27		
Summer Pay	563,117.24		
Due to student groups	<u>79,758.14</u>		
Total liabilities	\$ <u>737,608.65</u>		
NET POSITION:			
Held in trust for unemployment claims and other purposes		<u>154,161.18</u>	<u>487,582.40</u>
Total net position		\$ <u>154,161.18</u>	\$ <u>487,582.40</u>

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

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	PRIVATE PURPOSE SCHOLARSHIP FUNDS	UNEMPLOYMENT COMPENSATION TRUST
ADDITIONS:		
Contributions:		
Employee contributions	\$ 26,386.60	\$ 40,673.46
Other	<u>26,386.60</u>	<u>40,673.46</u>
Total contributions	<u>26,386.60</u>	<u>40,673.46</u>
Total additions	<u>26,386.60</u>	<u>40,673.46</u>
DEDUCTIONS:		
Other purposes - scholarships	17,525.00	
Unemployment claims		<u>123,570.85</u>
Total deductions	<u>17,525.00</u>	<u>123,570.85</u>
Change in net position	8,861.60	(82,897.39)
Net position beginning of year	<u>478,720.80</u>	<u>237,058.57</u>
Net position end of year	<u>\$ 487,582.40</u>	<u>\$ 154,161.18</u>

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

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the North Plainfield School District (the "District") have been prepared in conformity with U.S. Generally Accepted Accounting Principles (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 Board's accounting policies are described below.

Reporting Entity

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

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

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

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include pre-kindergarten through high school education. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

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

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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. 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 fixed 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 current expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund - 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 (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, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Funds

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

Fiduciary Fund Types

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

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

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

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

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting – Measurement Focus

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

Districtwide, Proprietary, and Fiduciary Fund Financial Statements: The Districtwide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of 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 general 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 of general 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, Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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 for approval. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April 2013 school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23. All budget amendments and transfers must be approved by School Board resolution. The over-expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

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 year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted 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 recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial records.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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 deferred revenues at fiscal year end.

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

Interfunds

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

Inventories and Prepaid Expenses

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

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

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

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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.

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

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

Compensated Absences

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

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

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 full 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 and contracts.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is 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. In accordance with GAAP, for the governmental funds, in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents 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.

Unrestricted net position represents the remains of the District's equity in the cumulative earnings of the proprietary funds.

Unearned Revenue

Unearned revenue in the general and special revenue 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 allowable under generally accepted accounting principles.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Bonds are 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.

Fund Balances

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

Nonspendable – 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.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances (Continued)

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 as Assigned Fund Balance. The District also reports 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.

Revenues Exchange and Non-Exchange Transactions

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

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-Exchange Transactions (Continued)

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

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.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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.

In the governmental fund financial statements the year end 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 reflect both a revenue and expense for this pension contribution.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 only one item that qualifies for reporting in this category, 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. The District has two items that qualify in this category, deferred amounts on refunding bonds and deferred amounts related to pension.

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS

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

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. 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.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Deposits (Continued)

As of June 30, 2017, cash and cash equivalents of the District consisted of the following:

Fund Type:	<u>Bank</u>	Reconciling Items:		Reconciled
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Governmental	\$4,389,090.06	\$812,909.20	\$987,866.14	\$4,214,133.12
Proprietary	824,265.86		129,186.31	695,079.55
Fiduciary	<u>1,732,806.64</u>	<u> </u>	<u>177,371.04</u>	<u>1,555,435.60</u>
	<u>\$6,946,162.56</u>	<u>\$812,909.20</u>	<u>\$1,294,423.49</u>	<u>\$6,464,648.27</u>

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, 2017, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$500,000.00 was covered by Federal Depository Insurance and \$6,446,162.56 was covered under the provisions of NJ GUDPA. The New Jersey ARM Fund is an investment pool and is not insured by either FDIC or GUDPA.

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.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Investments (Continued)

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Investments (Continued)

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.

As of June 30, 2017, the Board had \$352,275.82 on deposit with the NJARM. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 3: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	Ending <u>Balance</u>
Governmental Activities:			
Site improvements	\$1,010,545.48		\$1,010,545.48
Buildings & Building Improvements	67,095,849.64	\$150,816.01	67,246,665.65
Machinery & Equipment	<u>5,354,794.41</u>	<u>406,571.33</u>	<u>5,761,367.74</u>
Gross Assets (Memo only)	<u>73,461,191.53</u>	<u>557,387.34</u>	<u>74,018,578.87</u>
Less: Accumulated Depreciation			
Site improvements	(701,589.05)	(32,477.54)	(734,066.59)
Buildings & Building Improvements	(16,496,865.73)	(1,331,829.57)	(17,828,695.30)
Machinery & Equipment	<u>(3,965,625.79)</u>	<u>(504,798.27)</u>	<u>(4,470,424.06)</u>
Total Depreciation	<u>(21,164,080.57)</u>	<u>(1,869,105.38)</u>	<u>(23,033,185.95)</u>
Total Governmental Fund Activities	<u><u>\$52,297,110.96</u></u>	<u><u>(\$1,311,718.04)</u></u>	<u><u>\$50,985,392.92</u></u>
Proprietary Activities:			
Construction in Progress		\$129,906.68	\$129,906.88
Machinery & Equipment	<u>\$456,303.57</u>	<u>8,525.00</u>	<u>464,828.57</u>
Totals at historical cost	<u>456,303.57</u>	<u>138,431.68</u>	<u>594,735.45</u>
Less: Accumulated Depreciation			
Machinery & Equipment	<u>(325,088.13)</u>	<u>(23,031.09)</u>	<u>(348,119.22)</u>
Total Depreciation	<u>(325,088.13)</u>	<u>(23,031.09)</u>	<u>(348,119.22)</u>
Total Proprietary Fund Activities	<u><u>\$131,215.44</u></u>	<u><u>\$115,400.59</u></u>	<u><u>\$246,616.03</u></u>

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 3: CAPITAL ASSETS (CONTINUED)

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

Instruction:	
Regular	(\$314,199.37)
Support services:	
School administrative services	(4,914.90)
Plant operations and maintenance	(1,258.83)
Pupil transportation	(17,327.39)
Direct Expense of various functions	<u>(1,531,404.89)</u>
	<u><u>(\$1,869,105.38)</u></u>

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.

As of June 30, 2017 the District did not have any bonds authorized but not issued.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2017:

	<u>Bonds Payable</u>	<u>Compensated Absences Payable</u>	<u>Original Issue Premium</u>	<u>Net Pension Liability</u>	<u>Total</u>
Balance, July 1, 2016	\$9,865,000.00	\$1,084,182.66		\$16,959,295.00	\$27,908,477.66
Additions/Issued		12,158.60	1,020,784.30	5,173,799.00	6,206,741.90
Reductions	<u>870,000.00</u>				<u>870,000.00</u>
Balance, June 30, 2017	<u>\$8,995,000.00</u>	<u>\$1,096,341.26</u>	<u>\$1,020,784.30</u>	<u>\$22,133,094.00</u>	<u>\$33,245,219.56</u>
Amounts Due Within One Year	<u>\$805,000.00</u>				<u>\$805,000.00</u>

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2017, including interest payments on issued debt, are as follows:

Fiscal Year June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$805,000.00	\$309,612.50	\$1,114,612.50
2019	865,000.00	278,525.00	1,143,525.00
2020	885,000.00	252,275.00	1,137,275.00
2021	920,000.00	225,200.00	1,145,200.00
2022	940,000.00	197,300.00	1,137,300.00
2023	935,000.00	164,500.00	1,099,500.00
2024	930,000.00	127,200.00	1,057,200.00
2025	920,000.00	90,200.00	1,010,200.00
2026	905,000.00	53,700.00	958,700.00
2027	<u>890,000.00</u>	<u>17,800.00</u>	<u>907,800.00</u>
	<u>\$8,995,000.00</u>	<u>\$1,716,312.50</u>	<u>\$10,711,312.50</u>

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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, 2017</u>
\$8,230,000.00 in 2016 Refunding Bonds due in remaining annual installments ranging between \$40,000.00 and \$940,000.00 beginning August 15, 2016 and ending August 15, 2026 with interest at 2.0% to 4.0%	\$8,190,000.00
\$4,645,000.00 in 2010 Refunding Bonds due in remaining annual installments ranging between \$740,000.00 and \$805,000.00 beginning August 15, 2012 and ending August 15, 2017 with interest at 3.0% to 4.5%	<u>805,000.00</u>
	<u>\$8,995,000.00</u>

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 calendar year ended December 31, 2016, the District's borrowing capacity under N.J.S. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2016	\$1,543,613,376
2015	1,528,959,113
2014	<u>1,495,731,460</u>
	<u>\$4,568,303,949</u>
Average equalized valuation	<u>\$1,522,767,983</u>
School borrowing margin (4% of \$1,522,767,983)	\$60,910,719
Net school debt as of June 30, 2017	<u>8,995,000</u>
School borrowing power available	<u>\$51,915,719</u>

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 5: PENSION PLANS

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

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

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

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

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

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

Pension Plan Design Changes

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

Funding Changes

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

COLA Suspension

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

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

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

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e. the State of new Jersey makes the employer contribution on behalf of public school districts.

Three Year Trend Information for PERS

Year Ended <u>June 30,</u>	Annual Pension Cost <u>(APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
2017	\$666,414.00	100%	\$666,414.00
2016	649,521.00	100%	649,521.00
2015	616,178.00	100%	616,178.00

During the fiscal years ended June 30, 2017, 2016 and 2015, the State of New Jersey contributed \$2,727,778.00, \$1,945,221.00 and \$1,298,500.00, respectively to the TPAF pension system on behalf of the District.

Also during the fiscal year ended June 30, 2017, the State of New Jersey contributed \$9,598.00 to the TPAF long term disability insurance fund on behalf of the District

Also, in accordance with N.J.S.A. 18A:66-66, during the years ended June 30, 2017, 2016 and 2015, the State of New Jersey reimbursed the District \$1,874,844.09, \$1,867,551.07 and \$1,783,278.70, respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Public Employees Retirement System (PERS)

At June 30, 2017, the District reported a liability of \$22,133,094.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. 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 school districts, actuarially determined. At June 30, 2016, the District's proportion was 0.0747307152 percent, which was a decrease of 0.0008185429 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$2,186,559.00. At June 30, 2017, 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		\$411,608.00
Changes of assumptions		4,584,795.00
Net difference between projected and actual earnings on pension plan investments		843,955.00
Changes in proportion and differences between District contributions and proportionate share of contributions	\$133,396.00	360,720.00
District contributions subsequent to the measurement date		255,558.00
	<u>\$133,396.00</u>	<u>\$6,456,636.00</u>

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Public Employees Retirement System (PERS) (Continued)

The \$6,456,636.00 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, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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	Amount
<u>June 30</u>	<u>Amount</u>
2018	\$1,389,124.00
2019	\$1,389,124.00
2020	\$457,927.00
2021	\$1,303,480.00
2022	\$388,337.00

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.08 Percent
Salary Increases	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.65 Percent

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Public Employees Retirement System (PERS) (Continued)

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016 and 7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and 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.

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.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return (Continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

	June 30, 2016	
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	(0.25%)
REIT	5.25%	5.63%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and 7.90%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, 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.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Discount Rate (Continued)

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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employer contributed 100% of their 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, 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 collective net pension liability of the participating employers as of June 30, 2016 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:

	1% Decrease <u>2.98%</u>	At Current Discount Rate <u>3.98%</u>	1% Increase <u>4.98%</u>
District's proportionate share of the pension liability	\$27,121,524.00	\$22,133,094.00	\$18,014,713.00

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>.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

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, 2017 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$191,126,647</u>
	<u><u>\$191,126,647</u></u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. 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, 2016, the proportion of the TPAF net pension liability associated with the District was .2429585269% which was an increase of .0027787097 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized on-behalf pension expense and revenue of \$14,360,508.00 for contributions provided by the State. This pension expense and revenue was based on the pension plan's June 30, 2016 measurement date.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Teachers Pensions and Annuity Fund (TPAF) (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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	7.65%

Mortality rates

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

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:

<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>	

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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 3.22% and 4.13% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and 7.90, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, 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 contribution rate in the most recent fiscal year. The State contributed 30% of the 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 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, 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>.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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.

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on state disability retirement. P.L. 2007, Chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees eligible for post-retirement medical benefits, and the State contributed \$1.37 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 benefits 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 employer paid 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 \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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 District for the years ended June 30, 2017, 2016 and 2015 were \$2,272,859.00, \$2,316,220.00 and \$2,061,368.00, 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 District 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, except as described below.

The District continues to be involved in litigation regarding its school facilities construction project. While the District has received favorable rulings dismissing suits brought by the general contractor and the electrical contractor, the District remains involved in several litigations, including litigation with the bonding company for the general contractor. The District is attempting to recover damages relating to delays in construction, and at the same time defending against claims asserted against the District. The District's construction counsel has advised that the amount of recovery, if any, which the District may be receive, and the amount of damages, if any, for which the District may be liable, cannot presently be determined.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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 2016-2017 fiscal year were subject to the 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.

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:

<u>Year Ended</u> <u>June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2017	\$40,673.46	\$123,570.85	\$154,161.18
2016	56,814.94	23,656.84	237,058.57
2015	39,396.14	52,539.22	203,900.47

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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.

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, 2017 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 (Exhibit B-1)– Of the \$2,508,171.91 General Fund fund balance at June 30, 2017, \$26,065.21 has been assigned and designated for ARRA/SEMI; \$168,804.47 has been assigned for year-end encumbrances but is not reflected as assigned on the balance sheet since the unassigned balance would be negative; \$487,064.41 is restricted in the capital reserve; \$2,782,574.00 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7, of which \$1,343,274.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2018, however \$787,531.71 of the total excess surplus is not reflected on the balance sheet since the unassigned balance would be negative.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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 designation for 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 restrict 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 North Plainfield School District has \$1,439,300.00 excess fund balance resulting from the year ended June 30, 2017.

General Fund Expenditures Fiscal Year Ended June 30, 2017	\$62,725,370.13
Less:	
On-behalf TPAF Pension and Social Security Reimbursement	6,885,079.09
Adjusted General Fund Expenditures	55,840,291.04
Excess Surplus Percentage	2.00%
2% of Adjusted 2016-17 General Fund Expenditures	1,116,805.82
Add: Allowable Adjustments	380,097.00
Maximum Unassigned Fund Balance	1,496,902.82
Actual Unassigned Fund Balance	2,936,202.82
Excess Surplus	\$1,439,300.00

NOTE 14: INVENTORY

Inventory in the Food Service Fund at June 30, 2017 consisted of the following:

Food and Supplies	<u>\$18,830.61</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act amendments 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.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 15: 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, a district may increase the balance in the capital reserve as per N.J.S.A. 18A:7G-31(c), 18A:7G-13 and N.J.A.C. 6A23A-14.1, by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. N.J.S.A. 18A:7F-41(a), 18A:7F-41(b) and N.J.A.C.6A:23A-14.3 permit a district board of education to transfer by board resolution (prior to June 30) any unanticipated revenue or unexpended line-item appropriation amounts to the capital reserve for withdrawal in subsequent school years. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the year ending June 30, 2017 is as follows:

Beginning balance, July 1, 2016	\$286,974.21
Add: Board resolution	200,090.20
Ending balance, June 30, 2017	<u>\$487,064.41</u>

The withdrawals from the capital reserve were for use in the capital outlay portion of 2016-2017 budget, consistent with the district's Long Range Facilities Plan.

NOTE 16: 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, 2017.

North Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 17: INTERFUND RECEIVABLES AND PAYABLES

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made. The following interfund balances remained on the balance sheet at June 30, 2017.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$121,449.76	
Special Revenue Fund		\$101,449.76
Enterprise Fund		20,000.00
	<u>\$121,449.76</u>	<u>\$121,449.76</u>

NOTE 18: COMMITMENTS

The District has funds committed as of June 30, 2017 relating to the approved referendum project, which include additions and renovations at all schools. At June 30, 2017, the District's commitments relating to the referendum project amounted to \$2,228,397.05, which is reported as restricted for capital projects on the balance sheet in the capital projects fund.

NOTE 19: RESTRICTED ASSETS

The funds set aside for the capital reserve are classified as restricted assets (cash and cash equivalents) as they are restricted for use for future capital requirements.

NOTE 20: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through November 27, 2017 which is the date the financial statements were available to be issued. No items were noted for disclosure or adjustment.

REQUIRED SUPPLEMENTARY INFORMATION – Part II

BUDGETARY COMPARISON SCHEDULES

NORTH PLAINFIELD BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local sources:					
Local tax levy	\$ 29,641,483.00	\$	\$ 29,641,483.00	\$ 29,641,483.00	\$
Miscellaneous	60,000.00	_____	60,000.00	146,730.73	86,730.73
Total-local sources	29,701,483.00	_____	29,701,483.00	29,788,213.73	86,730.73
State sources:					
Equalization aid	22,281,699.00	_____	22,281,699.00	22,281,699.00	_____
Special education aid	2,060,334.00	_____	2,060,334.00	2,060,334.00	_____
Security aid	272,195.00	_____	272,195.00	272,195.00	_____
Under adequacy aid	78,758.00	_____	78,758.00	78,758.00	_____
Transportation aid	70,094.00	_____	70,094.00	70,094.00	_____
PARCC readiness aid	33,580.00	_____	33,580.00	33,580.00	_____
Per pupil growth aid	33,580.00	_____	33,580.00	33,580.00	_____
Professional learning community aid	33,040.00	_____	33,040.00	33,040.00	_____
Extraordinary aid	_____	_____	_____	380,097.00	380,097.00
On-behalf TPAF non-contributory insurance (non-budgeted)	_____	_____	_____	95,378.00	95,378.00
On-behalf TPAF post retirement medical (non-budgeted)	_____	_____	_____	2,272,859.00	2,272,859.00
On-behalf TPAF pension contributions (non-budgeted)	_____	_____	_____	2,632,400.00	2,632,400.00
On-behalf TPAF long term disability insurance (non-budgeted)	_____	_____	_____	9,598.00	9,598.00
Reimbursed TPAF social security contributions (non-budgeted)	_____	_____	_____	1,874,844.09	1,874,844.09
Total - state sources	24,863,280.00	_____	24,863,280.00	32,128,456.09	7,265,176.09
Federal sources:					
Special education medicaid initiative (SEMI ARRA)	_____	_____	_____	5,263.23	5,263.23
Special education medicaid initiative (SEMI)	87,645.00	_____	87,645.00	233,702.26	146,057.26
Total - federal sources	87,645.00	_____	87,645.00	238,965.49	151,320.49
Total revenues	54,652,408.00	_____	54,652,408.00	62,155,635.31	7,503,227.31
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	731,675.00	(159,000.00)	572,675.00	565,830.50	6,844.50
Grades 1-5	4,729,395.00	781,500.00	5,510,895.00	5,503,730.69	7,164.31
Grades 6-8	4,008,205.00	17,266.38	4,025,471.38	4,013,638.24	11,833.14
Grades 9-12	5,514,851.00	(512,406.91)	5,002,444.09	5,000,721.82	1,722.27
Regular programs - home instruction:					
Salaries of teachers	60,000.00	(40,659.47)	19,340.53	19,340.53	_____
Purchased professional educational services	50,058.00	(17,000.00)	33,058.00	25,817.60	7,240.40
Regular programs - undistributed instruction:					
Other salaries for instruction	1,254,251.00	(197,900.00)	1,056,351.00	1,051,645.98	4,705.02
Purchased professional - educational services	42,765.00	(24,500.00)	18,265.00	18,146.00	119.00
Purchased technical services	351,000.00	(137,566.52)	213,433.48	211,457.38	1,976.10
Other purchased services (400 - 500 series)	14,050.00	3,731.68	17,781.68	13,325.27	4,456.41
General supplies	590,283.03	2,189.54	592,472.57	547,621.50	44,851.07
Textbooks	190,000.00	(37,521.79)	152,478.21	151,679.80	798.41
Other objects	3,200.00	4,529.04	7,729.04	5,444.82	2,284.22
Total regular programs - undistributed instruction	2,445,549.03	(387,038.05)	2,058,510.98	1,999,320.75	59,190.23
Total regular programs	17,539,733.03	(317,338.05)	17,222,394.98	17,128,400.13	93,994.85
Learning and/or language disabilities:					
Salaries of teachers	217,795.00	351.00	218,146.00	218,146.00	_____
Total neurologically impaired	217,795.00	351.00	218,146.00	218,146.00	_____
Resource room:					
Salaries of teachers	3,498,740.00	(33,551.00)	3,465,189.00	3,407,955.56	57,233.44
General supplies	15,000.00	_____	15,000.00	14,654.95	345.05
Total resource room	3,513,740.00	(33,551.00)	3,480,189.00	3,422,610.51	57,578.49
Total special education	\$ 3,731,535.00	\$ (33,200.00)	\$ 3,698,335.00	\$ 3,640,756.51	\$ 57,578.49

NORTH PLAINFIELD BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Basic skills/remedial:					
Salaries of teachers	\$ 872,705.00	\$ (151,000.00)	\$ 721,705.00	\$ 714,441.16	\$ 7,263.84
General supplies	2,880.00		2,880.00	2,488.34	391.66
Total basic skills/remedial	<u>875,585.00</u>	<u>(151,000.00)</u>	<u>724,585.00</u>	<u>716,929.50</u>	<u>7,655.50</u>
Bilingual education:					
Salaries of teachers	712,836.00	(63,994.29)	648,841.71	641,516.90	7,324.81
General supplies	4,050.00	(0.10)	4,049.90	4,041.27	8.63
Total bilingual education	<u>716,886.00</u>	<u>(63,994.39)</u>	<u>652,891.61</u>	<u>645,558.17</u>	<u>7,333.44</u>
School sponsored cocurricular activities:					
Salaries	206,010.00	23,544.39	229,554.39	229,554.39	
Purchased services	3,000.00		3,000.00	2,444.00	556.00
General supplies	28,000.00	5,656.14	33,656.14	24,873.52	8,782.62
Total school sponsored cocurricular activities	<u>237,010.00</u>	<u>29,200.53</u>	<u>266,210.53</u>	<u>256,871.91</u>	<u>9,338.62</u>
School sponsored athletics:					
Salaries	381,442.00	18,198.00	399,640.00	391,773.73	7,866.27
Purchased services (300 - 500 series)	168,600.00		168,600.00	161,938.24	6,661.76
Supplies and materials	73,623.60		73,623.60	71,485.70	2,137.90
Other objects	1,000.00		1,000.00		1,000.00
Total school sponsored athletics	<u>624,665.60</u>	<u>18,198.00</u>	<u>642,863.60</u>	<u>625,197.67</u>	<u>17,665.93</u>
Summer school instruction					
Salaries	166,642.00	(598.59)	166,043.41	154,075.03	11,968.38
	<u>166,642.00</u>	<u>(598.59)</u>	<u>166,043.41</u>	<u>154,075.03</u>	<u>11,968.38</u>
Instructional alternative education program - instruction					
Salaries	149,600.00		149,600.00	117,142.00	32,458.00
Total instructional alt ed. prog. - instruction	<u>149,600.00</u>		<u>149,600.00</u>	<u>117,142.00</u>	<u>32,458.00</u>
Instructional alternative education program - support services					
Salaries	273,367.00		273,367.00	221,111.46	52,255.54
Supplies and materials	5,000.00		5,000.00	2,634.65	2,365.35
Total instructional alternative ed. prog. - support	<u>278,367.00</u>		<u>278,367.00</u>	<u>223,746.11</u>	<u>54,620.89</u>
Total instructional alternative education program	<u>427,967.00</u>		<u>427,967.00</u>	<u>340,888.11</u>	<u>87,078.89</u>
Total other instructional programs	<u>3,048,755.60</u>	<u>(168,194.45)</u>	<u>2,880,561.15</u>	<u>2,739,520.39</u>	<u>141,040.76</u>
Total - instruction	<u>24,320,023.63</u>	<u>(518,732.50)</u>	<u>23,801,291.13</u>	<u>23,508,677.03</u>	<u>292,614.10</u>
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular	25,561.00	26,508.00	52,069.00	52,069.00	
Tuition to other LEA's within the state-special	1,800,000.00	330,900.85	2,130,900.85	2,081,175.33	49,725.52
Tuition to county vocational school district-regular	65,000.00	(34,174.00)	30,826.00	30,625.00	201.00
Tuition to private schools for the handicapped w/in state	2,024,420.00	50,099.15	2,074,519.15	1,834,312.05	240,207.10
Tuition-state facilities	100,077.00		100,077.00	100,077.00	
Tuition-other	45,266.00	(45,028.00)	238.00		238.00
Total undistributed expenditures - instruction	<u>4,060,324.00</u>	<u>328,306.00</u>	<u>4,388,630.00</u>	<u>4,098,258.38</u>	<u>290,371.62</u>
Attendance and social work services:					
Salaries	79,686.00	(5,000.00)	74,686.00	71,508.34	3,177.66
Purchased professional - educational services	15,000.00	(11,565.47)	3,434.53		3,434.53
Total attendance and social work services	<u>94,686.00</u>	<u>(16,565.47)</u>	<u>78,120.53</u>	<u>71,508.34</u>	<u>6,612.19</u>
Health services:					
Salaries	535,225.00	565.47	535,790.47	535,790.47	
Purchased professional and technical services	27,000.00	151,500.00	178,500.00	165,526.43	12,973.57
Supplies and materials	8,000.00	300.00	8,300.00	7,904.64	395.36
Other objects	10,000.00		10,000.00	7,578.76	2,421.24
Total health services	<u>\$ 580,225.00</u>	<u>\$ 152,365.47</u>	<u>\$ 732,590.47</u>	<u>\$ 716,800.30</u>	<u>\$ 15,790.17</u>

NORTH PLAINFIELD BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other support services - speech, ot/pt & related services:					
Salaries	\$ 380,262.00	\$ 39,500.00	\$ 419,762.00	\$ 418,982.75	\$ 779.25
Purchased professional - educational services	20,000.00	32,500.00	52,500.00	52,106.69	393.31
Supplies and materials	3,500.00	30.00	3,530.00	3,524.16	5.84
Total other support services - speech, ot/pt & related services	<u>403,762.00</u>	<u>72,030.00</u>	<u>475,792.00</u>	<u>474,613.60</u>	<u>1,178.40</u>
Other support services - students - extra services:					
Purchased professional - educational services	250,000.00	(104,400.00)	145,600.00	140,289.20	5,310.80
Guidance:					
Salaries of other professional staff	942,434.00	(64,400.00)	878,034.00	863,665.17	14,368.83
Salaries of secretarial and clerical assistants	115,350.00		115,350.00	107,821.69	7,528.31
Total guidance	<u>1,057,784.00</u>	<u>(64,400.00)</u>	<u>993,384.00</u>	<u>971,486.86</u>	<u>21,897.14</u>
Child study teams					
Salaries of other professional staff	1,243,147.00	55,450.20	1,298,597.20	1,298,314.77	282.43
Salaries of secretarial and clerical assistants	160,515.00	1,549.80	162,064.80	160,823.05	1,241.75
Purchased professional - educational services	120,000.00	(53,000.00)	67,000.00	60,605.50	6,394.50
Supplies and materials	20,000.00	1,500.00	21,500.00	21,371.00	129.00
Total child study teams	<u>1,543,662.00</u>	<u>5,500.00</u>	<u>1,549,162.00</u>	<u>1,541,114.32</u>	<u>8,047.68</u>
Improvement of instruction services/ other support services-instructional staff:					
Salaries of supervisors of instruction	892,219.00	37,269.32	929,488.32	821,476.89	108,011.43
Salaries of other professional staff	150,000.00	3,000.00	153,000.00	140,156.49	12,843.51
Salaries of secretarial and clerical assistants	310,475.00		310,475.00	280,749.84	29,725.16
Total improvement of instruction services/ other support services-instructional staff	<u>1,352,694.00</u>	<u>40,269.32</u>	<u>1,392,963.32</u>	<u>1,242,383.22</u>	<u>150,580.10</u>
Educational media services/school library:					
Salaries	765,781.00		765,781.00	698,902.30	66,878.70
Other purchased services (400 - 500 series)	95,300.00	(9,200.00)	86,100.00	80,680.39	5,419.61
Supplies and materials	55,500.00	(8,685.59)	46,814.41	46,813.74	0.67
Total educational media services/school library	<u>916,581.00</u>	<u>(17,885.59)</u>	<u>898,695.41</u>	<u>826,396.43</u>	<u>72,298.98</u>
Instructional staff training services:					
Other purchased professional - educational services	60,000.00	9,692.30	69,692.30	62,478.65	7,213.65
Other objects	26,000.00	146.00	26,146.00	23,263.00	2,883.00
Total instructional staff training services	<u>86,000.00</u>	<u>9,838.30</u>	<u>95,838.30</u>	<u>85,741.65</u>	<u>10,096.65</u>
Support services general administration:					
Salaries	690,104.05	(88,100.00)	602,004.05	601,943.58	60.47
Legal services	72,071.00	31,012.00	103,083.00	103,083.00	
Audit fees	26,250.00	275.00	26,525.00	26,525.00	
Architectural/Engineering services	10,000.00	(9,275.00)	725.00		725.00
Other purchased professional services	22,753.04		22,753.04	20,823.31	1,929.73
Communications / telephone	79,290.00	(10,400.00)	68,890.00	63,382.01	5,507.99
BOE other purchased services	7,500.00	(1,012.00)	6,488.00	2,738.40	3,749.60
Miscellaneous purchased services	5,100.00		5,100.00	4,861.76	238.24
General supplies	12,000.00	(6,000.00)	6,000.00	5,878.13	121.87
BOE in-house training / meeting supplies	2,000.00		2,000.00	2,000.00	
Miscellaneous expenditures	54,300.00		54,300.00	36,811.41	17,488.59
BOE membership dues and fees	25,500.00	100.00	25,600.00	25,472.13	127.87
Total support services general administration	<u>1,006,868.09</u>	<u>(83,400.00)</u>	<u>923,468.09</u>	<u>893,518.73</u>	<u>29,949.36</u>
Support services school administration:					
Salaries of principals/asst. principals	1,404,055.00	31,137.88	1,435,192.88	1,434,993.77	199.11
Salaries of other professional staff	395,230.00	122,592.80	517,822.80	517,822.80	
Salaries of secretarial and clerical assistants	402,440.00		402,440.00	401,898.45	541.55
Other purchased services (400 - 500 series)	77,887.00	(5,000.00)	72,887.00	61,565.40	11,321.60
Supplies and materials	44,900.00	(7,000.00)	37,900.00	29,803.92	8,096.08
Other objects	40,074.80	7,000.00	47,074.80	34,343.16	12,731.64
Total support services school administration	<u>\$ 2,364,586.80</u>	<u>\$ 148,730.68</u>	<u>\$ 2,513,317.48</u>	<u>\$ 2,480,427.50</u>	<u>\$ 32,889.98</u>

NORTH PLAINFIELD BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Central service:					
Salaries	\$ 351,414.00	\$ (32,000.00)	\$ 319,414.00	\$ 319,387.60	\$ 26.40
Purchased professional services		59,583.00	59,583.00	59,583.00	
Other purchased services (400 - 500 series)		2,611.92	2,611.92	2,611.92	
Supplies and materials	12,000.00	(7,194.92)	4,805.08	4,513.45	291.63
Interest on lease purchase agreements	500.00		500.00		500.00
Interest on bond anticipation notes (BANs)	500.00		500.00		500.00
Miscellaneous expenditures	3,800.00		3,800.00	1,990.43	1,809.57
Total central services	368,214.00	23,000.00	391,214.00	388,086.40	3,127.60
Administrative information technology:					
Purchased technical services	15,000.00	(15,000.00)			
Supplies and materials	2,000.00	(2,000.00)			
Total administrative information technology	17,000.00	(17,000.00)			
Required maintenance for school facilities:					
Salaries	440,478.00	(7,995.00)	432,483.00	432,363.25	119.75
Cleaning, repair and maintenance services	355,522.00	140,590.55	496,112.55	417,198.25	78,914.30
General supplies	120,000.00	6,364.25	126,364.25	124,441.58	1,922.67
Total required maintenance for school facilities	916,000.00	138,959.80	1,054,959.80	974,003.08	80,956.72
Other operation and maint. of plant :					
Salaries	2,004,759.00	(40,304.27)	1,964,454.73	1,913,406.68	51,048.05
Salaries of non-instructional aides	490,280.00	(28,927.19)	461,352.81	461,060.56	292.25
Purchased professional and technical services	75,063.00	4,551.26	79,614.26	78,108.56	1,505.70
Cleaning, repair and maint. services	530,253.64	(157,057.75)	373,195.89	347,577.73	25,618.16
Other purchased property services	60,000.00	20,187.25	80,187.25	80,187.25	
Insurance	459,000.00	(24,693.00)	434,307.00	434,307.00	
General supplies	103,046.71	6,327.61	109,374.32	104,735.95	4,638.37
Energy (natural gas)	135,000.00	127,499.58	262,499.58	261,686.84	812.74
Energy (electricity)	633,182.00	(108,799.58)	524,382.42	428,616.04	95,766.38
Energy (oil)	54,745.00	(50,000.00)	4,745.00		4,745.00
Other objects	9,200.00	(80.55)	9,119.45	9,024.76	94.69
Total other operation and maint. of plant	4,554,529.35	(251,296.64)	4,303,232.71	4,118,711.37	184,521.34
Care and upkeep of grounds					
Cleaning, repair and maint. services	85,605.00	1,000.00	86,605.00	86,547.17	57.83
General supplies	16,000.00	(1,000.00)	15,000.00	13,162.50	1,837.50
Total care and upkeep of grounds	101,605.00		101,605.00	99,709.67	1,895.33
Security					
Salaries	107,615.00		107,615.00	104,549.94	3,065.06
Total security	\$ 107,615.00		\$ 107,615.00	\$ 104,549.94	\$ 3,065.06

NORTH PLAINFIELD BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Student transportation services:					
Salaries for pupil transportation (between home and school) - special ed	\$ 268,723.00	\$ 33,800.00	\$ 302,523.00	\$ 302,506.14	\$ 16.86
Cleaning, repair and maintenance services	15,000.00	5,000.00	20,000.00	19,904.08	95.92
Contracted services - aid in lieu pymts- nonpublic schools	1,500.00	500.00	2,000.00	2,000.00	
Contracted services (between home & school) - vendors	52,500.00		52,500.00	52,208.00	292.00
Contracted services (other than between home and school) - vendors	124,500.00	(75.37)	124,424.63	121,647.92	2,776.71
Contracted services (spec ed students) - ESCs & CTSAs	630,000.00	540,708.03	1,170,708.03	1,170,708.03	
Transportation supplies	53,000.00	7,500.00	60,500.00	56,037.24	4,462.76
Total student transportation services	<u>1,145,223.00</u>	<u>587,432.66</u>	<u>1,732,655.66</u>	<u>1,725,011.41</u>	<u>7,644.25</u>
Unallocated benefits - employee benefits:					
Group insurance	2,318,500.00	(151,708.03)	2,166,791.97	2,142,402.38	24,389.59
Social security contributions	640,000.00	(24,057.90)	615,942.10	615,942.10	
Other retirement contributions - regular	680,000.00	(13,542.10)	666,457.90	666,414.00	43.90
Unemployment compensation	55,000.00	(25,707.00)	29,293.00	29,293.00	
Workmen's compensation	395,000.00		395,000.00	380,198.08	14,801.92
Health benefits	6,781,032.00	(984,942.71)	5,796,089.29	5,574,082.94	222,006.35
Tuition reimbursements	81,771.00	2,700.00	84,471.00	84,441.95	29.05
Other employee benefits	330,482.00	217,000.00	547,482.00	527,136.22	20,345.78
Total unallocated benefits - employee benefits:	<u>11,281,785.00</u>	<u>(980,257.74)</u>	<u>10,301,527.26</u>	<u>9,990,617.67</u>	<u>310,909.59</u>
Total on-behalf TPAF contributions:					
On-behalf TPAF non-contributory insurance (non-budgeted)				95,378.00	(95,378.00)
On-behalf TPAF post retirement medical (non-budgeted)				2,272,859.00	(2,272,859.00)
On-behalf TPAF pension contributions (non-budgeted)				2,632,400.00	(2,632,400.00)
On-behalf TPAF long term disability insurance (non-budgeted)				9,598.00	(9,598.00)
Reimbursed TPAF social security contributions (non-budgeted)				1,874,844.09	(1,874,844.09)
Total on-behalf TPAF contributions				<u>6,885,079.09</u>	<u>(6,885,079.09)</u>
Total undistributed expenditures	<u>32,209,144.24</u>	<u>(28,773.21)</u>	<u>32,180,371.03</u>	<u>37,828,307.16</u>	<u>(5,647,936.13)</u>
TOTAL EXPENDITURES - CURRENT EXPENSE	<u>\$ 56,529,167.87</u>	<u>\$ (547,505.71)</u>	<u>\$ 55,981,662.16</u>	<u>\$ 61,336,984.19</u>	<u>\$ (5,355,322.03)</u>

NORTH PLAINFIELD BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
CAPITAL OUTLAY:					
Equipment:					
Undistributed expenditures - instruction	\$ 200,340.90	\$ 237,318.00	\$ 437,658.90	\$ 389,572.23	\$ 48,086.67
School administration		17,000.00	17,000.00	17,000.00	
Total equipment	<u>200,340.90</u>	<u>254,318.00</u>	<u>454,658.90</u>	<u>406,572.23</u>	<u>48,086.67</u>
Facilities acquisition and construction services:					
Construction services		91,942.71	91,942.71	91,942.71	
Assessment for debt service on SDA funding	196,636.00		196,636.00	196,636.00	
Total facilities acquis. and const. services	<u>196,636.00</u>	<u>91,942.71</u>	<u>288,578.71</u>	<u>288,578.71</u>	
TOTAL CAPITAL OUTLAY	<u>396,976.90</u>	<u>346,260.71</u>	<u>743,237.61</u>	<u>695,150.94</u>	<u>48,086.67</u>
TRANSFER OF FUNDS TO CHARTER SCHOOLS	<u>322,118.00</u>	<u>371,117.00</u>	<u>693,235.00</u>	<u>693,235.00</u>	
TOTAL EXPENDITURES	<u>57,248,262.77</u>	<u>169,872.00</u>	<u>57,418,134.77</u>	<u>62,725,370.13</u>	<u>(5,307,235.36)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,595,854.77)</u>	<u>(169,872.00)</u>	<u>(2,765,726.77)</u>	<u>(569,734.82)</u>	<u>2,195,991.95</u>
Other financing sources					
Transfers in - capital projects fund				5,724.94	(5,724.94)
Total other financing sources				<u>5,724.94</u>	<u>(5,724.94)</u>
Excess of revenues and other financing sources over expenditures and other expenditures and other financing uses	<u>(2,595,854.77)</u>	<u>(169,872.00)</u>	<u>(2,765,726.77)</u>	<u>(564,009.88)</u>	<u>2,190,267.01</u>
Fund balances, July 1	<u>5,525,420.79</u>		<u>5,525,420.79</u>	<u>5,525,420.79</u>	
Fund balances, June 30	<u>\$ 2,929,566.02</u>	<u>\$ (169,872.00)</u>	<u>\$ 2,759,694.02</u>	<u>\$ 4,961,410.91</u>	<u>\$ 2,190,267.01</u>
Recapitulation:					
Assigned - year-end encumbrances				\$ 168,804.47	
Restricted - excess surplus - designated for subsequent year's expenditures				1,343,274.00	
Restricted - excess surplus - current year				1,439,300.00	
Restricted - capital reserve				487,064.41	
Assigned - SEMI ARRA - Designated for subsequent years expenditures				26,065.21	
Unassigned fund balance				<u>1,496,902.82</u>	
				\$ 4,961,410.91	
Reconciliation to governmental funds statements (GAAP):					
Last state aid payment not recognized on GAAP basis				<u>(2,453,239.00)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 2,508,171.91</u>	

BOROUGH OF NORTH PLAINFIELD
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
 FOR FISCAL YEARS ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State sources	\$ 766,937.00	\$ 68,528.50	\$ 835,465.50	\$ 795,924.65	\$ (39,540.85)
Federal sources	1,795,707.00	64,256.57	1,859,963.57	1,849,402.57	(10,561.00)
Other sources		30,841.43	30,841.43	30,724.54	(116.89)
Total revenues	\$ 2,562,644.00	\$ 163,626.50	\$ 2,726,270.50	\$ 2,676,051.76	\$ (50,218.74)
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 696,344.00	\$ 48,760.00	\$ 745,104.00	\$ 745,104.00	\$
Purchased professional services	40,523.00	(17,757.00)	22,766.00	10,138.96	12,627.04
Tuition	892,109.00	47,999.00	940,108.00	940,108.00	
Supplies and materials	16,500.00	24,472.74	40,972.74	40,698.09	274.65
Textbooks	10,784.00	(1,561.00)	9,223.00	6,120.33	3,102.67
Total instruction	1,656,260.00	101,913.74	1,758,173.74	1,742,169.38	16,004.36
Support services:					
Salaries of teachers	52,450.00	38,142.00	90,592.00	90,592.00	
Personal services - employee benefits	190,623.00	11,930.00	202,553.00	202,553.00	
Purchased professional services	649,980.00	9,309.76	659,289.76	633,075.38	26,214.38
Other purchased services	2,100.00	(2,100.00)			
General supplies	11,231.00	4,431.00	15,662.00	7,662.00	8,000.00
Total support services	906,384.00	61,712.76	968,096.76	933,882.38	34,214.38
Total expenditures	\$ 2,562,644.00	\$ 163,626.50	\$ 2,726,270.50	\$ 2,676,051.76	\$ 50,218.74

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

BOROUGH OF NORTH 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 June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.0721981084%	\$ 13,798,493.00	\$ 4,809,126.00	286.92%	48.72%
2014	0.0747439083%	13,994,104.00	4,913,957.00	284.78%	52.08%
2015	0.0755492581%	16,959,295.00	4,982,516.00	340.38%	47.92%
2016	0.0747307152%	22,133,094.00	4,594,367.00	481.74%	40.14%

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

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>Contractually</u> <u>Required</u> <u>Contribution</u>	<u>Contributions in</u> <u>Relation to the</u> <u>Contractually</u> <u>Required</u> <u>Contributions</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>District's</u> <u>Covered-</u> <u>Employee</u> <u>Payroll</u>	<u>Contributions as</u> <u>a</u> <u>Percentage of</u> <u>Covered-</u> <u>Employee</u> <u>Payroll</u>
2014	\$ 543,998.00	\$ 543,998.00	\$ -0-	4,913,957.00	11.07%
2015	616,178.00	616,178.00	-0-	4,982,516.00	12.37%
2016	649,521.00	649,521.00	-0-	4,594,367.00	14.14%
2017	666,414.00	666,414.00	-0-	4,925,229.00	13.53%

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

BOROUGH OF NORTH 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 June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.2358492449%	\$ -0-	\$ 23,125,703.00	-0-	33.76%
2014	0.2334801033%	-0-	24,460,445.00	-0-	33.64%
2015	0.2401798172%	-0-	24,410,360.00	-0-	28.71%
2016	0.2429585269%	-0-	25,747,187.00	-0-	22.33%

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

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)
NOTE TO RSI III
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The discount rate changed from 4.90% to 3.98% as of
June 30, 2016.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

The discount rate changed from 4.13% to 3.22% as of
June 30, 2016.

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

BOROUGH OF NORTH PLAINFIELD - SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	NON-PUBLIC TEXTBOOKS	NON-PUBLIC NURSING SERVICES	NON-PUBLIC COMP EDUCATION	NON-PUBLIC SUPPL. INST.	NON-PUBLIC EXAM. AND CLASS.	NON-PUBLIC SPEECH CORRECTION
REVENUES:						
State sources	\$ 6,120.33	\$ 9,182.74	\$ 806.22	\$ 1,333.99	\$ 3,779.30	\$ 1,855.35
Federal sources						
Local sources						
Total revenues	6,120.33	9,182.74	806.22	1,333.99	3,779.30	1,855.35
EXPENDITURES:						
Instruction:						
Salaries of teachers						
Purchased professional services			806.22	1,333.99	3,779.30	1,855.35
Tuition						
General supplies	6,120.33					
Textbooks						
Total instruction	6,120.33		806.22	1,333.99	3,779.30	1,855.35
Support services:						
Salaries of teachers						
Personal services - employee benefits		9,182.74				
Purchased professional services						
Supplies and materials						
Total support services		9,182.74				
Total expenditures	6,120.33	9,182.74	806.22	1,333.99	3,779.30	1,855.35
Excess (deficiency) of revenues over (under) expenditures	-0-	-0-	-0-	-0-	-0-	-0-

(Continued on next page)

BOROUGH OF NORTH PLAINFIELD - SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	NONPUBLIC TECHNOLOGY	PRESCHOOL EDUCATION PROGRAM AID	EDUCATION REFORM IMPLEMENTATION PROGRAM	TITLE I	TITLE IA	TITLE III
REVENUES:						
State sources	\$ 2,364.10	\$ 722,183.62	\$ 48,299.00	\$ 734,834.00	\$ 90,046.00	\$ 68,969.00
Federal sources						
Local sources						
Total revenues	2,364.10	722,183.62	48,299.00	734,834.00	90,046.00	68,969.00
EXPENDITURES:						
Instruction:						
Salaries of teachers		105,424.00	2,870.00	562,240.00	67,125.00	
Purchased professional services	2,364.10					
Tuition						
General supplies		7,973.55	2,000.00			
Textbooks						
Total instruction	2,364.10	113,397.55	4,870.00	562,240.00	67,125.00	
Support services:						
Salaries of teachers			40,000.00			50,592.00
Personal services - employee benefits		25,797.00	3,429.00	142,189.00	17,452.00	13,154.00
Purchased professional services		582,989.07		23,057.00	5,155.00	5,223.00
Supplies and materials				7,348.00	314.00	
Total support services		608,786.07	43,429.00	172,594.00	22,921.00	68,969.00
Total expenditures	2,364.10	722,183.62	48,299.00	734,834.00	90,046.00	68,969.00
Excess (deficiency) of revenues over (under) expenditures	-0-	-0-	-0-	-0-	-0-	-0-

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BOROUGH OF NORTH PLAINFIELD - SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	TITLE III IMMIGRANT	IDEA - PART B PRESCHOOL	IDEA - PART B BASIC	LOCAL GRANTS	TOTAL 2017
REVENUES:					
State sources					\$ 795,924.65
Federal sources	15,445.57	19,591.00	920,517.00		1,849,402.57
Local sources				30,724.54	30,724.54
Total revenues	15,445.57	19,591.00	920,517.00	30,724.54	2,676,051.76
EXPENDITURES:					
Instruction:					
Salaries of teachers	7,445.00				745,104.00
Purchased professional services					10,138.96
Tuition		19,591.00	920,517.00		940,108.00
General supplies				30,724.54	40,698.09
Textbooks					6,120.33
Total instruction	7,445.00	19,591.00	920,517.00	30,724.54	1,742,169.38
Support services:					
Salaries of teachers					90,592.00
Personal services - employee benefits	532.00				202,553.00
Purchased professional services	7,468.57				633,075.38
Supplies and materials					7,662.00
Total support services	8,000.57				933,882.38
Total expenditures	15,445.57	19,591.00	920,517.00	30,724.54	2,676,051.76
Excess (deficiency) of revenues over (under) expenditures	-0-	-0-	-0-	-0-	-0-

SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

DISTRICT-WIDE TOTAL

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$ 105,424.00	\$ 105,424.00	\$
Supplies	8,000.00	7,973.55	26.45
Total instruction	<u>113,424.00</u>	<u>113,397.55</u>	<u>26.45</u>
Support services:			
Personnel services - employee benefits	25,797.00	25,797.00	
Purchased professional services	\$ 593,556.50	\$ 582,989.07	\$ 10,567.43
Total support services	<u>619,353.50</u>	<u>608,786.07</u>	<u>10,567.43</u>
Total expenditures	<u>\$ 732,777.50</u>	<u>\$ 722,183.62</u>	<u>\$ 10,593.88</u>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2016-17 Preschool Education Aid Allocation	\$ 694,512.00
Add: Actual ECP/PEA Carryover (June 30, 2016)	38,265.50
Add: Budgeted Transfer from the General Fund 2015-16	
Total Preschool Education Aid Funds Available for 2016-17 Budget	<u>732,777.50</u>
Less: 2016-17 Budgeted Preschool Education Aid (Including Prior Year budget carryover)	<u>(732,777.50)</u>
Available and unbudgeted Preschool Education Aid Funds as of June 30, 2017	\$
Add: June 30, 2017 Unexpended Preschool Education Aid	10,593.88
2016-17 Carryover- Preschool Education Aid	<u>\$ 10,593.88</u>
2016-17 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2017-18	<u>\$ 10,593.88</u>

CAPITAL PROJECTS FUND DETAIL STATEMENTS

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

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS
AS OF JUNE 30, 2017

<u>ISSUE/PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES/OTHER FINANCING USES TO DATE</u>	<u>UNEXPENDED PROJECT BALANCE</u>
		<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
Capital Improvements to East End, West End, Watchung, Harrison, Stony Brook and Middle/High Schools	2000	\$ 41,403,179.23	\$ 41,370,669.24	\$ 32,509.99
High School Boiler Controls	2015	108,860.00	108,860.00	
Middle School Classroom Renovations	2016	85,666.93	85,666.93	
Somerset Elementary School Gym A/C	2015	198,553.00	198,553.00	
Stony Brook Elementary School Window Replacement	2015	401,617.46	401,617.46	
Stony Brook Elementary School Security Upgrades	2016	37,880.00	37,880.00	
High School Partial HVAC Upgrades	2016	523,450.44	374,117.21	149,333.23
High School Fire Door Replacement	2016	95,570.00	59,303.23	36,066.77
Stony Brook Elementary School Fire Door Replacement	2016	95,870.00	55,655.45	40,127.05
West End Elementary School Fire Door Replacement	2016	154,110.28	138,497.78	15,525.00
East End Elementary School Fire Door Replacement	2016	123,147.71	88,363.54	34,784.17
Totals		\$ 43,227,905.05	\$ 42,919,183.84	\$ 308,346.21

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

EXPENDITURES AND OTHER FINANCING USES:

Receivables canceled	\$ 70,011.24
Operating transfer out- general fund	5,724.94
Construction services	<u>375.00</u>
Total expenditures	<u>76,111.18</u>
Excess (deficiency) of revenues over (under) expenditures	(76,111.18)
Fund balance - July 1	<u>384,457.39</u>
Fund balance - June 30	<u>\$ 308,346.21</u>
<u>Reconciliation to GAAP Basis:</u>	
Fund Balance June 30 - Budgetary Basis (Exhibit F-2)	\$ 308,346.21
Add: Encumbrances - current year	1,044,832.55
Less: Unrealized revenue SDA grant	<u>(177,776.44)</u>
Fund Balance June 30 - GAAP Basis (Exhibit B-2)	<u>\$ 1,175,402.32</u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - REFERENDUM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>		<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:					
State sources - SCC grant	\$	10,544,174.65	\$	10,544,174.65	\$ 10,544,174.65
ECPA		1,200,000.00		1,200,000.00	1,200,000.00
Bonds proceeds and transfers		19,797,000.00		19,797,000.00	19,797,000.00
Funded by budget		80,000.00		80,000.00	80,000.00
Temporary notes paid by budget		1,180,000.00		1,180,000.00	1,180,000.00
Transfer from capital outlay		8,867,111.00		8,867,111.00	8,601,966.29
Transfer from other projects		(265,144.71)		(265,144.71)	
Total revenues and other financing sources		<u>41,403,140.94</u>		<u>41,403,140.94</u>	<u>41,403,140.94</u>
EXPENDITURES AND OTHER FINANCING USES:					
Unallocated		17,063,119.52		17,063,119.52	17,095,629.51
Legal Services		9,896,798.84		9,896,798.84	9,896,798.84
Purchased professional and technical services		1,447,299.78		1,447,299.78	1,447,299.78
Construction services		12,358,967.38		12,358,967.38	12,358,967.38
Equipment		604,445.43		604,445.43	604,445.43
Total expenditures and other financing uses		<u>41,370,630.95</u>		<u>41,370,630.95</u>	<u>41,403,140.94</u>
Excess (deficiency) of revenues over (under) expenditures	\$	<u>32,509.99</u>	\$ -0-	<u>32,509.99</u>	
ADDITIONAL PROJECT INFORMATION:					
Project number		G5-0301/304-D01			
Grant date		-			
Bond authorization date		N/A			
Bonds authorized		N/A			
Bonds issued		\$19,797,000.00			
Original authorized cost		\$32,250,000.00			
Additional authorized cost		9,153,140.94			
Revised authorized cost		\$41,403,140.94			
Percentage change over original authorized cost		28.38%			
Percentage completion		95.00%			
Original target completion date		6/05			
Revised target completion date		on going			

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - HIGH SCHOOL BOILER CONTROLS
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from other projects	\$ 110,465.00	\$ (1,605.00)	\$ 108,860.00	\$ 108,860.00
Total revenues and other financing sources	<u>110,465.00</u>	<u>(1,605.00)</u>	<u>108,860.00</u>	<u>108,860.00</u>
EXPENDITURES:				
Purchased professional and technical services	12,500.00		12,500.00	12,500.00
Construction services	96,360.00		96,360.00	96,360.00
Total expenditures	<u>108,860.00</u>		<u>108,860.00</u>	<u>108,860.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,605.00</u>	<u>\$ (1,605.00)</u>	<u>\$ -0-</u>	

ADDITIONAL PROJECT INFORMATION:

Project number	N/A
Grant date	N/A
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$112,076.44
Additional authorized cost	(3,216.44)
Revised authorized cost	\$108,860.00
Percentage change over original authorized cost	N/A
Percentage completion	100.00%
Original target completion date	6/30/16
Revised target completion date	N/A

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - MIDDLE SCHOOL CLASSROOM RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from other projects	\$ 86,999.96	\$ (1,333.03)	\$ 85,666.93	\$ 85,666.93
Total revenues and other financing sources	<u>86,999.96</u>	<u>(1,333.03)</u>	<u>85,666.93</u>	<u>85,666.93</u>
EXPENDITURES:				
Purchased professional and technical services	10,000.00		10,000.00	10,000.00
Construction services	75,666.93		75,666.93	75,666.93
Total expenditures	<u>85,666.93</u>		<u>85,666.93</u>	<u>85,666.93</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,333.03</u>	<u>\$ (1,333.03)</u>	<u>\$ -0-</u>	

ADDITIONAL PROJECT INFORMATION:

Project number	3670-050-16-1000
Grant date	9/25/15
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$86,999.96
Additional authorized cost	(1,333.03)
Revised authorized cost	\$85,666.93
Percentage change over original authorized cost	N/A
Percentage completion	98.47%
Original target completion date	9/1/16
Revised target completion date	N/A

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - SOMERSET ELEMENTARY SCHOOL GYM - A/C
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SDA grant	\$ 137,830.00	\$ (9,675.65)	\$ 128,154.35	\$ 131,154.35
Transfer from other projects	76,023.00	(5,624.35)	70,398.65	67,398.65
Total revenues and other financing sources	<u>213,853.00</u>	<u>(15,300.00)</u>	<u>198,553.00</u>	<u>198,553.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	27,000.00		27,000.00	27,000.00
Construction services	171,553.00		171,553.00	171,553.00
Total expenditures and other financing uses	<u>198,553.00</u>		<u>198,553.00</u>	<u>198,553.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 15,300.00</u>	<u>\$ (15,300.00)</u>	<u>\$ -0-</u>	

ADDITIONAL PROJECT INFORMATION:

Project number	3670-080-14-1015
Grant date	6/25/15
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$349,725.00
Additional authorized cost	(151,172.00)
Revised authorized cost	\$198,553.00
Percentage change over original authorized cost	-43.23%
Percentage completion	100.00%
Original target completion date	6/30/16
Revised target completion date	9/1/16

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - STONY BROOK ELEMENTARY SCHOOL WINDOW REPLACEMENT
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SDA grant	\$ 266,015.00	\$ (16,080.39)	\$ 249,934.61	\$ 249,934.61
Transfer from other projects	146,727.80	4,955.05	151,682.85	151,682.85
Total revenues and other financing sources	412,742.80	(11,125.34)	401,617.46	401,617.46
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	61,000.00		61,000.00	61,000.00
Construction services	340,617.46		340,617.46	340,617.46
Total expenditures and other financing uses	401,617.46		401,617.46	401,617.46
Excess (deficiency) of revenues over (under) expenditures	\$ 11,125.34	\$ (11,125.34)	\$ -0-	

ADDITIONAL PROJECT INFORMATION:

Project number	3670-090-14-1009
Grant date	9/4/14
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$637,240.00
Additional authorized cost	(235,622.54)
Revised authorized cost	\$401,617.46
Percentage change over original authorized cost	-36.98%
Percentage completion	100.00%
Original target completion date	6/30/15
Revised target completion date	12/31/15

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - STONY BROOK ELEMENTARY SCHOOL SECURITY UPGRADES
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SDA grant	\$ 70,762.00	\$ (44,255.20)	\$ 26,506.80	\$ 26,506.80
Transfer from capital outlay	39,038.00	(5,724.94)	33,313.06	33,313.06
Transfer from other projects	(25,547.19)	3,607.33	(21,939.86)	(21,939.86)
Total revenues and other financing sources	<u>84,252.81</u>	<u>(46,372.81)</u>	<u>37,880.00</u>	<u>37,880.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	9,000.00		9,000.00	9,000.00
Construction services	28,880.00		28,880.00	28,880.00
Total expenditures and other financing uses	<u>37,880.00</u>		<u>37,880.00</u>	<u>37,880.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 46,372.81</u>	<u>\$ (46,372.81)</u>	<u>\$ -0-</u>	

ADDITIONAL PROJECT INFORMATION:

Project number	3670-090-14-1010
Grant date	9/11/15
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$109,800.00
Additional authorized cost	(71,920.00)
Revised authorized cost	\$37,880.00
Percentage change over original authorized cost	-65.50%
Percentage completion	100.00%
Original target completion date	9/1/16
Revised target completion date	N/A

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - HIGH SCHOOL PARTIAL HVAC UPGRADES
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SDA grant	\$ 353,273.00	\$	\$ 353,273.00	353,273.00
Transfer from capital outlay	194,892.00		194,892.00	194,892.00
Transfer from other projects	(24,714.56)		(24,714.56)	(24,714.56)
Total revenues and other financing sources	<u>523,450.44</u>		<u>523,450.44</u>	<u>523,450.44</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	47,000.00		47,000.00	47,000.00
Construction services	327,117.21		327,117.21	476,450.44
Total expenditures and other financing uses	<u>374,117.21</u>		<u>374,117.21</u>	<u>523,450.44</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 149,333.23</u>	<u>\$ -0-</u>	<u>\$ 149,333.23</u>	

ADDITIONAL PROJECT INFORMATION:

Project number	3670-050-14-1002
Grant date	9/11/15
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$548,165.00
Additional authorized cost	(24,714.56)
Revised authorized cost	\$523,450.44
Percentage change over original authorized cost	-4.51%
Percentage completion	71.47%
Original target completion date	9/1/16
Revised target completion date	9/1/18

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - HIGH SCHOOL FIRE DOOR REPLACEMENT
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SDA grant	\$ 61,591.00	\$	\$ 61,591.00	\$ 61,591.00
Transfer from capital outlay	33,979.00		33,979.00	33,979.00
Total revenues and other financing sources	95,570.00		95,570.00	95,570.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	8,000.00		8,000.00	8,000.00
Construction services	51,303.23	200.00	51,503.23	87,570.00
Total expenditures and other financing uses	59,303.23	200.00	59,503.23	95,570.00
Excess (deficiency) of revenues over (under) expenditures	\$ 36,266.77	\$ (200.00)	\$ 36,066.77	
ADDITIONAL PROJECT INFORMATION:				
Project number	3670-050-14-1005			
Grant date	9/11/15			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$95,570.00			
Additional authorized cost				
Revised authorized cost	\$95,570.00			
Percentage change over original authorized cost	N/A			
Percentage completion	62.05%			
Original target completion date	9/1/16			
Revised target completion date	9/1/18			

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - STONY BROOK ELEMENTARY SCHOOL FIRE DOOR REPLACEMENT
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SDA grant	\$ 61,785.00	\$	\$ 61,785.00	\$ 61,785.00
Transfer from capital outlay	34,085.00		34,085.00	34,085.00
Total revenues and other financing sources	95,870.00		95,870.00	95,870.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	8,300.00		8,300.00	8,300.00
Construction services	47,355.45	87.50	47,442.95	87,570.00
Total expenditures and other financing uses	55,655.45	87.50	55,742.95	95,870.00
Excess (deficiency) of revenues over (under) expenditures	\$ 40,214.55	\$ (87.50)	\$ 40,127.05	
ADDITIONAL PROJECT INFORMATION:				
Project number	3670-090-14-1011			
Grant date	9/1/15			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$95,870.00			
Additional authorized cost				
Revised authorized cost	\$95,870.00			
Percentage change over original authorized cost				
Percentage completion	N/A			
Original target completion date	58.05%			
Revised target completion date	9/1/16			
	9/1/18			

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - WEST END ELEMENTARY SCHOOL FIRE DOOR REPLACEMENT
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SDA grant	\$ 104,205.00	\$	\$ 104,205.00	\$ 104,205.00
Transfer from capital outlay	57,488.00		57,488.00	57,488.00
Transfer from other projects	(7,582.72)		(7,582.72)	(7,582.72)
Total revenues and other financing sources	<u>154,110.28</u>		<u>154,110.28</u>	<u>154,110.28</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	14,000.00		14,000.00	14,000.00
Construction services	124,497.78	87.50	124,585.28	140,110.28
Total expenditures and other financing uses	<u>138,497.78</u>	<u>87.50</u>	<u>138,585.28</u>	<u>154,110.28</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 15,612.50</u>	<u>\$ (87.50)</u>	<u>\$ 15,525.00</u>	

ADDITIONAL PROJECT INFORMATION:

Project number	3670-110-14-1012
Grant date	9/11/15
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$161,693.00
Additional authorized cost	(7,582.72)
Revised authorized cost	\$154,110.28
Percentage change over original authorized cost	-4.69%
Percentage completion	89.87%
Original target completion date	9/1/16
Revised target completion date	9/1/18

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - EAST END ELEMENTARY SCHOOL FIRE DOOR REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SDA grant	\$ 91,440.00	\$	\$ 91,440.00	\$ 91,440.00
Transfer from capital outlay	50,445.00		50,445.00	50,445.00
Transfer from other projects	(18,737.29)		(18,737.29)	(18,737.29)
Total revenues and other financing sources	123,147.71		123,147.71	123,147.71
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	12,000.00		12,000.00	12,000.00
Construction services	76,363.54		76,363.54	111,147.71
Total expenditures and other financing uses	88,363.54		88,363.54	123,147.71
Excess (deficiency) of revenues over (under) expenditures	\$ 34,784.17	\$ -0-	\$ 34,784.17	

ADDITIONAL PROJECT INFORMATION:

Project number	3670-060-14-1006
Grant date	9/11/15
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$141,885.00
Additional authorized cost	(18,737.29)
Revised authorized cost	\$123,147.71
Percentage change over original authorized cost	-13.21%
Percentage completion	71.75%
Original target completion date	9/1/16

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.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS
B-4, B-5 AND B-6**

FIDUCIARY FUNDS DETAIL STATEMENTS

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

- | | |
|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Unemployment Compensation Insurance Trust Fund: | This trust fund is used to account for board contributions which are utilized to pay unemployment compensation claims as they arise. |
| Scholarship Trust Fund: | This trust fund is used to account for assets held by the district for grants to students where there are no restrictions regarding the use of principal and interest. |
| Student Activity Fund: | This agency fund is used to account for student funds held at the schools. |
| Payroll Agency Fund: | This agency fund is used to account for the payroll transactions of the school district. |

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017

	AGENCY FUNDS		UNEMPLOYMENT COMPENSATION TRUST	PRIVATE PURPOSE SCHOLARSHIP FUNDS	TOTALS 2017
	STUDENT ACTIVITY	PAYROLL AGENCY			
ASSETS:					
Cash and cash equivalents	\$ 79,758.14	\$ 657,850.51	\$ 154,161.18	\$ 487,582.40	\$ 1,379,352.23
Total assets	\$ 79,758.14	\$ 657,850.51	\$ 154,161.18	\$ 487,582.40	\$ 1,379,352.23
LIABILITIES:					
Payroll deductions and withholdings		\$ 94,733.27			\$ 94,733.27
Summer Payroll		563,117.24			563,117.24
Due to student groups	79,758.14				79,758.14
Total liabilities	\$ 79,758.14	\$ 657,850.51			737,608.65
NET POSITION:					
Held in trust for unemployment claims and other purposes			154,161.18	487,582.40	641,743.58
Total net position			\$ 154,161.18	\$ 487,582.40	\$ 641,743.58

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	PRIVATE PURPOSE SCHOLARSHIP FUNDS	UNEMPLOYMENT COMPENSATION TRUST	TOTALS
ADDITIONS:			
Contributions:			
Employee contributions		\$ 40,673.46	\$ 40,673.46
Other	26,386.60		26,386.60
Total contributions	<u>26,386.60</u>	<u>40,673.46</u>	<u>67,060.06</u>
Total additions	<u>26,386.60</u>	<u>40,673.46</u>	<u>67,060.06</u>
DEDUCTIONS:			
Other purposes	17,525.00		17,525.00
Unemployment claims		123,570.85	123,570.85
Total deductions	<u>17,525.00</u>	<u>123,570.85</u>	<u>141,095.85</u>
Change in net position	8,861.60	(82,897.39)	(74,035.79)
Net position beginning of year	<u>478,720.80</u>	<u>237,058.57</u>	<u>715,779.37</u>
Net position end of year	<u>\$ 487,582.40</u>	<u>\$ 154,161.18</u>	<u>\$ 641,743.58</u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BALANCE</u> <u>JULY 1, 2016</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
ASSETS:				
Cash and cash equivalents	\$ <u>72,075.67</u>	\$ <u>292,639.02</u>	\$ <u>284,956.55</u>	\$ <u>79,758.14</u>
Total assets	\$ <u><u>72,075.67</u></u>	\$ <u><u>292,639.02</u></u>	\$ <u><u>284,956.55</u></u>	\$ <u><u>79,758.14</u></u>
LIABILITIES:				
Due student groups:				
High school	\$ <u>72,075.67</u>	\$ <u>292,639.02</u>	\$ <u>284,956.55</u>	\$ <u>79,758.14</u>
	\$ <u><u>72,075.67</u></u>	\$ <u><u>292,639.02</u></u>	\$ <u><u>284,956.55</u></u>	\$ <u><u>79,758.14</u></u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BALANCE</u> <u>JULY 1, 2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
ASSETS:				
Cash and cash equivalents	\$ 768,296.08	\$ 19,008,327.44	\$ 19,118,773.01	\$ 657,850.51
Total assets	<u>\$ 768,296.08</u>	<u>\$ 19,008,327.44</u>	<u>\$ 19,118,773.01</u>	<u>\$ 657,850.51</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 304,952.23	\$ 18,447,455.15	\$ 18,657,674.11	\$ 94,733.27
Summer Payroll	<u>463,343.85</u>	<u>560,872.29</u>	<u>461,098.90</u>	<u>563,117.24</u>
Total liabilities	<u>\$ 768,296.08</u>	<u>\$ 19,008,327.44</u>	<u>\$ 19,118,773.01</u>	<u>\$ 657,850.51</u>

LONG-TERM LIABILITY SCHEDULES

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

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
LONG-TERM LIABILITY
SCHEDULE OF SERIAL BONDS
JUNE 30, 2017

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>MATURITIES</u>	<u>RATE OF INTEREST</u>	<u>BALANCE JULY 1, 2016</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2017</u>
Refunding Bonds	4/13/2006	\$ 9,375,000.00	\$		\$ 40,000.00	\$ 40,000.00	\$
Refunding Bonds	5/5/2016	8,230,000.00	8/15/18	3.000%	865,000.00		
			8/15/19	3.000%	885,000.00		
			8/15/20	3.000%	920,000.00		
			8/15/21	3.000%	940,000.00		
			8/15/22	4.000%	935,000.00		
			8/15/23	4.000%	930,000.00		
			8/15/24	4.000%	920,000.00		
			8/15/25	4.000%	905,000.00		
			8/15/26	4.000%	890,000.00	40,000.00	8,190,000.00
Refunding Bonds	2/4/2011	4,645,000.00	8/15/17	4.500%	1,595,000.00	790,000.00	805,000.00
					<u>\$ 9,865,000.00</u>	<u>\$ 870,000.00</u>	<u>\$ 8,995,000.00</u>

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL BUDGET</u>	<u>MODIFIED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:				
Local sources:				
Local tax levy	\$ 1,245,711.00	\$ 1,245,711.00	\$ 1,245,711.00	
Miscellaneous			1,634.95	1,634.95
Total revenues	<u>1,245,711.00</u>	<u>1,245,711.00</u>	<u>1,247,345.95</u>	<u>1,634.95</u>
EXPENDITURES:				
Regular debt service:				
Interest	420,644.00	380,644.00	270,377.22	110,266.78
Redemption of principal	830,000.00	870,000.00	870,000.00	
Payment to Refunding Escrow Agent				
Costs of Issuance of Refunding Bonds				
Total regular debt service-expenditures	<u>1,250,644.00</u>	<u>1,250,644.00</u>	<u>1,140,377.22</u>	<u>110,266.78</u>
Excess (deficiency) of revenues over (under) expenditures	(4,933.00)	(4,933.00)	106,968.73	111,901.73
Fund balance, July 1	<u>5,516.82</u>	<u>5,516.82</u>	<u>5,516.82</u>	
Fund balance, June 30	<u>\$ 583.82</u>	<u>\$ 583.82</u>	<u>\$ 112,485.55</u>	<u>\$ 111,901.73</u>

STATISTICAL SECTION
(UNAUDITED)

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends: These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity: These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity: These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information: These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
 NET POSITION BY COMPONENT
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 UNAUDITED

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
Net investment in capital assets	\$41,173,588.91	\$41,590,275.66	\$41,256,678.67	\$39,229,571.93	\$37,276,904.79	\$33,431,896.00	\$32,194,953.19	\$30,171,804.05	\$25,082,092.26	\$21,108,609.18
Restricted	3,673,162.90	4,269,563.92	6,580,474.23	6,382,748.36	7,942,073.80	7,851,900.00	4,729,241.44	791,901.58	1,088,078.14	6,389,384.51
Unrestricted (deficit)	(17,161,753.26)	(15,700,662.88)	(16,393,973.70)	(1,619,769.04)	(3,011,346.45)	(2,362,302.00)	(2,570,798.91)	109,896.66	2,908,527.46	(1,602,927.83)
Total governmental activities net position	<u>27,684,998.55</u>	<u>30,159,176.70</u>	<u>31,443,179.20</u>	<u>43,992,551.25</u>	<u>42,207,632.14</u>	<u>36,921,494.00</u>	<u>34,353,995.72</u>	<u>31,073,602.29</u>	<u>29,078,697.86</u>	<u>25,895,065.86</u>
Business-type activities										
Net investment in capital assets	246,616.03	131,215.44	157,893.47	170,989.26	181,741.07	178,992.00	137,782.11	144,602.93	122,798.90	139,630.25
Unrestricted	537,450.86	594,539.41	364,502.77	388,215.70	285,095.79	311,001.00	565,259.71	478,031.60	287,800.72	170,558.77
Total business-type activities net position	<u>784,066.89</u>	<u>725,754.85</u>	<u>522,396.24</u>	<u>559,204.96</u>	<u>466,836.86</u>	<u>489,993.00</u>	<u>703,041.82</u>	<u>622,634.53</u>	<u>410,599.62</u>	<u>310,189.02</u>
District-wide										
Net investment in capital assets	41,420,204.94	41,721,491.10	41,414,572.14	39,400,561.19	37,458,645.86	32,332,735.30	30,316,406.98	30,316,406.98	25,204,891.16	21,248,239.43
Restricted	3,673,162.90	4,269,563.92	6,580,474.23	6,382,748.36	7,942,073.80	7,851,900.00	4,729,241.44	791,901.58	1,088,078.14	6,389,384.51
Unrestricted (deficit)	(16,624,302.40)	(15,106,123.47)	(16,029,470.93)	(1,231,553.34)	(2,726,250.66)	(2,005,539.20)	(587,928.26)	587,928.26	3,196,328.18	(1,432,369.06)
Total district net assets	<u>\$28,469,065.44</u>	<u>\$30,884,931.55</u>	<u>\$31,965,575.44</u>	<u>\$44,551,756.21</u>	<u>\$31,696,236.82</u>	<u>\$35,056,437.54</u>	<u>\$31,696,236.82</u>	<u>\$31,696,236.82</u>	<u>\$29,489,297.48</u>	<u>\$26,205,254.88</u>

Source: CAFR Schedule A-1

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities										
Instruction										
Regular	\$33,059,308.94	\$31,347,922.27	\$27,613,948.22	\$23,392,368.02	\$22,746,578.04	\$22,001,293.80	\$20,883,028.88	\$22,390,899.79	\$20,520,603.98	\$20,052,366.67
Special education	11,808,235.51	11,107,062.96	10,163,361.65	8,716,610.75	8,287,907.11	7,797,808.80	7,702,098.92	8,777,754.32	7,455,380.85	6,851,276.60
Other instruction	5,788,443.88	4,661,565.43	4,684,043.71	3,799,922.12	3,754,439.58	3,895,560.37	3,690,304.22	3,562,579.32	4,189,566.81	3,775,893.31
Support Services:										
Student & instruction related services	12,033,381.47	10,421,771.77	10,137,284.56	8,395,712.87	8,584,356.31	8,668,996.10	7,680,939.89	7,644,115.62	7,561,388.31	9,132,725.61
General administrative services	1,292,101.36	1,032,245.49	1,050,042.92	1,171,335.43	1,303,499.82	1,101,645.75	1,574,014.18	1,079,632.63	1,176,581.16	1,275,643.93
School administrative services	4,636,010.79	3,890,151.06	3,650,036.14	3,048,632.53	3,105,607.15	3,132,070.88	2,442,050.64	2,128,213.99	2,115,217.07	2,139,029.31
Central Services	599,571.92	533,057.62	436,774.62	376,760.85	503,940.54	502,026.45	434,797.70	450,753.48	428,663.06	511,817.88
Administrative technology information		125,827.02	14,677.40	48,667.02	16,181.00	13,735.00	15,128.73	14,679.75	11,736.38	13,478.72
Plant operations and maintenance	7,226,030.97	6,597,827.00	6,412,474.03	7,046,234.21	6,996,691.56	5,188,157.27	6,475,865.79	6,464,595.92	6,184,278.97	6,160,043.31
Student transportation services	1,942,646.10	1,723,701.50	1,412,051.26	1,198,046.01	1,331,154.46	1,247,321.67	1,322,925.40	1,706,200.42	1,537,303.00	1,547,132.04
Interest on long-term debt	313,988.06	449,844.21	475,771.89	513,498.88	465,713.46	820,993.76	695,572.83	714,765.83	714,765.83	716,170.95
Unallocated depreciation	1,531,404.89	1,502,292.54	1,451,477.17	1,398,405.78	1,238,156.99	1,073,558.91	1,093,409.71	1,007,300.50	1,015,671.99	941,973.73
Total governmental activities expenses	80,231,123.89	73,393,368.47	67,501,943.57	59,106,392.47	58,334,226.02	55,443,188.76	54,070,136.89	55,903,983.70	52,911,157.41	53,117,552.06
Business-type activities:										
Food service	1,761,348.86	1,587,609.32	1,769,203.44	1,597,552.22	1,606,848.01	1,637,730.89	1,307,736.35	1,271,917.75	1,161,290.19	1,114,548.72
Adult Community School							275.00	16,330.00	38,217.96	100,046.46
Total business-type activities expense	1,761,348.86	1,587,609.32	1,769,203.44	1,597,552.22	1,606,848.01	1,637,730.89	1,308,011.35	1,288,247.75	1,199,508.15	1,214,595.18
Total district expenses	\$81,992,472.75	\$74,980,977.79	\$69,271,147.01	\$60,703,944.69	\$59,941,074.03	\$57,080,919.65	\$55,318,148.24	\$57,192,231.45	\$54,110,665.56	\$54,332,147.24
Program Revenues										
Governmental activities:										
Charges for services							\$18,400.00	\$20,061.14		
Operating grants and contributions	\$21,241,262.85	\$16,104,635.27	\$13,096,157.75	\$7,890,684.83	\$10,544,090.21	\$9,363,389.35	7,053,255.10	14,145,677.43	\$6,747,610.39	\$9,240,234.89
Total governmental activities program revenues	21,241,262.85	16,104,635.27	13,096,157.75	7,890,684.83	10,544,090.21	9,363,389.35	7,071,655.10	14,165,738.57	8,747,610.39	9,240,234.89
Business-type activities:										
Charges for services										
Food service	537,765.57	521,326.31	481,311.24	465,532.84	497,136.30	466,637.27	497,376.42	538,841.68	529,112.40	518,908.25
Adult Community School							158.75	59,795.22	52,725.19	126,770.72
Operating grants and contributions	1,281,895.33	1,269,641.62	1,251,083.48	1,200,850.38	1,086,555.36	1,022,882.27	890,883.47	862,007.55	718,021.47	642,972.92
Total business type activities program revenues	1,819,660.90	1,790,967.93	1,732,394.72	1,666,383.22	1,583,691.66	1,460,644.45	1,388,418.64	1,460,644.45	1,299,859.06	1,288,651.89
Total district program revenues	\$23,060,923.75	\$17,895,603.20	\$14,828,552.47	\$9,557,068.05	\$12,127,781.87	\$15,826,033.80	\$8,460,073.74	\$15,626,383.02	\$10,047,469.45	\$10,528,886.78
Net (Expense)/Revenue										
Governmental activities	(58,989,961.04)	(57,288,733.20)	(54,405,785.82)	(51,215,707.64)	(47,790,135.81)	(45,079,799.41)	(46,938,481.79)	(41,738,245.13)	(44,163,547.02)	(43,877,317.17)
Business-type activities	58,312.04	203,358.61	(36,808.72)	68,631.00	(23,156.35)	(177,086.44)	80,407.29	172,396.70	100,350.91	74,056.71
Total district-wide net expense	(\$58,931,549.00)	(\$57,085,374.59)	(\$54,442,594.54)	(\$51,146,876.64)	(\$47,813,292.16)	(\$46,256,885.85)	(\$46,858,074.50)	(\$41,565,848.43)	(\$44,063,196.11)	(\$43,803,260.46)

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

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Revenues and other changes in net position										
Governmental activities:										
Property taxes levied for general purposes	\$29,641,483.00	\$29,060,276.00	\$28,490,467.00	\$27,931,831.00	\$27,384,148.00	\$27,384,148.00	\$26,847,204.00	\$25,814,619.00	\$25,814,619.00	\$26,293,674.00
Taxes levied for debt service	1,245,711.00	1,265,643.00	1,289,373.00	1,331,222.00	1,319,042.00	1,607,600.00	1,366,174.00	1,367,940.00	1,306,138.00	1,749,462.00
Federal and state aid not restricted	25,390,776.50	24,860,106.15	24,911,345.92	23,518,228.23	22,288,399.30	21,207,379.00	22,162,577.01	16,434,701.80	20,055,446.69	17,589,812.55
Federal and state aid restricted	64,315.43	611,015.19	786,026.35	114,172.27						
Miscellaneous income	173,396.96	207,690.36	199,423.47	147,295.85	84,684.95	363,911.55	69,636.60	115,888.76	170,975.33	343,419.49
Transfers						84,856.83				
Cancel accounts receivable			(21,730.95)							(845,341.79)
Disposal of Capital assets (net)							(227,316.39)			(156,579.62)
Total governmental activities	<u>\$56,515,682.89</u>	<u>\$6,004,730.70</u>	<u>\$55,654,904.79</u>	<u>\$53,042,749.35</u>	<u>\$51,076,274.25</u>	<u>\$50,647,897.38</u>	<u>\$50,218,275.22</u>	<u>\$43,733,149.56</u>	<u>\$47,347,179.02</u>	<u>\$44,974,446.63</u>
Business-type activities:										
Miscellaneous Income				23,537.10		21.57		39,638.21	59.69	63.13
Transfers						(84,856.83)				
Total business-type activities				<u>23,537.10</u>		<u>(84,835.26)</u>		<u>39,638.21</u>	<u>59.69</u>	<u>63.13</u>
Total district-wide	<u>\$56,515,682.89</u>	<u>\$6,004,730.70</u>	<u>\$55,654,904.79</u>	<u>\$53,066,286.45</u>	<u>\$51,076,274.25</u>	<u>\$50,563,060.12</u>	<u>\$50,218,275.22</u>	<u>\$43,772,787.77</u>	<u>\$47,347,238.71</u>	<u>\$44,974,509.76</u>
Change in Net Position										
Governmental activities	(\$2,474,178.15)	(\$1,284,002.50)	\$1,249,118.97	\$1,827,041.71	\$3,286,138.44	\$4,566,097.97	\$3,279,793.43	\$1,994,904.43	\$3,183,632.00	\$1,097,129.46
Business-type activities	58,312.04	203,358.61	(36,808.72)	92,368.10	(23,156.35)	(261,923.70)	80,407.29	212,034.91	100,410.60	74,119.84
Total district	<u>(\$2,415,866.11)</u>	<u>(\$1,080,643.89)</u>	<u>\$1,212,310.25</u>	<u>\$1,919,409.81</u>	<u>\$3,262,982.09</u>	<u>\$4,306,174.27</u>	<u>\$3,360,200.72</u>	<u>\$2,206,939.34</u>	<u>\$3,284,042.60</u>	<u>\$1,171,249.30</u>

Source: CAFR Schedule A-2

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

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2009	2008	2008
General Fund										
Restricted	\$2,482,106.70	\$3,067,588.58	\$4,115,809.31	\$4,759,070.61	\$4,589,185.87	\$4,975,617.16	\$2,611,263.96		\$5,583,446.29	\$5,583,446.29
Assigned	26,065.21	26,065.21	26,065.21					\$6,074,219.91	10,125.33	10,125.33
Reserved								(1,424,620.67)		
Unreserved										
Total general fund	\$2,508,171.91	\$3,093,653.79	\$4,141,874.52	\$4,759,070.61	\$4,589,185.87	\$4,975,617.16	\$2,611,263.96	\$4,649,599.24	\$5,593,571.62	\$5,593,571.62
All Other Governmental Funds										
Committed	\$1,044,832.55	\$1,103,555.85	\$1,206,509.95	\$1,079,198.94	\$1,379,555.83	\$1,320,523.79	\$1,073,082.55	\$3,089,142.83	\$1,044,832.55	\$1,044,832.55
Restricted	243,055.32	77,871.10	142,364.17	549,713.37	868,816.74	803,886.32	(74,973.09)		(121,731.80)	(121,731.80)
Unreserved, reported in:										
Special revenue fund								(66,565.90)		
Capital projects fund								(1,092,084.51)	32,509.99	32,509.99
Debt service fund								26,486.55	97,522.98	97,522.98
Total all other governmental funds	\$1,287,887.87	\$1,181,426.95	\$1,348,864.12	\$1,628,912.31	\$2,248,372.57	\$2,124,410.11	\$988,109.46	\$1,956,978.97	\$1,053,133.72	\$1,053,133.72

Source: CAFR Schedule B-1

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Tax levy	\$30,887,194.00	\$30,325,919.00	\$29,779,840.00	\$29,263,053.00	\$28,703,190.00	\$28,991,748.00	\$28,213,378.00	\$27,182,559.00	\$27,120,757.00	\$28,043,136.00
Interest earned on capital reserve funds			356.16	328.55			12.81		900.45	3,452.04
Miscellaneous	155,140.22	147,710.27	181,922.03	160,007.66	110,751.89	378,276.74	96,648.69	141,941.29	187,181.95	344,717.95
State sources	32,968,469.95	32,356,840.82	31,440,771.77	29,834,244.02	31,021,759.34	27,915,072.27	27,097,987.51	24,694,876.95	27,241,451.02	25,346,443.67
Federal sources	2,088,380.28	1,888,741.79	1,929,657.30	1,662,615.06	1,784,663.22	2,641,330.89	2,107,219.70	5,854,874.24	1,544,498.99	1,478,853.27
Total revenue	66,099,184.45	64,719,211.88	63,332,547.26	60,920,248.29	61,620,354.45	59,926,427.90	57,517,246.71	57,874,251.48	56,094,789.41	55,216,602.93
Expenditures										
Instruction										
Regular instruction	17,907,402.04	17,710,626.05	17,618,389.76	16,930,118.36	15,958,180.31	14,711,553.92	14,869,123.62	16,474,916.80	15,444,660.77	15,100,832.63
Special education instruction	4,580,864.51	4,561,214.53	4,304,711.53	4,088,183.95	3,865,180.69	3,633,280.33	3,983,138.49	3,880,574.90	3,682,476.41	2,874,500.07
Other instruction	2,739,520.39	2,910,710.54	3,024,748.47	2,837,777.89	2,795,955.21	2,634,114.27	2,438,645.14	2,326,291.52	3,021,259.63	2,689,376.26
Support Services:										
Tuition	4,098,258.98	4,202,137.07	3,836,469.75	3,307,988.53	3,082,508.92	2,824,099.66	2,351,706.93	3,247,325.77	2,854,587.85	2,836,120.25
Student & instruction related services	7,004,583.77	6,986,242.07	6,687,303.13	6,334,823.60	6,301,187.94	6,393,536.40	6,333,747.79	7,035,057.60	5,878,825.00	7,097,010.79
General administrative services	893,518.73	804,300.76	894,426.18	924,699.37	951,168.52	857,543.63	1,221,219.81	969,919.28	1,035,197.05	1,007,973.74
School administrative services	2,480,427.50	2,399,000.36	2,351,321.29	2,185,162.11	2,032,701.65	2,024,569.46	1,685,748.06	1,576,212.73	1,574,464.31	1,518,669.31
Central services	388,086.40	346,178.61	340,348.97	335,967.63	330,956.09	320,577.89	307,946.97	376,751.02	355,231.55	373,092.17
Administrative information technology			19,012.91	20,301.99	16,181.00	13,735.00	15,128.73	14,679.75	11,736.38	13,478.72
Plant operations and maintenance	5,296,974.06	5,455,864.75	5,556,094.85	5,732,749.66	5,433,841.15	5,121,786.90	5,320,594.81	5,652,411.92	5,461,664.96	4,937,672.36
Student transportation services	1,725,011.41	1,567,110.44	1,309,635.71	1,181,189.82	1,147,207.04	1,054,235.09	1,214,039.12	1,595,785.62	1,433,150.15	1,441,940.59
Unallocated employee benefits	16,875,696.76	15,760,609.13	13,606,064.64	12,882,748.93	13,879,023.60	13,158,953.69	12,034,681.24	11,218,824.57	10,577,296.22	11,214,916.74
Charter Schools	693,235.00	318,211.00	244,844.00	282,713.00	197,977.00	335,165.00	150,440.00	116,827.00	79,079.00	9,820.00
Capital outlay	754,249.24	1,647,009.96	3,114,978.15	2,988,992.71	4,565,396.40	1,824,112.88	2,927,173.78	6,252,608.18	2,793,444.28	903,103.60
Debt service:										
Principal	870,000.00	815,000.00	800,000.00	800,000.00	770,000.00	1,030,000.00	855,385.41	1,306,693.94	1,206,206.83	1,111,300.00
Interest	270,377.22	450,654.91	489,731.26	526,406.26	555,168.76	583,368.76	634,710.33	688,676.71	725,636.15	726,722.51
Refunding bond costs										
Total expenditures	66,578,205.41	66,170,654.08	64,208,060.59	61,369,823.81	61,882,833.28	56,520,632.88	56,343,430.23	62,445,587.15	56,134,916.54	53,856,529.74
Excess (Deficiency) of revenues over (under) expenditures	(479,020.96)	(1,451,442.20)	(875,513.33)	(449,575.52)	(262,468.83)	3,405,795.02	1,173,816.48	(4,571,335.67)	(40,127.13)	1,360,073.19
Other Financing sources (uses)										
Refunding Bond Proceeds		8,230,000.00								
Bonds Refunded		(9,015,000.00)								
Transfers out						84,858.83				
Original issue premium		1,020,784.30								
Accounts receivable canceled			(21,730.95)							(845,341.79)
Total other financing sources (uses)		235,784.30	(21,730.95)			84,858.83		280,000.00		(845,341.79)
Net change in fund balances	(\$479,020.96)	(\$1,215,657.90)	(\$887,244.28)	(\$449,575.52)	(\$262,468.83)	\$3,490,653.85	\$1,304,130.88	(\$4,291,335.67)	(\$40,127.13)	\$514,731.40
Debt service as a percentage of noncapital expenditures	1.7%	2.0%	2.1%	3.6%	2.3%	2.9%	3%	3%	3%	3%

Source: CAFR Schedule B-2

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Rental</u> <u>of</u> <u>Facilities</u>	<u>Tuition</u>	<u>Klubhouse Kids</u> <u>Program</u>	<u>Misc.</u>	<u>Total</u>
2017	\$4,661.54	\$4,938.00	\$44,276.93	\$37,590.30	\$55,263.96	\$146,730.73
2016	7,502.42	3,027.50	87,353.20	39,360.11	3,471.06	140,714.29
2015	9,039.80	1,030.00	89,342.82	39,677.46	35,914.58	175,004.66
2014	8,338.94	7,057.76	58,547.34	47,339.35	12,437.61	133,721.00
2013	9,937.39	3,334.96	10,414.77	34,379.34	60,908.41	118,974.87
2012	11,494.24	4,737.53			97,576.95	113,808.72
2011	19,862.95	23,567.97	18,400.00		25,834.28	87,665.20
2010	43,242.29	35,625.43	\$20,061.14		31,751.75	130,680.61
2009	60,446.02	34,351.76			69,791.52	164,589.30
2008	212,441.81				117,716.74	330,158.55

Source: District Records

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

Calendar Year	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2017	\$8,871,400	\$1,110,342,200	\$236,755,950	\$2,420,000	\$131,265,600	\$1,489,655,150	\$1,502,574	\$1,491,157,724	\$2.10	\$1,545,136,858
2016	9,536,600	1,136,956,500	239,733,650	3,372,200	132,558,200	1,522,157,150	1,523,482	1,523,680,632	2.01	1,530,468,311
2015	9,025,800	1,170,988,400	244,737,950	3,372,200	133,095,800	1,561,220,150	1,509,198	1,562,729,348	1.92	1,497,196,545
2014	9,111,700	1,208,703,900	238,015,050	4,088,200	139,466,800	1,599,385,650	1,465,085	1,600,850,735	1.85	1,525,892,589
2013	10,333,000	1,263,488,050	259,264,850	4,088,200	141,494,600	1,678,668,700	1,493,116	1,680,161,816	1.72	1,595,175,642
2012	6,147,300	1,279,108,200	271,910,950	4,088,200	143,321,400	1,704,576,050	1,369,144	1,705,945,194	1.69	1,733,539,176
2011	5,035,400	1,309,121,900	290,995,550	4,088,200	154,653,400	1,763,894,450	1,354,719	1,765,249,169	1.62	1,820,398,652
2010	5,275,000	1,312,210,300	300,749,600	4,819,100	159,662,400	1,782,716,400	1,324,809	1,784,041,209	1.55	1,933,919,446
2009	5,283,000	1,315,561,800	309,230,800	4,819,100	159,662,400	1,794,557,100	1,375,834	1,795,932,934	1.51	1,957,040,899
2008	2,770,500	654,339,350	116,728,725	1,505,800	68,399,800	843,744,175	555,108	844,299,283	3.30	1,830,286,311

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

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

UNAUDITED

Calendar Year Ended Dec. 31	Borough of North Plainfield School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General	Total Direct	Borough of North Plainfield	County	
		Obligation Debt Service ^b				
2017	\$2.011	0.085	\$2.096	\$1.278	\$0.401	\$3.775
2016	1.924	0.084	2.008	1.204	0.377	3.589
2015	1.840	0.083	1.923	1.148	0.366	3.437
2014	1.765	0.084	1.849	1.073	0.357	3.279
2013	1.640	0.079	1.719	1.048	0.352	3.119
2012	1.596	0.094	1.690	0.949	0.354	2.993
2011	1.543	0.078	1.621	0.937	0.354	2.912
2010	1.480	0.072	1.552	0.882	0.339	2.773
2009	1.438	0.073	1.511	0.804	0.356	2.671
2008	3.068	0.199	3.267	1.629	0.779	5.675

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 calculation

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.

EXHIBIT "J-8"

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

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
SDK Greenbrook Gardens, LLC	\$30,000,000	1	2.01%	\$14,245,000	2	1.69%
North Plainfield UE, LLC 203.01/1.01	21,746,900	2	1.46%			
North Plainfield UE, LLC 203.01/1.02	20,278,100	3	1.36%			
Vornado, Inc.				19,000,000	1	2.25%
Cypress Garden Apts Inc.	14,911,500	4	1.00%	6,392,300	3	0.76%
H&W Gardens	13,590,900	5	0.91%	6,292,000	4	0.75%
Fieldstone Northwood, LLC	11,700,000	6	0.78%	6,142,000	5	0.73%
Global Motors	10,850,000	7	0.73%	3,930,100	8	0.47%
PP Watching Investors, LLC	9,499,400	8	0.64%			
Greenwood Garden Apartments	5,939,200	9	0.40%			
Levin Properties	5,000,000	10	0.34%			
William P Vince Trust				4,595,500	6	0.54%
MGD Holdings Watch, LLC				4,185,000	7	0.50%
North Drive Arms				2,850,000	9	0.34%
West End Garden Apartments				2,812,500	10	0.33%
Total	\$143,516,000		9.62%	\$70,444,400		8.34%

Source: District CAFR J11 & Municipal Tax Assessor

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2017	\$30,887,194	\$30,887,194	100.00%	-
2016	30,325,918	30,325,918	100.00%	-
2015	29,779,840	29,779,840	100.00%	-
2014	29,263,053	29,263,053	100.00%	-
2013	28,703,190	28,703,190	100.00%	-
2012	28,991,748	28,991,748	100.00%	-
2011	28,213,378	28,213,378	100.00%	-
2010	27,182,559	24,917,346	91.67%	\$2,265,213
2009	27,120,757	24,969,539	92.07%	2,151,218
2008	28,043,136	28,043,136	100.00%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Notes Payable				
2017	\$8,955,000.00				\$8,955,000.00	0.97%	\$405.70
2016	9,825,000.00				9,825,000.00	0.88%	445.11
2015	11,425,000.00				11,425,000.00	0.76%	516.03
2014	12,225,000.00	\$27,401.51			12,252,401.51	0.68%	552.21
2013	13,025,000.00	112,212.34			13,137,212.34	0.61%	592.51
2012	13,795,000.00	193,814.18			13,988,814.18	0.56%	631.75
2011	14,575,000.00	248,837.65			14,823,837.65	0.50%	671.22
2010	15,325,000.00	223,908.66			15,548,908.66	0.46%	707.99
2009	16,140,000.00	530,602.60			16,670,602.60	0.42%	796.07
2008	16,825,000.00	1,051,809.43			17,876,809.43	0.42%	861.70

Source: District CAFR Schedules I-1

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Total Municipal Assessed Value	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding			
2016	\$8,955,000.00	-0-	\$8,955,000.00	\$1,489,655,150.00	0.60%	\$103.56
2016	9,825,000.00	-0-	9,825,000.00	1,522,157,150.00	0.65%	113.63
2015	11,425,000.00	-0-	11,425,000.00	1,561,220,150.00	0.73%	132.13
2014	12,225,000.00	-0-	12,225,000.00	1,599,385,650.00	0.76%	146.00
2013	13,025,000.00	-0-	13,025,000.00	1,678,668,700.00	0.78%	162.47
2012	13,795,000.00	-0-	13,795,000.00	1,704,576,050.00	0.81%	176.49
2011	14,575,000.00	-0-	14,575,000.00	1,763,894,450.00	0.83%	196.33
2010	15,420,000.00	-0-	15,420,000.00	1,782,716,400.00	0.86%	215.75
2009	16,140,000.00	-0-	16,140,000.00	1,794,557,100.00	0.90%	229.55
2008	16,825,000.00	-0-	16,825,000.00	843,744,175.00	1.99%	224.75

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.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
 RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF DECEMBER 31, 2016
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
North Plainfield Borough	\$15,480,945.00	100.00%	\$15,480,945.00
Other debt			
Somerset County	185,467,357.00	2.62%	<u>4,859,936.63</u>
Subtotal, overlapping debt			20,340,881.63
North Plainfield Borough School District Direct Debt			<u>8,955,000.00</u>
Total direct and overlapping debt			<u><u>\$29,295,881.63</u></u>

Sources: Borough Finance Office & County Treasurers 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 North Plainfield. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

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

Legal Debt Margin Calculation for Calendar Year 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$71,600,825.24	\$75,866,732.00	\$75,945,940.57	\$73,826,924.15	\$71,222,770.95	\$68,040,289.12	\$64,674,284.95	\$61,519,165.75	\$60,654,533.95	\$60,910,719.32
Total net debt applicable to limit	17,760,000.00	16,140,000.00	15,420,000.00	14,575,000.00	13,795,000.00	13,025,000.00	12,225,000.00	11,425,000.00	10,610,000.00	8,995,000.00
Legal debt margin	\$53,840,825.24	\$59,726,732.00	\$60,525,940.57	\$59,251,924.15	\$57,427,770.95	\$55,015,289.12	\$60,525,940.57	\$60,525,940.57	\$60,525,940.57	\$51,915,719.32
Total net debt applicable to the limit as a percentage of debt limit	24.80%	21.27%	20.30%	19.74%	19.37%	19.14%	18.90%	18.57%	17.49%	14.77%

* Not available at time of audit

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

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

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

Year Ended December <u>31</u>	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2016	22,073	*	*	4.6%
2015	22,140	\$1,914,401,520	\$86,468	5.3%
2014	22,188	1,857,823,428	83,731	5.9%
2013	22,172	1,777,462,724	80,167	7.4%
2012	22,143	1,730,763,309	78,163	10.1%
2011	22,085	1,639,546,230	74,238	9.6%
2010	21,962	1,569,690,026	71,473	6.4%
2009	20,941	1,472,382,651	70,311	9.8%
2008	20,746	1,553,045,560	74,860	5.6%
2007	20,750	1,496,344,750	72,113	1.2%

Source:

- (a) Population information provided by the NJ Dept. of Labor and Workforce Development.
 (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
 (c) Per capita personal income by municipality was computed using Census Bureau midyear population estimates.
 Estimates for 2007-2016 reflect county population.
 (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

* not available

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

<u>Function/Program</u>	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Instruction	236	240	258	293	238	270	270	270	290	282
Regular	76	76	59	70	54	71	71	71	27	26
Special education										
Support Services:										
Student & instruction related services	41	39	48	48	50	49	49	49	46	56
General administrative services	6	6	5	5	5	5	5	5	4	4
School administrative services	22	24	24	24	20	18	18	18	18	16
Business administrative services	3	4	4	4	4	4	4	4	4	4
Plant operations and maintenance	37	38	39	43	38	39	39	39	39	39
Pupil transportation	6	6	6	7	6	6	6	6	6	7
Total	427	433	443	494	415	462	462	462	434	434

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Middle School/High School		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	School				
2017	3,325	\$64,683,578.95	\$19,453.71	4.43%	314	152	162	3,181	3,036	-3.37%	95.44%
2016	3,383	63,022,205.31	18,629.09	3.79%	316	146	170	3,292	3,141	0.15%	95.41%
2015	3,332	59,803,351.18	17,948.18	5.21%	317	146	171	3,287	3,141	0.98%	95.56%
2014	3,344	57,044,424.84	17,058.74	1.21%	293	145	148	3,255	3,117	1.75%	95.76%
2013	3,322	55,992,069.12	16,854.93	5.29%	292	142	150	3,199	3,058	-1.75%	95.59%
2012	3,316	53,083,151.24	16,008.19	1.19%	292	142	150	3,256	3,117	4.69%	95.73%
2011	3,283	51,936,160.71	15,819.73	-6.83%	299	149	150	3,110	2,954	0.00%	94.98%
2010	3,213	54,556,080.00	16,979.79	4.53%	294	148	146	3,110	2,954	0.00%	94.98%
2009	3,165	51,409,629.28	16,243.17	#DIV/0!	291	143	148	3,110	2,954	2.44%	94.98%
2008	3,135	51,115,403.00		8.38%	289	147	142	3,036	2,880	-3.86%	94.86%

Sources: District records

Note: Enrollment based on annual October district count.

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents of certificated staff.

(c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
District Building										
Elementary										
High School										
Square Feet	230,788	230,788	230,788	230,788	230,788	230,788	230,788	230,788	230,788	230,788
Capacity (students)	2,184	2,184	2,184	2,184	2,184	2,184	1,589	1,589	1,589	1,589
Enrollment	1,484	1,472	1,438	1,462	1,476	1,472	1,496	1,428	1,399	1,399
East End Elementary										
Square Feet	54,900	54,900	54,900	54,900	54,900	54,900	52,038	52,038	52,038	52,038
Capacity (students)	616	616	616	616	616	616	323	323	323	323
Enrollment	456	454	454	483	463	457	485	482	413	413
Stony Brook Elementary										
Square Feet	29,300	29,300	29,300	29,300	29,300	29,300	28,789	28,789	28,789	28,789
Capacity (students)	392	392	392	392	392	392	428	428	428	428
Enrollment	246	243	252	268	263	267	257	261	260	260
West End Elementary										
Square Feet	60,020	60,020	60,020	60,020	60,020	60,020	56,604	56,604	56,604	56,604
Capacity (students)	728	728	728	728	728	728	396	396	396	396
Enrollment	533	531	554	602	592	594	558	536	511	511
Harrison School										
Square Feet	11,600	11,600	11,600	11,600	11,600	11,600	20,000	20,000	20,000	20,000
Capacity (students)	84	84	84	84	84	84	61	61	61	61
Enrollment	13	27	18	23	21	25	25	18	-	-
Somerset School										
Square Feet	87,589	87,589	87,589	87,589	87,589	87,589	101,167	101,167	101,167	101,167
Capacity (students)	672	672	672	672	672	672	500	500	500	500
Enrollment	519	517	515	440	459	458	488	506	546	546
Watchung School										
Square Feet	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700
Capacity (students)	18	18	18	18	18	18	18	18	18	18
Enrollment	-	-	-	-	-	-	-	-	-	-

Number of Schools at June 30, 2017
 Elementary/Middle/High School = 7

Source: District records, ASSA
 Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.
 * Not available at time of audit

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

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

School Facilities	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
High School	\$321,210	\$405,129	\$281,453	\$291,000	\$271,847	\$306,857	\$249,985	\$276,845	\$321,887	\$203,658
East End Elementary	141,300	110,515	134,708	189,000	120,529	152,654	101,450	118,452	134,590	94,611
Stony Brook Elementary	106,000	61,171	115,752	106,000	97,007	85,254	76,000	77,658	82,957	68,714
West End Elementary	151,300	160,458	141,023	189,000	121,448	135,000	115,000	115,000	137,308	95,631
Harrison School	90,000	38,244	63,801	89,000	60,841	58,785	50,000	45,567	50,132	35,072
Somerset School	140,193	147,086	23,739	135,000	124,263	123,698	112,000	112,562	133,303	107,133
Watchung School	24,000	6,725		11,026	26,729	12,067	10,000	28,301	50,295	47,487
Total School Facilities	\$974,003	\$929,328	\$760,476	\$1,010,026	\$822,664	\$874,315	\$714,435	\$774,365	\$910,472	\$652,306

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2017
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Package Policy - Diploma Joint Insurance Group		
Property - Blanket Building & Contents - fund limit	\$500,000,000	\$5,000
Comprehensive General Liability (Aggregate)	5,000,000	
Comprehensive Automobile Liability	5,000,000	1,000
Comprehensive Crime Coverage - Loss inside/outside	50,000	1,000
Comprehensive Crime Coverage - Employee Theft	500,000	1,000
	per loss	
Boiler and Machinery - Property Damage	100,000,000	
Student Accident Insurance - Life Ins. Co.-No. America	25,000	2,500
School Leader Professional Liability	5,000,000	15,000
Umbrella Liability - Diploma Joint Insurance Fund-Excess	5,000,000	
Excess Umbrella Liability-Diploma Joint Insurance Fund (Shared Limit)	50,000,000	
Workers Compensation		
Diploma Joint Insurance Fund		15,000
Position Bond -Selective Ins. Co.		
Board Secretary	25,000	
Treasurer of School Monies	350,000	
Flood Insurance - Selective Insurance Company	500,000	5,000.00

Source: District records

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SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, 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 North Plainfield School District (the "District") as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 27, 2017.

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 North Plainfield 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*.

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 ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

November 27, 2017



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON
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 North Plainfield School District
County of Somerset
North Plainfield, New Jersey 07060

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of North 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 North Plainfield School District's major federal and state programs for the year ended June 30, 2017. 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 North 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 North Plainfield School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of North Plainfield School District's compliance

SUPLEE, CLOONEY & COMPANY

Opinion on Each Major Federal and State Program

In our opinion, the Borough of North 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, 2017.

Report on Internal Control Over Compliance

Management of the Borough of North 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 North 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 North Plainfield School District's internal control over compliance.

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

November 27, 2017

BOROUGH OF NORTH PLAINFIELD - SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL FAIN NUMBER	STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT 6/30/2016	ADJUSTMENT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR'S BALANCES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2017	UNEARNED REVENUE AT JUNE 30, 2017	DUE TO GRANTOR AT JUNE 30, 2017
Enterprise Funds													
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Child Nutrition Cluster:													
National School Lunch Program-commodities	10-555	16161NJ304N1099	N/A	7/1/15-6/30/16	\$154,050.95	\$10,930.83		\$132,912.52	(\$10,850.83)			\$10,571.94	
National School Lunch Program-commodities	10-555	171NJ304N1099	N/A	7/1/15-6/30/17	132,912.52			69,383.49	(122,340.66)				
National School Lunch Program	10-555	16161NJ304N1099	N/A	7/1/15-6/30/16	913,206.28	(69,383.49)		863,546.97	(922,582.78)		(\$59,035.81)		
National School Lunch Program	10-555	171NJ304N1099	N/A	7/1/15-6/30/17	922,582.78	(21,450.57)		21,450.57					
National School Breakfast Program	10-553	16161NJ304N1099	N/A	7/1/15-6/30/16	190,534.82			193,293.53	(207,155.99)		(13,862.46)		
National School Breakfast Program	10-553	171NJ304N1099	N/A	7/1/15-6/30/17	207,155.99	(80,003.23)		1,280,587.08	(1,262,910.18)		(72,898.27)		
Total Child Nutrition Cluster						(80,003.23)		1,280,587.08	(1,262,910.18)		(72,898.27)		
Total Enterprise Fund													
Special Revenue Funds													
U.S. Department of Education													
Passed-through State Department of Education:													
Title I	84-010	S010A150030	NCLB367011	9/1/10-8/31/11	469,508.00	2,635.73	(2,635.73)	11,806.00					
Title I	84-010	S010A150030	NCLB367015	7/1/14-6/30/15	737,335.00	(11,806.00)		181,714.00					
Title I	84-010	S010A150030	NCLB367016	7/1/15-6/30/16	693,300.13	(181,714.00)		733,912.00	(734,834.00)		(922.00)		
Title I	84-010	S010A150030	NCLB367017	7/1/15-6/30/17	734,834.00								
Title IA	84-367	S367B150027	NCLB367012	9/1/11-8/31/12	113,736.00	168.18	(168.18)	2,089.00					
Title IA	84-367	S367B150027	NCLB367015	7/1/14-6/30/15	102,181.00	(2,009.00)		17,004.00					
Title IA	84-367	S367B150027	NCLB367016	7/1/15-6/30/16	99,005.61	(17,004.00)		78,159.00	(90,046.00)		(11,887.00)		
Title IA	84-367	S367B160027	NCLB367017	7/1/15-6/30/17	90,046.00			12,243.00					
Title III	84-365	S365A150030	NCLB367016	7/1/15-6/30/16	61,512.60	(12,243.00)		63,928.00	(68,969.00)		(5,041.00)		
Title III	84-365	S365A160030	NCLB367017	7/1/15-6/30/17	68,969.00	(126.00)		17,333.43			(126.00)		
Title III - immigrant	84-365	S365A150030	NCLB367015	7/1/14-6/30/15	40,220.00	(17,333.43)		15,087.00	(15,445.57)		(358.57)		
Title III - immigrant	84-365	S365A160030	NCLB367016	7/1/15-6/30/16	42,087.66			1,133,195.43	(909,294.57)		(18,334.57)		
Title III - immigrant	84-365	S365A160030	NCLB367017	7/1/15-6/30/17	15,445.57	(239,431.52)	(2,803.91)	1,133,195.43	(909,294.57)				
Total N.C.L.B.						(239,431.52)	(2,803.91)	1,133,195.43	(909,294.57)		(18,334.57)		
Special Education Cluster:													
ARRA - I.D.E.A. Part B	84-391	H027A150100	ARRA367011	9/1/10-8/31/12	863,811.00	78.74	(78.74)	151,548.00					
I.D.E.A. Part B, Basic	84-027	H027A160100	IDEA367016	7/1/15-6/30/16	971,061.00	(151,548.00)		830,727.00	(920,517.00)		(89,790.00)		
I.D.E.A. Part B, Basic	84-027	H027A160100	IDEA367017	7/1/15-6/30/17	31,093.00			14,635.00					
ARRA - I.D.E.A. Part B, Preschool	84-392	H173A150114	ARRA367011	9/1/10-8/31/12	18,767.81	70.37	(70.37)	18,514.00	(19,591.00)		(1,077.00)		
I.D.E.A. Part B, Preschool	84-173	H173A160114	IDEA367016	7/1/15-6/30/16	19,591.00	(14,635.00)		1,015,424.00	(940,108.00)		(90,867.00)		
I.D.E.A. Part B, Preschool	84-173	H173A160114	IDEA367017	7/1/15-6/30/17	19,591.00	(166,033.89)	(149.11)	2,148,619.43	(1,849,402.57)		(109,201.57)		
Total Special Education Cluster						(485,465.41)	(2,953.02)	2,148,619.43	(1,849,402.57)		(109,201.57)		
General Fund													
Passed through State Department of Education													
ARRA - Medical Assistance Program (SEM)	93-778	1705NJ5MAP	N/A	4/1/09-12/31/09	5,263.23		(5,263.23)	233,702.26	(233,702.26)				
Medical Assistance Program (SEM)	93-778	1705NJ5MAP	N/A	7/1/16-6/30/17	233,702.26			238,985.49	(233,702.26)				
Total Pass through State Department of Education								\$3,668,172.00	(\$3,346,015.01)		(\$182,099.84)		\$10,571.94
Total Federal Financial Assistance													

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

BOROUGH OF NORTH PLAINFIELD, SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

STATE GRANT/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AMOUNT AWARDED	BALANCE AT JUNE 30, 2016	ADJUSTMENT: CARRYOVER	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS BALANCES	MEMO		
										(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE TO GRANTORS
General Funds:												
State Aid Cluster:												
Equalization Aid	17-465-034-5120-078	7/1/16-6/30/17	\$32,281,699.00			\$30,983,322.00	(632,381,699.00)	\$2,198,447.00			\$2,198,447.00	22,281,699.00
Special Education Aid	17-465-034-5120-089	7/1/16-6/30/17	2,060,334.00			1,857,095.00	(2,060,334.00)	203,329.00			203,329.00	2,060,334.00
Security Aid	17-465-034-5120-084	7/1/16-6/30/17	272,195.00			245,202.00	(272,195.00)	28,993.00			28,993.00	272,195.00
Undergrad. Aid	17-465-034-5120-086	7/1/16-6/30/17	78,758.00			70,638.00	(78,758.00)	7,820.00			7,820.00	78,758.00
PARCC Readiness Aid	17-465-034-5120-088	7/1/16-6/30/17	33,560.00			30,300.00	(33,560.00)	3,260.00			3,260.00	33,560.00
Per Pupil Growth Aid	17-465-034-5120-097	7/1/16-6/30/17	33,560.00			30,300.00	(33,560.00)	3,260.00			3,260.00	33,560.00
Professional Learning Community Aid	17-465-034-5120-101	7/1/16-6/30/17	30,040.00			28,751.00	(33,040.00)	3,279.00			3,279.00	33,040.00
Total State Aid Cluster			70,094.00			64,783,146.00	(70,094.00)	6,811.00			6,811.00	70,094.00
Transposition Aid	16-465-034-5120-073	7/1/15-6/30/16	169,862.00	(169,862.00)		169,862.00		6,811.00			6,811.00	169,862.00
Extracurricular Aid	17-465-034-5120-073	7/1/15-6/30/16	300,087.00			2,272,859.00	(300,087.00)				300,087.00	300,087.00
On-behalf TPAF pension - post retirement medical	17-465-034-5065-001	7/1/15-6/30/16	2,272,859.00			95,378.00	(2,272,859.00)			(138,087.00)	300,087.00	2,272,859.00
On-behalf TPAF pension contribution	17-465-034-5065-004	7/1/15-6/30/16	2,632,400.00			2,632,400.00					2,632,400.00	2,632,400.00
On-behalf TPAF long term disability insurance	N/A	7/1/15-6/30/16	9,598.00			9,598.00					9,598.00	9,598.00
Reimbursed TPAF Social Security Contributions	16-465-034-5064-003	7/1/15-6/30/16	1,867,551.07	(92,595.84)		1,782,389.09	(1,874,844.09)			(92,455.00)	1,867,551.07	1,867,551.07
Total General Fund			(987,267.84)	29,465,422.93		(35,128,456.09)		2,453,229.00		(472,552.00)	2,925,781.00	34,156,271.16
Special Revenue Fund:												
Education Reform Implementation Program	16-100-034-5068-049	3/1/15-11/30/16	48,299.00			48,299.00					48,299.00	48,299.00
Preschool Education Aid	16-465-034-5120-086	7/1/15-6/30/16	632,302.00	(24,884.50)		632,302.00					632,302.00	632,302.00
Preschool Education Aid	16-465-034-5120-088	7/1/15-6/30/16	684,512.00			625,061.00	(683,918.12)			(58,857.12)	683,918.12	683,918.12
NJ Nominable Aid:												
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	9,022.00	\$1,610.95		9,223.00			\$1,610.95		\$3,102.67	7,411.05
Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	9,223.00			9,223.00					9,223.00	16,634.05
Nursing Services	16-100-034-5120-070	7/1/15-6/30/16	14,220.00	10,134.40		14,400.00			10,134.40		5,217.26	4,095.60
Nursing Services	17-100-034-5120-070	7/1/16-6/30/17	14,400.00			14,400.00					14,400.00	18,495.60
Technology Initiative	16-100-034-5120-073	7/1/15-6/30/16	4,108.00	2,893.53		4,190.00			2,893.53		1,114.47	4,005.60
Technology Initiative	17-100-034-5120-073	7/1/16-6/30/17	4,190.00			4,190.00					4,190.00	8,195.60
Security	16-100-034-5120-068	7/1/15-6/30/16	3,050.00	3,584.75		8,000.00			3,584.75		1,795.90	355.25
Security	17-100-034-5120-068	7/1/16-6/30/17	8,000.00			8,000.00					8,000.00	8,355.25
Auxiliary Services	16-100-034-5120-067	7/1/15-6/30/16	1,692.00	1,099.80		868.00			1,099.80		89.78	592.20
Compensatory Education	17-100-034-5120-067	7/1/16-6/30/17	868.00			868.00					868.00	1,460.28
English as a Second Language	17-100-034-5120-067	7/1/16-6/30/17	2,741.00			2,741.00					2,741.00	2,741.00
Handicapped Services:												
Supplemental Instruction	16-100-034-5120-066	7/1/15-6/30/16	4,455.00	3,415.36		2,354.00			3,415.36		1,020.01	1,039.64
Supplemental Instruction	17-100-034-5120-066	7/1/16-6/30/17	2,354.00			2,354.00					2,354.00	3,393.64
Examination & Classification	16-100-034-5120-066	7/1/15-6/30/16	3,760.00	1,020.01		3,760.00			1,020.01		0.70	3,760.70
Examination & Classification	17-100-034-5120-066	7/1/16-6/30/17	3,760.00			3,760.00					3,760.70	7,521.40
Connective Speech	16-100-034-5120-066	7/1/15-6/30/16	12,541.00	8,884.54		8,884.54			8,884.54		6,884.94	3,846.06
Connective Speech	17-100-034-5120-066	7/1/16-6/30/17	8,884.54			8,884.54					8,884.94	12,730.60
Total Special Revenue Fund			7,579.24	7,579.24		790,809.00	(735,924.85)		32,883.74	(58,857.12)	28,946.97	1,414,568.57
Capital Projects Fund:												
Stony Brook School Window Replacement	3670-090-14-1009	2015	410,678.00	(8,743.90)	\$8,743.98							238,678.99
Stony Brook School Security Upgrades	3670-090-14-1010	2016	76,762.00	(24,413.66)		24,413.66						24,413.66
High School Partial HVAC Upgrades	3670-050-14-1002	2016	353,273.00	(241,118.54)		204,730.74						36,307.80
High School Fire Door Replacement	3670-050-14-1005	2016	61,591.00	(38,220.83)								38,348.83
Stony Brook School Fire Door Replacement	3670-090-14-1011	2016	61,785.00	(35,869.54)								35,875.93
West End School Fire Door Replacement	3670-110-14-1012	2016	104,205.00	(89,261.82)								89,218.21
East End School Fire Door Replacement	3670-090-14-1005	2016	91,440.00	(56,859.30)								57,014.75
Total Capital Projects Fund			(684,576.77)	3,743.98		229,144.40					(356,996.53)	144,819.51
Enterprise Fund - Child Nutrition Cluster:												
National School Lunch Program (State Share)	16-100-010-3390-007	7/1/15-6/30/16	18,682.23	(1,434.42)		17,857.26					(1,127.89)	19,865.15
National School Lunch Program (State Share)	17-100-010-3390-007	7/1/16-6/30/17	19,865.15			19,291.85					(1,127.89)	38,967.39
Total Enterprise Fund (Child Nutrition Cluster)			(3751,201.79)	38,743.88		30,594,668.01	(32,844,672.02)				\$3,946.97	\$38,967.39
Total State Financial Assistance												
Less: On-behalf amounts not utilized for determination of Major Programs:												
On-behalf TPAF pension - post retirement medical	17-465-034-5065-001	7/1/16-6/30/17	2,272,859.00			2,272,859.00					(2,272,859.00)	
On-behalf TPAF pension contribution	17-465-034-5065-004	7/1/16-6/30/17	95,378.00			95,378.00					(95,378.00)	
On-behalf TPAF long term disability insurance	N/A	7/1/16-6/30/17	2,632,400.00			2,632,400.00					(2,632,400.00)	
On-behalf TPAF long term disability insurance	N/A	7/1/16-6/30/17	9,598.00			9,598.00					(9,598.00)	
Total State Financial Assistance Subject to Single Audit						\$28,127,933.01					(329,865,837.02)	

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

Borough of North Plainfield School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2017

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and 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 Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of the 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 North Plainfield School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2017

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$21,472.00) for the general fund, \$1,258.00 for the special revenue fund and \$64,315.43 for the capital projects 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	\$238,965.49	\$32,128,456.09	\$32,367,421.58
Special Revenue Fund	1,849,402.57	795,924.65	2,645,327.22
Capital Projects Fund			
Food Service Fund	1,262,910.18	18,985.15	1,281,895.33
Total Awards & Financial Assistance	\$3,351,278.24	\$32,943,365.89	\$36,294,644.13
GAAP Adjustment	12.22	44,089.21	44,101.43
Total: GAAP Basis	<u>\$3,351,290.46</u>	<u>\$32,987,455.10</u>	<u>\$36,338,745.56</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2017. 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, 2017.

Borough of North Plainfield School District
Somerset County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

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 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 and listed in Section III of this schedule? | No |

Borough of North Plainfield School District
Somerset County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

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

Federal Program(s) (Continued)

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

<u>Program</u>	<u>Grant Number</u>
Special Education Cluster:	
I.D.E.A. Part B Basic	84.027
I.D.E.A. Part B Preschool	84.173

(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 the Uniform Guidance? Yes

State Program(s)

(1) Internal Control Over Major State Programs:

(a) Material weakness 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 and listed in Section III of this schedule? No

Borough of North Plainfield School District
Somerset County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

State Program(s)(Continued)

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

<u>Program</u>	<u>Grant Number</u>
State Aid -Public Cluster:	
Special Education Aid	495-034-5120-089
Equalization Aid	495-034-5120-078
Security Aid	495-034-5120-084
Under Adequacy Aid	495-034-5120-096
Per Pupil Growth	495-034-5120-097
PARCC Readiness	495-034-5120-098
Professional Learning Community	495-034-5120-101
Preschool Education Aid	495-034-5120-086

(5) Program Threshold Determination:

Type A State Program Threshold > \$916,975.00

Type B State Program Threshold <= \$916,975.00

(6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

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

Internal Control Findings – None Reported

Compliance Findings – None Reported

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

Federal Programs – None Reported

State Programs – None Reported

Borough of North Plainfield School District
Somerset County, New Jersey

Schedule of Prior Year Audit Findings

Not Applicable

