

**Comprehensive Annual
Financial Report**

of the

Borough of South Plainfield Board of Education

County of Middlesex

South Plainfield, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

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

TABLE OF CONTENTS

INTRODUCTORY SECTION	PAGE
Letter of Transmittal	1-5
Roster of Officials	6
Consultants and Advisors	7
Organizational Chart	8
FINANCIAL SECTION	
Independent Auditor's Report	9-11
REQUIRED SUPPLEMENTARY INFORMATION – Part I	12
Management's Discussion and Analysis (Unaudited)	13-22
BASIC FINANCIAL STATEMENTS	23
A. District-Wide Financial Statements	24
A-1 Statement of Net Position	25
A-2 Statement of Activities	26
B. Major Fund Financial Statements	27
Governmental Funds:	
B-1 Balance Sheet	28-29
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance	30
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Other Funds:	32
Proprietary Funds:	
B-4 Statement of Net Position	33
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	34
B-6 Statement of Cash Flows	35
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	36
B-8 Statement of Changes in Fiduciary Net Position	37
Notes to the Financial Statements	38-78

TABLE OF CONTENTS (CONTINUED)

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION – Part II	79
C. Budgetary Comparison Schedules:	80
C-1 General Fund	81-91
C-1A Budgetary Comparison Schedule	N/A
C-2 Special Revenue Fund	92
C-3 Budget to GAAP Reconciliation	93
REQUIRED SUPPLEMENTARY INFORMATION – Part III	94
L. Schedules Related to Accounting and Reporting for Pension (GASB 68)	95
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System – Last Ten Years	96
L-2 Schedule of the District’s Contributions – Public Employees Retirement System – Last Ten Years	97
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability Teachers Pension and Annuity Fund – Last Ten Years	98
Notes to the Required Supplementary Information Part III	99
L-4 Notes to the Required Supplementary Information	100
OTHER SUPPLEMENTARY INFORMATION	101
D. School Level Schedules	N/A
E. Special Revenue Fund:	102
E-1 Combining Schedule of Revenues and Expenditures - Budgetary Basis	103-105
E-2 Schedule of Expenditures - Preschool Education Aid - Budgetary Basis	106
F. Capital Projects Fund	107
F-1 Summary Statement of Project Expenditures – Budgetary Basis	108
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	109
F-2A Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Franklin School Security Upgrade	110
F-2B Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Kennedy School Security Upgrade	111
F-2C Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Riley School Security Upgrade	112
F-2D Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Roosevelt School Security Upgrade	113
F-2E Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Grant School Security Upgrade	114
F-2F Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Middle School Security Upgrade	115

TABLE OF CONTENTS (CONTINUED)

	PAGE	
F-2G	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – High School School Security Upgrade	116
F-2H	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Roosevelt Building Boiler Replacement	117
F-2I	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Kennedy School Building Boiler Replacement	118
F-2J	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Franklin School Fire Alarm Replacement	119
F-2K	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Kennedy School Fire Alarm Replacement	120
F-2L	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Riley School Fire Alarm Replacement	121
F-2M	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Grant School Partial Roof Replacement	122
G. Proprietary Funds		123
Enterprise Fund:		
G-1	Combining Statement of Net Position	124
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	125
G-3	Combining Statement of Cash Flows	126
H. Fiduciary Fund		127
H-1	Combining Statement of Fiduciary Net Position	128
H-2	Combining Statement of Changes in Fiduciary Net Position	129
H-3	Schedule of Receipts and Disbursements - Student Activity Agency Fund	130
H-4	Schedule of Receipts and Disbursements - Payroll Agency Fund	131
I. Long-Term Debt		132
I-1	Schedule of Serial Bonds	133
I-2	Schedule of Obligations Under Capital Leases	134
I-3	Budgetary Comparison Schedule - Debt Service Fund	135

TABLE OF CONTENTS (CONTINUED)

PAGE

STATISTICAL SECTION (UNAUDITED)

J-1	Net Assets by Component	136
J-2	Changes in Net Position	137-138
J-3	Fund Balances – Governmental Funds	139
J-4	Changes in Governmental Fund Balances – Governmental Funds	140
J-5	General Fund Other Local Revenue by Source	141
J-6	Assessed Value and Actual Value of Taxable Property	142
J-7	Direct and Overlapping Property Tax Rates	143
J-8	Principal Property Tax Payers - Current Year and Nine Years Ago	144
J-9	Property Tax Levies and Collections	145
J-10	Ratios of Outstanding Debt by Type	146
J-11	Ratios of Net Bonded Debt Outstanding	147
J-12	Ratios of Overlapping Governmental Activities Debt	148
J-13	Legal Debt Margin Information	149
J-14	Demographic and Economic Statistics	150
J-15	Principal Employers – Current and Nine Years Ago	151
J-16	Full-Time Equivalent District Employees by Function/Program	152
J-17	Operating Statistic	153
J-18	School Building Information	154
J-19	Schedule of Required Maintenance for School Facilities	155
J-20	Insurance Schedule	156

SINGLE AUDIT SECTION

K-1	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with Government Auditing Standards	157-158
K-2	Independent Auditor's Report on Compliance with Requirements Applicable to Major Federal and State Financial Assistance Programs and Internal Control Over Compliance in Accordance with U.S. OMB Circular Guidance and New Jersey OMB Circular 15-08	159-160
K-3	Schedule of Expenditures of Federal Awards, Schedule A	161
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	162-163
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	164-165
K-6	Schedule of Findings and Questioned Costs	166-168
K-7	Schedule of Prior Audit Findings	169

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	1
Letter of Transmittal	2-6
Roster of Officials	7
Consultants and Advisors	8
FINANCIAL SECTION	
Independent Auditor's Report	9-11
REQUIRED SUPPLEMENTARY INFORMATION – Part I	12
Management's Discussion and Analysis (Unaudited)	13-22
BASIC FINANCIAL STATEMENTS	23
A. District-Wide Financial Statements	24
A-1 Statement of Net Position	25
A-2 Statement of Activities	26
B. Major Fund Financial Statements	27
Governmental Funds:	
B-1 Balance Sheet	28-29
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance	30
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Other Funds:	32
Proprietary Funds:	
B-4 Statement of Net Position	33
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	34
B-6 Statement of Cash Flows	35
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	36
B-8 Statement of Changes in Fiduciary Net Position	37
Notes to the Financial Statements	38-78

INTRODUCTORY SECTION



South Plainfield Public Schools

125 Jackson Ave
South Plainfield, NJ 07080
908-754-4620
spboe.org

Dr. Noreen Lishak
Superintendent of Schools
nlishak@spboe.org

Mrs. Mary Malyska
Assistant Superintendent
mmalyska@spboe.org

Mr. James Damato
Int. Board Secretary/Business Admin.
jdamoto@spboe.org

November 13, 2017

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

Dear Board Members:

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

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

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

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

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

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

The District operated the 2016/2017 fiscal year with an enrollment of 3,392 students, which represents a decrease of 3.83% less students than the previous year's enrollment. This change is primarily due to different recording procedures on the district's ASSA submission relating to students in Pre-K. The following details the changes in the student enrollment of the district over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-2017	3,392	-3.83%
2015-2016	3,523	-0.15%
2014-2015	3,576	3.32%
2013-2014	3,461	-2.73%
2012-2013	3,558	-1.96%
2011-2012	3,630	-2.26%
2010-2011	3,714	-0.70%
2009-2010	3,739	0.91%
2008-2009	3,705	-0.43%
2007-2008	3,721	-2.00%

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

3. Internal Accounting Controls: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that recognizes: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

4. Budgetary Controls: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.


An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

5. Accounting System and Reports: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The District had implemented GASB No. 34 for the fiscal year ended June 30, 2006 as explained in the Notes to the Basic Financial Statements.
6. Debt Administrations: The Board of Education issued bonds to pay for the school district's capital projects. The proposal was approved by the voters at the April 17, 2001 school election for a total of \$19,283,380.00. The State's share of the project was \$6,647,000, and the local share of the project was \$12,636,380.00. The project included the building of a new elementary school; expansion of Grant School to include grades 5 and 6; and two (2) contracts for electrical and technology upgrades. On August 14, 2009, the Board of Education sold and issued \$9,765,000 Refunding School bonds resulting in a savings of \$341,112. As of June 30, 2017, the outstanding principal was \$5,455,000 – bonds.
7. Cash Management: The investment policy of the District is guided in large part by state statute as detailed in the "Notes to Basic Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit its funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. Risk Management: The Board carries various forms of insurance,, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
9. Other Information:

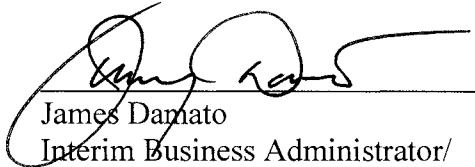
Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee, Clooney and Company, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also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

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

Respectfully Submitted,



Dr. Noreen Lishak,
Superintendent of Schools



James Damato
Interim Business Administrator/
Board Secretary

**BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2017**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
William H. Seesselberg, President	2018
Chere M. Glover, Vice President	2017
Thomas Cassio	2019
James Giannakis	2019
Douglas Chapman	2018
Kimberly "Anesh" DeAngelis	2018
Dr. John T. Farinella	2017
Deborah Boyle	2017
Sharon Miller	2017
<u>Other Officials</u>	
Dr. Noreen Lishak	
James Damato, Interim Business Administrator/Board Secretary	
Glen Cullen, Treasurer	
Mark H. Zitomer, Esq., Schenck, Price, Smith & King, LLP Board Attorney	

**BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
JUNE 30, 2017**

Audit Firm

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

Official Depository

Investors Bank
101 Wood Avenue South
Iselin, New Jersey 08830

Attorney

Schenck, Price, Smith & King, LLP
220 Park Avenue
PO Box 991
Florham Park, New Jersey 07932

FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of South Plainfield School District, County of Middlesex, New Jersey as of and for the year ended June 30, 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's Responsibility

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

SUPLEE, CLOONEY & COMPANY

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of South Plainfield School District, County of Middlesex, New Jersey as of June 30, 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 and budgetary comparison information in Exhibit C-1 through C-3 and the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

SUPLEE, CLOONEY & COMPANY

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of South Plainfield School District's basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The other information, such as the introductory and statistical sections, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 13, 2017 on our consideration of the Borough of South Plainfield School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of South Plainfield School District's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

November 13, 2017

REQUIRED SUPPLEMENTARY INFORMATION – Part I

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

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

The discussion and analysis of the Borough of South Plainfield School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements-Management's Discussion and Analysis-for the State and Local Governments* issued in June 1999. Certain comparative information between the current fiscal year (2016-2017) and the prior fiscal year (2015-2016) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2017 are as follows:

- The state continues to delay the final two state aid payments into the subsequent budget year. Therefore, the final two payments were not reflected on the GAAP basis financial statements for the 2016/2017 school year.
- General revenues accounted for \$55,534,1059 or 68% of all revenues. Program specific revenues in the form of charges for services and operating/capital grants and contributions accounted for \$26,153,138 or 32% of all revenues.
- The District had \$80,251,837 in expenses that were adequately provided for by general revenues consisting primarily of state aid and property taxes.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2017?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

Table 1 provides a comparative summary of the District's net position for 2017 and 2016.

	Table 1	
	Net Position	
	<u>2017</u>	(As Restated) <u>2016</u>
Assets		
Current and Other Assets	\$9,765,330.23	\$8,356,526.16
Capital Assets	<u>21,211,717.00</u>	<u>22,139,929.26</u>
Total Assets	30,977,047.23	30,496,455.42
Deferred Outflows:		
Related to Pensions	5,315,431.00	2,537,581.00
Loss on Refunding of Long-term Debt	<u>165,487.00</u>	<u>224,684.00</u>
	5,480,918.00	2,762,265.00
Liabilities		
Other Liabilities	1,381,319.46	2,567,732.34
Long-Term Liabilities	<u>24,131,069.08</u>	<u>21,403,682.79</u>
Total Liabilities	25,512,388.54	23,971,415.13
Deferred Inflows:		
Related to Pensions	<u>447,329.00</u>	<u>224,464.00</u>
Net Position		
Net Investment in Capital Assets(Deficit)	15,663,399.98	15,718,820.26
Restricted	7,006,173.83	4,372,522.94
Unrestricted(Deficit)	<u>(12,171,326.12)</u>	<u>(11,028,501.91)</u>
Total Net Position	<u>\$10,498,247.69</u>	<u>\$9,062,841.29</u>

The District's combined net position were \$8,988,502.03 on June 30, 2017. The District's investment in capital assets is shown net of any related debt used to acquire those assets.

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

Table 2 shows changes in net assets for fiscal years 2017 and 2016.

Table 2
Changes in Net Position

	<u>2017</u>	<u>2016</u>
Revenues		
Program Revenues:		
Charges for Services	\$2,030,419.99	\$2,147,935.15
Operating Grants and Contributions	24,071,087.80	19,424,477.34
Capital Grants and Contributions	51,630.71	
General Revenues:		
Property Taxes	47,613,711.00	46,160,650.00
Grants and Entitlements	6,851,863.00	6,823,714.00
Other	<u>1,068,531.62</u>	<u>276,622.09</u>
Total Revenues	<u>81,687,244.12</u>	<u>74,833,398.58</u>
 Program Expenses		
Instruction	49,961,019.91	45,569,310.41
Support Services:		
Student and Instruction Related	9,887,061.81	9,504,887.39
General Administration	1,533,871.19	1,335,216.44
School Administration	5,148,809.63	4,785,061.71
Central Services/ Adm. Of Technology	2,213,792.51	2,154,388.26
Maintenance of Facilities	5,711,117.98	5,616,513.01
Student Transportation	3,140,455.96	2,832,457.37
Business Type Activities	2,365,136.18	2,470,004.51
Other	<u>290,572.55</u>	<u>355,671.94</u>
Total Expenses	<u>80,251,837.72</u>	<u>74,623,511.04</u>
Increase/ (Decrease) in Net Position	<u>\$1,435,406.40</u>	<u>\$209,887.54</u>

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

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

Government Activities

The nature of funding public education primarily through property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District budget. Property taxes made up 62 percent of revenues for governmental activities in the District. There was a \$1,453,061 increase in property taxes or 3 percent from the prior year. The District's total revenues were \$79,364,912 for the year ended June 30, 2017.

Instruction comprises 64 percent of district expenses. Support services make up 35 percent of the district expenses and other services and expenses make up 1 percent.

Business-Type Activities

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

- Business type expenses exceeded revenues by \$42,803.88.
- Revenues consist of \$1,749,556 in operating revenue from charges for services and \$572,776 in non-operating revenue from State, Federal and other sources.

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

**Table 3
Net Cost of Services**

	<u>Total Cost of Services 2017</u>	<u>Total Cost of Services 2016</u>	<u>Net Cost of Services 2017</u>	<u>Net Cost of Services 2016</u>
Instruction	\$49,961,019.91	45,569,310.41	\$31,329,526.06	\$30,506,336.26
Support Services:				
Students and Instruction Related	9,887,061.81	9,504,887.39	6,962,086.96	7,258,697.63
General Administration, School & Central Administration	8,896,473.33	8,274,666.41	7,134,542.58	6,971,793.35
Maintenance of Facilities	5,711,117.98	5,616,513.01	5,681,832.05	5,593,688.77
Student Transportation	3,140,455.96	2,832,457.37	2,657,335.14	2,415,838.58
Other	290,572.55	355,671.94	290,572.55	355,671.94
Business-Type Activities	<u>2,365,136.18</u>	<u>2,470,004.51</u>	<u>(42,803.88)</u>	<u>50,927.98</u>
Total Net Cost of Services	<u>\$80,251,837.72</u>	<u>\$74,623,511.04</u>	<u>\$54,013,091.46</u>	<u>\$53,152,954.51</u>

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

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

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

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

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

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

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

"Other" includes unallocated depreciation and interest on long term debt.

Business-Type activities include activities in the food service, preschool, latchkey and adult education programs.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$67,321,932 and expenditures were \$64,790,879.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules, which do not include the capital projects fund's activity, present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2017, and the amount and percentage of increase or decrease in relation to prior year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase(Decrease) from FY 2016</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$49,083,234	72.91%	\$2,470,591	8.71%
State Sources	16,928,999	25.15%	575,557	2.27%
Federal Sources	1,309,698	1.95%	(362,798)	-24.53%
Total	\$67,321,932	100.00%	\$2,683,350	4.86%

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

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

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2017, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase(Decrease) from FY 2016</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$24,896,046	38.43%	\$160,194	0.64%
Support Services	38,406,996	59.28%	610,428	1.56%
Capital Outlay	264,212	0.41%	(131,077)	-98.45%
Debt Service	<u>1,223,625</u>	<u>1.89%</u>	<u>5,525</u>	<u>0.45%</u>
Total	<u>\$64,790,879</u>	<u>100.00%</u>	<u>\$645,070</u>	<u>1.20%</u>

General Fund Budgeting Highlights

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

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

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

Debt Administration

At June 30, 2017, the District had \$24,131,069 of outstanding long-term liabilities. Of this amount, \$810,691 is for compensated absences, \$17,606,574 for pension liability, \$169,986 for bond refunding premium and \$5,455,000 of serial bonds.

Capital Assets

At the end of the fiscal year 2017, the District had a net of \$21,211,717 invested in land, building and building improvements, and machinery and equipment. Table 4 shows fiscal year 2017 balances compared to 2016.

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

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

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

	<u>2017</u>	(As Restated) <u>2016</u>
Governmental Activities Capital Assets, Net:		
Land	\$1,265,266.00	\$1,265,266.00
Land Improvements	1,190,512.00	1,263,720.00
Building and Building Improvements	16,084,669.00	16,659,822.00
Machinery and Equipment	<u>2,465,876.00</u>	<u>2,757,890.26</u>
Total Governmental Activities Capital Assets, Net	<u>21,006,323.00</u>	<u>21,946,698.26</u>
Business Type Activities Capital Assets, Net:		
Machinery and Equipment	<u>205,394.00</u>	<u>193,231.00</u>
Total Business Type Activities Capital Assets, Net:	<u>205,394.00</u>	<u>193,231.00</u>
Total Capital Assets, Net	<u><u>\$21,211,717.00</u></u>	<u><u>\$22,139,929.26</u></u>

Overall net capital assets decreased by \$928,212.26 from fiscal year 2016 to fiscal year 2017.

Contacting the School District's Financial Management Office

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact: James Damato Interim, Business Administrator/Board Secretary, South Plainfield Board of Education, 125 Jackson Avenue, South Plainfield, NJ 07507. Also, please visit our website to learn more about our School District.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2017.

DISTRICT-WIDE FINANCIAL STATEMENTS

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

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

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$7,922,668.62	\$912,911.92	\$8,835,580.54
Receivables, net	799,790.99	107,552.45	907,343.44
Inventory		22,406.25	22,406.25
Capital assets:			
Non Depreciable	1,265,266.00		1,265,266.00
Depreciable - Net	19,741,057.00	205,394.00	19,946,451.00
Total Assets	<u>29,728,782.61</u>	<u>1,248,264.62</u>	<u>30,977,047.23</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to pension	5,315,431.00		5,315,431.00
Loss on Refunding of Long-Term Debt	165,487.00		165,487.00
Total deferred outflow of resources	<u>5,480,918.00</u>		<u>5,480,918.00</u>
LIABILITIES:			
Accounts payable	745,616.93	93,247.64	838,864.57
Payable to state government	36,094.00		36,094.00
Unearned revenue	259,582.97	7,730.39	267,313.36
Other liabilities	119,533.95		119,533.95
Accrued interest payable	119,513.58		119,513.58
Noncurrent liabilities:			
Net pension liability	17,606,574.00		17,606,574.00
Due within one year	1,013,804.67		1,013,804.67
Due beyond one year	5,510,690.41		5,510,690.41
Total liabilities	<u>25,411,410.51</u>	<u>100,978.03</u>	<u>25,512,388.54</u>
Related to pension	<u>447,329.00</u>		<u>447,329.00</u>
NET POSITION:			
Net Investment in capital assets	15,458,005.98	205,394.00	15,663,399.98
Restricted for:			
Capital projects	294,665.74		294,665.74
Debt service(deficit)	(117,848.58)		(117,848.58)
Other purposes	6,829,356.67		6,829,356.67
Unrestricted(deficit)	<u>(13,113,218.71)</u>	<u>941,892.59</u>	<u>(12,171,326.12)</u>
Total net position	<u>\$9,350,961.10</u>	<u>\$1,147,286.59</u>	<u>\$10,498,247.69</u>

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2017

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position				
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental Activities:									
Instruction:									
Regular	\$ 18,495,389.17	\$ 16,553,313.49	\$ 24,281.04	\$ 11,905,381.92	\$	\$ (23,119,039.70)	\$	\$ (23,119,039.70)	
Special	7,640,389.49	4,716,859.07		6,303,753.32		(6,053,495.24)		(6,053,495.24)	
Other Instruction	1,490,178.52	1,064,890.17		398,077.57		(2,156,991.12)		(2,156,991.12)	
Support services:									
Tuition									
Student & instruction related services	5,871,534.30	4,015,527.51		2,873,344.14	51,630.71	(6,962,086.96)		(6,962,086.96)	
General administrative services	1,129,480.46	404,390.73		237,451.08		(1,296,420.11)		(1,296,420.11)	
School administrative services	2,712,374.22	2,436,435.41		1,447,416.19		(3,701,393.44)		(3,701,393.44)	
Central services	789,106.83	456,996.97		44,977.66		(1,201,126.14)		(1,201,126.14)	
Administration information technology	641,679.66	326,009.05		32,085.82		(935,602.89)		(935,602.89)	
Plant operations and maintenance	5,365,297.33	345,820.65		29,285.93		(5,681,832.05)		(5,681,832.05)	
Pupil transportation	2,124,365.01	1,016,090.95		226,538.15		(2,657,335.14)		(2,657,335.14)	
Unallocated benefits	30,246,956.00	(30,246,956.00)							
Unallocated depreciation and amortization	1,140,330.00	(1,089,378.00)							
Interest on Long-Term Debt	239,620.55					(50,952.00)		(50,952.00)	
Total governmental activities	<u>77,886,701.54</u>	<u>\$</u>	<u>280,863.71</u>	<u>23,498,311.78</u>	<u>51,630.71</u>	<u>(54,055,895.34)</u>		<u>(54,055,895.34)</u>	
Business-type activities									
Food Service	1,474,164.98			566,916.72		(13,558.06)		(13,558.06)	
Preschool Program	283,231.06			1,365.95		(84,821.07)		(84,821.07)	
Latchkey Program	566,131.95			2,729.07		58,107.66		58,107.66	
Adult Education Program	41,608.19			1,764.28		(2,532.41)		(2,532.41)	
Total business-type activities	<u>2,365,136.18</u>	<u>\$</u>	<u>1,749,556.28</u>	<u>572,776.02</u>	<u></u>	<u>(42,803.88)</u>		<u>(42,803.88)</u>	
Total primary government	<u>\$ 80,251,837.72</u>	<u>\$</u>	<u>2,030,419.99</u>	<u>24,071,087.80</u>	<u>51,630.71</u>	<u>(54,055,895.34)</u>	<u>\$</u>	<u>(54,098,699.22)</u>	
General Revenues:									
Taxes:									
Property taxes, levied for general purposes, net						\$ 46,390,066.00	\$	\$ 46,390,066.00	
Taxes levied for debt service						1,223,625.00		1,223,625.00	
Miscellaneous income						1,068,531.62		1,068,531.62	
Total general revenues and special items						55,534,105.62		55,534,105.62	
Change in net position						1,478,210.28		(42,803.88)	
Net Position - beginning (as restated)						7,872,750.82	\$	1,190,090.47	
Net Position ending						9,350,961.10	\$	1,147,286.59	

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

MAJOR FUND FINANCIAL STATEMENTS

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 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	\$ 7,452,272.62	\$ 189,125.27	\$ 279,605.73	\$ 1,665.00	\$ 7,922,668.62
Accounts receivable:					
Federal		108,857.84			108,857.84
State	497,597.14		191,754.01		689,351.15
Local		1,582.00			1,582.00
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 7,949,869.76</u>	<u>\$ 299,565.11</u>	<u>\$ 471,359.74</u>	<u>\$ 1,665.00</u>	<u>\$ 8,722,459.61</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 152,512.54	\$ 62,342.39			\$ 214,854.93
Other liabilities		119,533.95			119,533.95
Intergovernmental payables:					
State		36,094.00			36,094.00
Unearned revenue		82,888.97	176,694.00		259,582.97
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>152,512.54</u>	<u>300,859.31</u>	<u>176,694.00</u>		<u>630,065.85</u>
Fund balances:					
Restricted for:					
Capital reserve account	3,198,956.37				3,198,956.37
Emergency reserve account	198,362.44				198,362.44
Maintenance reserve account	1,676,356.34				1,676,356.34
Excess surplus	1,049,131.52				1,049,131.52
Excess surplus designated for subsequent years expenditures	814,654.00				814,654.00
Capital projects			274,348.74		274,348.74
Debt service				1,665.00	1,665.00
Assigned:					
Year-end encumbrances	357,047.48		20,317.00		377,364.48
Designated for subsequent years expenditures					
Unassigned(Deficit)	502,849.07	(1,294.20)			501,554.87
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>7,797,357.22</u>	<u>(1,294.20)</u>	<u>294,665.74</u>	<u>1,665.00</u>	<u>8,092,393.76</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 7,949,869.76</u>	<u>\$ 299,565.11</u>	<u>\$ 471,359.74</u>	<u>\$ 1,665.00</u>	<u>\$ 8,722,459.61</u>

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

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

Total Fund Balances (Brought Forward)	\$	8,092,393.76
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	\$ 46,057,058.00	
Accumulated Depreciation	<u>(25,050,735.00)</u>	21,006,323.00
Cost associated with the issuance of Bonds are expensed in the Governmental Funds in the year the bonds are issued, but are reported as deferred outflows on the Statement of Net position:		
Deferred Amount on Refunding, net		165,487.00
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Serial bonds payable, net	(5,624,986.00)	
Net pension liability	(17,606,574.00)	
Capital leases payable	(88,818.02)	
Compensated absences payable	<u>(810,691.06)</u>	(24,131,069.08)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Pensions:		
Deferred Outflows		
Pension related		5,315,431.00
Deferred Inflows:		
Pension related		(447,329.00)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accounts payable - pension related	(530,762.00)	
Accrued Interest Payable	<u>(119,513.58)</u>	<u>(650,275.58)</u>
Net Position of Governmental Activities	\$	<u><u>9,350,961.10</u></u>

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

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

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$ 46,390,086.00	\$	\$	\$ 1,223,625.00	\$ 47,613,711.00
Miscellaneous	1,349,395.33	120,127.88			1,469,523.21
Total - local sources	47,739,481.33	120,127.88		1,223,625.00	49,083,234.21
State sources	16,715,448.36	213,551.00			16,928,999.36
Federal sources	50,765.94	1,258,932.31			1,309,698.25
Total revenues	64,505,695.63	1,592,611.19		1,223,625.00	67,321,931.82
EXPENDITURES:					
Current expense:					
Regular instruction	17,849,386.72	454,167.75			18,303,554.47
Special instruction	5,036,276.04	67,121.05			5,103,397.09
Other Instruction	1,489,094.46				1,489,094.46
Support services:					
Tuition	1,858,395.59	786,810.76			2,645,206.35
Student & instruction related services	5,636,437.98	229,248.17			5,865,686.15
General administrative services	1,117,200.58				1,117,200.58
School administrative services	2,731,019.78				2,731,019.78
Central services	776,200.99				776,200.99
Administrative information technology	648,590.74				648,590.74
Plant operations and maintenance	5,311,527.78				5,311,527.78
Student transportation	2,123,561.72				2,123,561.72
Unallocated benefits	17,110,645.00				17,110,645.00
Charter schools	77,357.00				77,357.00
Debt Service:					
Principal				960,000.00	960,000.00
Interest				263,625.00	263,625.00
Capital outlay	212,581.03	51,630.71			264,211.74
Total expenditures	61,978,275.41	1,588,978.44		1,223,625.00	64,790,878.85
Excess (deficiency) of revenues over (under) expenditures	2,527,420.22	3,632.75			2,531,052.97
Other financing sources (uses):					
Capital leases (non-budgeted)	98,029.50				98,029.50
Total other financing sources	98,029.50				98,029.50
Net change in fund balances	2,625,449.72	3,632.75			2,629,082.47
Fund balances (deficit), July 1, 2016	5,171,907.50	(4,926.95)	294,665.74	1,665.00	5,463,311.29
Fund balances (deficit), June 30, 2017	\$ 7,797,357.22	\$ (1,294.20)	\$ 294,665.74	\$ 1,665.00	\$ 8,092,393.76

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

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

Total net change in fund balances - governmental funds (from B-2)	\$	2,629,082.47
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period</p>		
Depreciation expense	\$	(1,140,330.00)
Capital outlays		264,211.74
Less: Capital outlays not capitalized		<u>(64,257.00)</u>
		(940,375.26)
<p>Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.</p>		
Capital lease proceeds		(98,029.50)
Premium on Refunding Bonds		60,807.00
Deferred Amount on Refunding Bond Payments to Escrow Agent		(59,197.00)
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
Payment of capital lease principal		9,211.48
Payment of bond principal		<u>960,000.00</u>
		969,211.48
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an increase in the reconciliation.</p>		
Decrease in accrued interest payable		23,742.36
<p>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.</p>		
District pension contributions		528,121.00
Less: Pension expense		<u>(1,621,452.00)</u>
		(1,093,331.00)
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
Increase in compensated absences payable		<u>(13,700.27)</u>
Change in net position of governmental activities	\$	<u><u>1,478,210.28</u></u>

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

OTHER FUNDS

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS <u>MAJOR</u>	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS <u>NON-MAJOR</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 63,522.04	\$ 849,389.88
Accounts receivable:		
Federal	86,017.13	
State	2,334.12	
Other	11,393.02	7,808.18
Inventories	<u>22,406.25</u>	
Total current assets	<u>185,672.56</u>	<u>857,198.06</u>
Noncurrent assets:		
Furniture, machinery and equipment	408,483.00	154,621.00
Less accumulated depreciation	<u>(291,995.00)</u>	<u>(65,715.00)</u>
Total noncurrent assets	<u>116,488.00</u>	<u>88,906.00</u>
Total assets	<u>302,160.56</u>	<u>946,104.06</u>
LIABILITIES:		
Current liabilities:		
Accounts payable	93,247.64	
Unearned revenue	<u>7,730.39</u>	
Total current liabilities	<u>100,978.03</u>	
Total liabilities	<u>100,978.03</u>	
NET POSITION:		
Net Investment in capital assets	116,488.00	88,906.00
Unrestricted	<u>84,694.53</u>	<u>857,198.06</u>
Total net position	<u>\$ 201,182.53</u>	<u>\$ 946,104.06</u>

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

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

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS MAJOR	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS NON-MAJOR
OPERATING REVENUES:		
Charges for services:		
Daily sales - reimbursable programs	\$ 473,526.12	\$
Daily sales - non-reimbursable programs	352,262.00	
Special Functions	37,325.79	
Miscellaneous	30,576.29	
Program Fees		855,866.08
	893,690.20	855,866.08
OPERATING EXPENSES:		
Cost of sales-reimbursable programs	450,218.02	
Cost of sales-non-reimbursable programs	123,814.00	
Salaries and employee benefits	525,477.95	790,885.39
Employee benefits	113,602.20	
Other purchased services	118,217.20	64,500.29
Supplies and materials	123,872.61	22,442.52
Depreciation	18,963.00	13,143.00
	1,474,164.98	890,971.20
Total operating expenses		
Operating (loss)	(580,474.78)	(35,105.12)
NON-OPERATING REVENUES:		
State Sources		
State school lunch program	12,747.85	
Federal Sources		
National school lunch program	404,116.50	
National school breakfast program	64,042.60	
National food distribution commodities	84,538.32	
Interest and investment revenue	1,471.45	5,859.30
	566,916.72	5,859.30
Total non-operating revenues		
Net income before contributions and transfers	(13,558.06)	(29,245.82)
Transfers in/(out)	150,000.00	(150,000.00)
Change in net position	136,441.94	(179,245.82)
Total net position - beginning	64,740.59	1,125,349.88
Total net position - ending	\$ 201,182.53	\$ 946,104.06

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

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

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS MAJOR	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS NON-MAJOR
Cash flows from operating activities:		
Receipts from customers	\$ 881,146.83	\$ 873,925.90
Payments to employees and employee benefits	(594,731.58)	(790,885.39)
Payments to suppliers	(931,137.99)	(86,942.81)
Net cash provided by (used for) operating activities)	<u>(644,722.74)</u>	<u>(3,902.30)</u>
Cash flows from noncapital financing activities:		
State Sources	12,847.47	
Federal Sources	467,143.19	
Transfers to other funds	150,000.00	(550,000.00)
Net cash provided by noncapital financing activities:	<u>629,990.66</u>	<u>(550,000.00)</u>
Cash flows from investing activities:		
Interest on investments	1,471.45	5,859.30
Net cash provided by (used for) investing activities	<u>1,471.45</u>	<u>5,859.30</u>
Purchase of capital assets	(39,752.00)	
Net cash provided by (used for) capital and related financing activities	<u>(39,752.00)</u>	
Net decrease in cash and cash equivalents	(53,012.63)	(548,043.00)
Cash and cash equivalents, July 1, 2016	<u>1,219,056.60</u>	<u>294,910.95</u>
Cash and cash equivalents, June 30, 2017	<u>\$ 1,166,043.97</u>	<u>\$ (253,132.05)</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ (580,474.78)	\$ (35,105.12)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and net amortization	18,963.00	13,143.00
National food distribution commodities	84,538.32	
Change in assets and liabilities:		
Increase / (Decrease) in Accounts Payable	(153,255.99)	
Increase / (Decrease) in Unearned Revenue	(11,310.14)	
(Increase) / Decrease in Accounts Receivable	1,255.67	18,059.82
(Increase) / Decrease in Inventory	(4,438.82)	
Net cash provided by (used for) operating activities	<u>\$ (644,722.74)</u>	<u>\$ (3,902.30)</u>

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

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

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>AGENCY FUNDS</u>
ASSETS:		
Cash and cash equivalents	\$ <u>663,649.58</u>	\$ <u>248,598.28</u>
Total assets	<u>663,649.58</u>	<u>248,598.28</u>
LIABILITIES:		
Payroll deductions and withholdings		100,508.26
Due to student groups		<u>148,090.02</u>
Total liabilities		\$ <u><u>248,598.28</u></u>
NET POSITION:		
Held in trust for unemployment claims	\$ <u>663,649.58</u>	
Held in trust for scholarships		

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

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

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>
ADDITIONS:	
Contributions:	
Unemployment	\$ <u>44,391.64</u>
Total contributions	<u>44,391.64</u>
Investment earnings:	
Interest earned	<u>3,431.20</u>
Net investment earnings	<u>3,431.20</u>
Total additions	<u>47,822.84</u>
DEDUCTIONS:	
Unemployment claims	<u>49,601.29</u>
Total deductions	<u>49,601.29</u>
Change in net position	(1,778.45)
Net position beginning of year	\$ <u>665,428.03</u>
Net position end of year	\$ <u><u>663,649.58</u></u>

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

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Borough of South Plainfield School 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 Borough of South Plainfield School District is a Type II District located in Middlesex County, New Jersey. The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a nine member board elected to three-year terms and is responsible for the fiscal control 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 discreetly presented as component units. These criteria are:

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 one elementary school. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Borough of South Plainfield School District
Notes to the Financial Statements
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 Positions 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 activity 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 activity 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 generally 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 for each fund category - governmental, proprietary, and fiduciary - are presented. 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 believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

General Fund - The general fund is the general operating fund of the District. It is used to account for all 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 - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

Enterprise Fund - The enterprise fund accounts for all revenues and expenses pertaining to the food service, preschool, latchkey and adult education program operations. These funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (*i.e.* expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Fund Types

Agency Funds - The agency funds are used to account for assets held by the district on behalf of others and are custodial in nature. The agency funds included in this category are as follows:

Unemployment Compensation Insurance Trust Fund - A trust fund used to account for unemployment compensation claims as they arise

Payroll and Student Activities Funds (Agency) - 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.

Basis of Accounting - Measurement Focus

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

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation 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.

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting - Measurement Focus (Continued)

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.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfer must be approved by School Board resolution. Budget amendments during the year ended June 30, 2017 totaled net \$164,699.55, representing prior unbudgeted state aids, and other approved modifications. 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).

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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.

Encumbrance Accounting

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as 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 fund and capital projects fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year end.

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

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfunds

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

Inventories and Prepaid Expenses

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

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

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

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 values 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:

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

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

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

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

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick days that are expected to become eligible for payment upon retirement. The District estimates its accrued compensated absences liability based on the accumulated sick days at the balance sheet date by those employees who are currently eligible to receive retirement 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. Designations of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

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

Unearned Revenue

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

Borough of South Plainfield School District
Notes to the Financial Statements
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

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 Balance Reserves

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

Non-Spendable – includes amounts that cannot be spend 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, Tuition Reserve, and Excess Surplus as Restricted Fund Balance.

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (Continued)

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

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

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

When an expenditure is incurred for purposed 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, he 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.

Borough of South Plainfield School District
Notes to the Financial Statements
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, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

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 in the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately in the Statement of Activities.

Extraordinary and Special Items

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

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Borough of South Plainfield School District
Notes to the Financial Statements
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 two items that qualify for reporting in this category, deferred amounts from refunding debt and deferred amounts related to pensions.

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

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, certificates of deposits, deposits in the New Jersey Cash Management Fund, deposits in the governmental money market fund, deposits in the New Jersey Asset and Rebate Management Program 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.

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

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

Deposits (Continued)

The Borough of South Plainfield School District had the following cash and cash equivalents at June 30, 2017:

Fund Type:	<u>Bank</u>	Reconciling Items:		Reconciled
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Governmental	\$9,229,805.84	\$246.43	\$1,307,383.65	\$7,922,668.62
Proprietary	1,087,492.25	406.44	174,986.77	912,911.92
Fiduciary	998,166.84	0.00	85,918.98	912,247.86
	<u>\$11,315,464.93</u>	<u>\$652.87</u>	<u>\$1,568,289.40</u>	<u>\$9,747,828.40</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 NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$250,000.00 was covered by Federal Depository Insurance and \$11,065,464.93 was covered under the provisions of NJGUDPA.

Investments

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

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

Investments (Continued)

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

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

Investments (Continued)

At June 30, 2017, the District had no outstanding investments.

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

NOTE 3: CHANGE IN CAPITAL ASSETS

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

	Beginning <u>Balance(as restated)</u>	<u>Additions</u>	Transfers/ <u>Deletions</u>	Ending <u>Balance</u>
Governmental Activities: Capital assets not being depreciated:				
Land	\$1,265,266.00			\$1,265,266.00
Total Capital Assets not being depreciated	1,265,266.00			1,265,266.00
Land Improvements	2,625,762.00			2,625,762.00
Buildings and Building Improvements	35,703,061.00	66,588.00		35,769,649.00
Machinery and Equipment	6,346,322.26	133,366.74	(\$83,308.00)	6,396,381.00
Totals at historical cost	44,675,145.26	199,954.74	(83,308.00)	44,791,792.00
Gross Assets (Memo only)	45,940,411.26	199,954.74	(83,308.00)	46,057,058.00
Less: Accumulated Depreciation				
Land Improvements	(1,362,042.00)	(73,208.00)		(1,435,250.00)
Buildings and Building Improvements	(19,043,239.00)	(641,741.00)		(19,684,980.00)
Machinery and Equipment	(3,588,432.00)	(425,381.00)	83,308.00	(3,930,505.00)
Total Depreciation	(23,993,713.00)	(1,140,330.00)	83,308.00	(25,050,735.00)
Total capital assets being depreciated, net of depreciation	20,681,432.26	(940,375.26)		19,741,057.00
Total Governmental Fund Activities	<u>\$21,946,698.26</u>	<u>(\$940,375.26)</u>		<u>\$21,006,323.00</u>

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 3: CHANGE IN CAPITAL ASSETS (CONTINUED)

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

	Beginning <u>Balance</u>	<u>Additions</u>	Transfers/ <u>Deletions</u>	Ending <u>Balance</u>
Proprietary Activities:				
Machinery and Equipment	\$554,930.00	\$44,269.00	(\$36,095.00)	\$563,104.00
Totals at historical cost	<u>554,930.00</u>	<u>44,269.00</u>	<u>(36,095.00)</u>	<u>563,104.00</u>
Less: Accumulated Depreciation				
Machinery and Equipment	(361,699.00)	(32,106.00)	36,095.00	(357,710.00)
Total Depreciation	<u>(361,699.00)</u>	<u>(32,106.00)</u>	<u>36,095.00</u>	<u>(357,710.00)</u>
Total Proprietary Fund Activities	<u>\$193,231.00</u>	<u>\$12,163.00</u>		<u>\$205,394.00</u>

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

Governmental Activities

Instruction:

Regular	\$560,195.00
Special Education Instruction	169,005.00
Other Instruction	45,218.00

Support services:

Student and instruction related services	27,256.00
General administrative services	72,654.00
School administrative services	4,287.00
Plant operations and maintenance	48,260.00
Pupil transportation	162,503.00
Direct Expense of various functions	50,952.00

\$1,140,330.00

Business-Type Activities

Food Service Fund	\$18,963.00
Preschool Fund	4,923.00
Latchkey Fund	8,220.00

\$32,106.00

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

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.

At June 30, 2017, the District had no bonds or notes authorized but not issued.

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

	Balance, <u>June 30, 2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2017</u>	Due Within <u>One Year</u>
Bonds Payable	\$6,415,000.00		(\$960,000.00)	\$5,455,000.00	\$995,000.00
Premium	\$230,793.00		(60,807.00)	169,986.00	
Net Pension Liability	13,960,899.00	\$3,645,675.00		17,606,574.00	
Compensated Absence	796,990.79	\$13,700.27		810,691.06	
Capital Leases Payable	<u> </u>	<u>98,029.50</u>	<u>(9,211.48)</u>	<u>88,818.02</u>	<u>\$18,804.67</u>
Total	<u>\$21,403,682.79</u>	<u>\$3,757,404.77</u>	<u>(\$1,030,018.48)</u>	<u>\$24,131,069.08</u>	<u>\$1,013,804.67</u>

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

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	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u>			
2018	\$995,000.00	\$225,287.00	\$1,220,287.00
2019	1,040,000.00	188,006.00	1,228,006.00
2020	1,085,000.00	141,275.00	1,226,275.00
2021	1,140,000.00	88,250.00	1,228,250.00
2022	<u>1,195,000.00</u>	<u>29,875.00</u>	<u>1,224,875.00</u>
	<u>\$5,455,000.00</u>	<u>\$672,693.00</u>	<u>\$6,127,693.00</u>

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>
\$9,765,000.00 in 2009 Refunding Bonds due in remaining annual installments of between \$995,000.00 and \$1,195,000.00 ending July, 2021 with interest 1.370%	<u>\$5,455,000.00</u>

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Debt Capacity

Under New Jersey Statutes the District may incur debt in an amount not to exceed 3% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2017, the District borrowing capacity under N.J.S. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2016	\$3,811,407,659
2015	3,768,926,877
2014	<u>3,811,407,659</u>
	<u>\$11,391,742,195</u>
Average equalized valuation	<u>\$3,797,247,398</u>
School borrowing margin (4% of \$3,797,247,398)	\$151,889,896
Net school debt as of June 30, 2017	<u>5,455,000</u>
School borrowing power available	<u>\$146,434,896</u>

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable

The District is leasing a front end loader under a capital lease. The capital lease is for a term of five years. The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2017:

Fiscal Year Ended	<u>Amount</u>
<u>June 30,</u>	
2018	21,118.78
2019	21,118.78
2020	21,118.78
2021	21,118.78
2022	<u>10,559.39</u>
Total Minimum Lease Payments	95,034.51
Less: Amount Representing Interest	<u>(6,216.49)</u>
 Present Value of Lease Payments	 <u><u>\$88,818.02</u></u>

Borough of South Plainfield School District
Notes to the Financial Statements
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 to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Borough of South Plainfield School District
Notes to the Financial Statements
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, 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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

Borough of South Plainfield School District
Notes to the Financial Statements
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).

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2017	\$528,121.00	100.00%	\$528,121.00
2016	\$534,686.00	100.00%	\$534,686.00
2015	\$506,796.00	100.00%	\$506,796.00

During the fiscal years ended June 30, 2017, 2016, and 2015, the State of New Jersey contributed \$2,833,485.00, \$1,919,493.00 and \$1,257,469.00 respectively, excluding post-retirement medical and long-term disability insurance, to the TPAF pension system on behalf of the District.

Also, in accordance with N.J.S.A. 18A:66-66 during the years ended June 30, 2017, 2016 and 2015, the State of New Jersey reimbursed the District \$1,918,885.36, \$1,939,136.09 and \$2,001,968.00 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Borough of South Plainfield School District
Notes to the Financial Statements
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 \$17,606,574.00 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 members, actuarially determined. At June 30, 2016, the District's proportion was 0.0594472637 percent, which was an decrease of 0.0027449220 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$1,621,423.00 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date.

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		\$327,429.00
Changes of assumptions		3,647,142.00
Net difference between projected and actual earnings on pension plan investments		671,355.00
Changes in proportion and differences between District contributions and proportionate share of contributions	\$447,329.00	138,743.00
District contributions subsequent to the measurement date		530,762.00
	<u>\$447,329.00</u>	<u>\$5,315,431.00</u>

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

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

Public Employees Retirement System (PERS) (Continued)

The \$530,762.00 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	
<u>June 30</u>	<u>Amount</u>
2018	\$987,432.00
2019	\$987,432.00
2020	\$1,158,914.00
2021	\$943,251.00
2022	\$260,310.00

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 July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (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.

Borough of South Plainfield School District
Notes to the Financial Statements
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%	

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 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.

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	At Current Discount Rate	1% Increase
	<u>2.98%</u>	<u>3.98%</u>	<u>4.98%</u>
District's proportionate share of the pension liability	21,574,802.00	17,606,574.00	14,330,459.00

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

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

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

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

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2017 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$197,993,615</u>
	<u><u>\$197,993,615</u></u>

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

The net pension liability was measured as of June 30, 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 .2516877573% which was an increase of .0023635352 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 \$14,876,465 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2016 measurement date.

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 Rate

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.

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 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%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
High Yield Bonds	2.00%	4.70%
US Equities Markets	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmlands	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - Multi Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%
	<u>100.00%</u>	

Borough of South Plainfield School District
Notes to the Financial Statements
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>

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 7: GASB 45 – 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 Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 7: GASB 45 – 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 \$2,360,937.00, \$2,399,438.00, and \$2,139,852.00, 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 Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

NOTE 9: CONTINGENCIES

The Board 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 U.S. OMB Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal awards and state financial assistance programs will be 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. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe such an audit would result in material amounts of disallowed costs.

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

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. The District maintains commercial 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 this commercial coverage in any of the past three fiscal years.

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 table is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

Year Ended		Employee	Amount	Ending
<u>June 30,</u>	<u>Interest</u>	<u>Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2017	\$3,431.20	\$44,391.64	\$49,601.29	\$663,649.58
2016	\$2,625.44	36,250.27	14,617.68	665,428.03
2015	1,084.00	50,210.00	25,436.00	641,170.00

Borough of South Plainfield School District
Notes to the Financial Statements
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 governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2016, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$810,691.06.

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.

NOTE 12: FUND BALANCE APPROPRIATED

General Fund - Of the \$7,797,357.22 in General Fund Balance at June 30, 2017, \$357,047.48 has been assigned for encumbrances; \$3,198,956.37 has been restricted in the Capital Reserve Account; \$198,362.44 has been restricted in the Emergency Reserve Account; \$1,676,356.34 has been restricted in the Maintenance Reserve; \$1,049,131.52 has been restricted as excess surplus; \$814,654.00 has been restricted as excess surplus - subsequent years' expenditures and \$502,849.07 is unassigned.

NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004, c73 (S1701), the Restricted Fund Balance Excess Surplus is a required calculation pursuant to the New Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restricted General 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. The excess fund balance resulting from the year ended June 30, 2017 is \$1,863,785.52.

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was originally established by the Borough of South Plainfield School 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 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. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve during the year ended June 30, 2017, is as follows:

Balance, July 1, 2016	\$1,291,879.54
Interest Earnings	7,076.83
Deposits:	
Board Resolution dated 6/21/17	<u>2,000,000.00</u>
Balance, June 30, 2017	<u><u>\$3,298,956.37</u></u>

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 15: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve was established through a board resolution by the Borough of South Plainfield School District for the accumulation of funds for the required maintenance of a facility in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c. 73 (S1701). N.J.S.A. 18A:7G-31(c), 18A:7G-13 and N.J.A.C. 6A:23A-14.2 permits districts, by board resolution, to transfer undesignated general fund balance to the maintenance reserve account if approved in the district's original budget certified for taxes or if the district received voter approval by a separate proposal at budget time or by 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 maintenance reserve for withdrawal in subsequent school years.

The activity of the maintenance reserve during the year ended June 30, 2017, is as follows:

Balance, July 1, 2016	\$701,320.12
Interest Earnings	2,977.77
Deposits:	
Board Resolution dated 6/21/17	1,000,000.00
Balance, June 30, 2017	\$1,704,297.89

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 16: EMERGENCY RESERVE ACCOUNT

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

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

The activity of the emergency reserve during the year ended June 30, 2017, is as follows:

Balance, July 1, 2016	\$197,335.30
Interest Earnings	1,027.14
Balance, June 30, 2017	\$198,362.44

NOTE 17: INVENTORY

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

Food and Supplies	\$22,406.25
-------------------	-------------

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 18: 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.

Borough of South Plainfield School District
Notes to the Financial Statements
June 30, 2017

NOTE 19: OPERATING LEASES

The District is leasing copier equipment under operating leases. The operating leases are for terms up to five years. The following is a schedule of the future minimum lease payments under the operating leases and the present value of the net minimum lease payments at June 30, 2017:

Fiscal Year Ended	<u>Amount</u>
<u>June 30,</u>	
2018	\$114,946.00
2019	<u>19,158.00</u>
Total	<u>\$134,104.00</u>

NOTE 20: PRIOR PERIOD ADJUSTMENTS

The adjustments below were reflected against the beginning net position balance on the District Wide Statements as follows:

	Governmental <u>Activities</u>
Beginning Net Position 06/30/16	\$ 7,798,411.56
Adjustments:	
Capital Assets	<u>74,339.26</u>
Beginning Net Position 06/30/17 (As restated)	<u>\$ 7,872,750.82</u>

Net position was restated to properly reflect capital asset balances after the district conducted a new appraisal of its capital assets.

NOTE 21: SUBSEQUENT EVENTS

The District has evaluated subsequent events occurring after the financial statement date through November 13, 2017 which is the date the financial statements were available to be issued. The District has determined that the following subsequent events need to be disclosed:

On March 28, 2017 a referendum was approved by the voters of the Borough of South Plainfield for various improvements to the District totaling \$28,094,000.00. Subsequently, a Bond Anticipation Note dated on July 11, 2017 was issued in the amount of \$4,000,000.00 at in interest rate of 2.00% to temporarily fund these improvements.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND

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

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 46,390,086.00	\$	\$ 46,390,086.00	\$ 46,390,086.00	\$ 7,076.83
Interest Earned on Capital Reserve Funds				24,281.04	24,281.04
Tuition				256,582.67	156,582.67
Transportation	100,000.00		100,000.00	13,672.50	13,672.50
Rentals	41,895.00		41,895.00	1,047,782.29	1,005,887.29
Miscellaneous					
Total Local Sources	46,531,981.00		46,531,981.00	47,739,481.33	1,207,500.33
State Sources:					
Special Education Aid	2,227,684.00		2,227,684.00	2,227,684.00	
Equalization Aid	6,636,433.00		6,636,433.00	6,636,433.00	
Categorical Security Aid	112,479.00		112,479.00	112,479.00	
Categorical Transportation Aid	121,052.00		121,052.00	121,052.00	
Other State Aid	102,530.00		102,530.00	102,530.00	
Extraordinary Aid	108,375.00		108,375.00	378,820.00	270,445.00
Reimbursed Non Public Transportation				24,360.00	24,360.00
On-behalf TPAF Contributions-non-budgeted				2,734,411.00	2,734,411.00
NCGI-non-budgeted				99,074.00	99,074.00
Long Term Disability Insurance				4,985.00	4,985.00
Post Retirement/Medical-non budgeted				2,360,937.00	2,360,937.00
Reimbursed TPAF Social Security Contribution-non-budgeted				1,918,885.36	1,918,885.36
Total State Sources	9,308,553.00		9,308,553.00	16,721,650.36	7,413,097.36
Federal Sources:					
Medicaid Reimbursement	48,675.00		48,675.00	50,765.94	2,090.94
Total Federal Sources	48,675.00		48,675.00	50,765.94	2,090.94
Total Revenues	55,889,209.00		55,889,209.00	64,511,897.63	8,622,688.63
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - Regular Programs:					
Preschool	81,064.00	67,000.00	148,064.00	147,866.19	197.81
Kindergarten	1,499,700.00	(478,514.71)	1,021,185.29	820,498.00	200,687.29
Grades 1-5	6,349,247.00	(262,000.00)	6,087,247.00	6,072,406.61	14,840.39
Grades 6-8	4,016,932.00		4,016,932.00	3,993,957.54	22,974.46
Grades 9-12	5,395,882.00	(197,000.00)	5,198,882.00	5,181,064.36	17,817.64
Regular programs - home instruction:					
Salaries of teachers	26,000.00		26,000.00	12,177.00	13,823.00
Purchased professional educational services	15,000.00	525,514.71	540,514.71	539,014.39	1,500.32

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT

GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Regular programs - undistributed instruction:					
Other salaries for instruction	\$ 26,306.00	\$ 2,000.00	\$ 28,306.00	\$ 27,583.25	\$ 722.75
Purchased professional - educational services	7,500.00	(434.00)	7,066.00	1,596.55	5,469.45
Purchased Professional Educational Services	26,250.00				
Purchased technical services	132,475.00	(6,097.29)	126,377.71	126,377.71	
Other purchased services (400 - 500 series)	159,542.00	5,864.00	165,406.00	153,740.23	11,665.77
General supplies	673,449.68	68,582.49	742,032.17	657,096.37	84,935.80
Textbooks	117,372.17	(8,850.07)	108,522.10	98,012.68	10,509.42
Other objects	9,950.00	9,827.00	19,777.00	17,995.84	1,781.16
Total regular programs	18,536,669.85	(274,107.87)	18,236,311.98	17,849,386.72	386,925.26
Instruction - Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	267,326.00	35,000.00	302,326.00	299,785.00	2,541.00
Other salaries for instruction	49,400.00	10,000.00	59,400.00	58,088.50	1,311.50
Other purchased services (400 - 500 series)	34,000.00	(34,000.00)			
General Supplies	4,500.00	(1,115.00)	3,385.00	724.77	2,660.23
Textbooks	1,000.00		1,000.00		1,000.00
Total Learning and/or Language Disabilities	356,226.00	9,885.00	366,111.00	358,598.27	7,512.73
Visual Impairments					
Other Salaries for Instruction		26,000.00	26,000.00	17,899.17	8,100.83
Total Visual Impairments		26,000.00	26,000.00	17,899.17	8,100.83
Multiple Disabilities					
Salaries for Teachers	388,800.00		388,800.00	366,641.87	22,158.13
Other Salaries for Instruction	123,000.00		123,000.00	98,755.31	24,244.69
Purchased Prof. Educ Services	3,000.00		3,000.00		3,000.00
Other purchased services	1,500.00		1,500.00		1,500.00
General Supplies	7,500.00		7,500.00	4,512.86	2,987.14
Textbooks	2,000.00		2,000.00	1,516.22	483.78
Total Resource Room / Resource Center	525,800.00		525,800.00	471,426.26	54,373.74
Resource Room / Resource Center:					
Salaries of Teachers	2,781,180.00	365,711.00	3,146,891.00	3,138,357.23	8,533.77
Other salaries for instruction	488,554.00	175,000.00	663,554.00	662,910.90	643.10
General Supplies	4,700.00		4,700.00	1,388.62	3,311.38
Textbooks	1,000.00		1,000.00		1,000.00
Total Resource Room / Resource Center	3,275,434.00	540,711.00	3,816,145.00	3,802,656.75	13,488.25

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT

GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Preschool Disabilities - Full - Time:					
Salaries of Teachers	\$ 183,100.00	\$ (10,000.00)	\$ 173,100.00	\$ 168,765.00	\$ 4,335.00
Other Salaries for Instruction	192,381.00		192,381.00	184,473.59	7,907.41
Supplies and Materials	2,000.00	(2,000.00)			
Total Preschool Disabilities - Full - Time	377,481.00	(12,000.00)	365,481.00	353,238.59	12,242.41
Home Instruction:					
Salaries of Teachers	15,000.00	20,000.00	20,000.00	18,286.00	1,714.00
Purchased Professional-Educational Services		3,920.00	18,920.00	14,171.00	4,749.00
General Supplies	15,000.00				
Total Home Instruction	30,000.00	23,920.00	38,920.00	32,457.00	6,463.00
Total Special Education	4,549,941.00	588,516.00	5,138,457.00	5,036,276.04	102,180.96
Basic Skills / Remedial:					
Salaries of Teachers	369,031.00	(71,000.00)	298,031.00	284,778.37	13,252.63
Total Basic Skills / Remedial	369,031.00	(71,000.00)	298,031.00	284,778.37	13,252.63
Bilingual Education:					
Salaries of Teachers	257,196.00	(30,000.00)	227,196.00	221,229.00	5,967.00
Total Bilingual Education:	257,196.00	(30,000.00)	227,196.00	221,229.00	5,967.00
School Sponsored Co-Curricular Activities:					
Salaries	74,000.00	85,530.00	159,530.00	142,305.28	17,224.72
Supplies and Materials	12,550.00	10,000.00	22,550.00	17,545.86	5,004.14
Other Objects	12,620.00	(5,183.10)	7,436.90	7,434.43	2.47
Total School Sponsored Co-Curricular Activities	99,170.00	90,346.90	189,516.90	167,285.57	22,231.33
School Sponsored Athletics:					
Salaries	652,100.00	(26,000.00)	626,100.00	612,181.25	13,918.75
Purchased Services (300-500 Series)	114,098.00	8,000.00	122,098.00	102,929.62	19,168.38
Supplies and Materials	65,503.00	14,400.00	79,903.00	73,063.15	6,839.85
Other Objects	33,715.00		33,715.00	27,627.50	6,087.50
Total School Sponsored Athletics	865,416.00	(3,600.00)	861,816.00	815,801.52	46,014.48
Total Other Instructional Programs	1,590,813.00	(14,253.10)	1,576,559.90	1,489,094.46	87,465.44
Total - Instruction	24,677,423.85	300,155.03	24,951,328.88	24,374,757.22	576,571.66

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's within the State - Regular	\$ 8,000.00	\$ (635.00)	\$ 7,365.00	\$ 2,800.00	\$ 4,565.00
Tuition to Other LEA's within the State - Special	142,302.00	(10,334.89)	131,967.11	131,183.86	783.25
Tuition to County Vocational School District - Sp Ed					
Districts & Regional Day Schools	720,428.00	240,409.00	960,837.00	930,565.46	30,271.54
Tuition to Private Schools for the Handicapped w/in State	273,007.00	464,796.00	737,803.00	688,581.07	49,221.93
Tuition - State Facilities	32,306.00		32,306.00	32,306.00	
Tuition - Other	129,106.00	8,244.89	137,350.89	72,959.20	64,391.69
Total Undistributed Expenditures - Instruction	1,305,149.00	702,480.00	2,007,629.00	1,858,395.59	149,233.41
Attendance and Social Work Services:					
Salaries	120,474.00	11,000.00	131,474.00	130,717.72	756.28
Total Attendance and Social Work Services	120,474.00	11,000.00	131,474.00	130,717.72	756.28
Health Services:					
Salaries	684,108.00	18,440.00	702,548.00	594,858.76	107,689.24
Purchased Professional and Technical Services	46,578.00	(1,708.32)	44,869.68	28,034.64	16,835.04
Other Purchased Services	1,150.00	145.00	1,295.00	444.99	850.01
Supplies and Materials	22,978.00	(3,782.68)	19,195.32	13,041.63	6,153.69
Other Objects	1,543.00	678.00	2,221.00	1,928.00	293.00
Total Health Services	756,357.00	13,772.00	770,129.00	638,308.02	131,820.98
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	335,297.00	220,000.00	555,297.00	552,160.51	3,136.49
Purchased Professional - Educational Services	624,049.00	(13,350.00)	610,699.00	606,371.50	4,327.50
Supplies and Materials	4,500.00	3,250.00	7,750.00	6,013.40	1,736.60
Total Other Support Services - Speech, OT, PT & Related Services	963,846.00	209,900.00	1,173,746.00	1,164,545.41	9,200.59
Other Support Services - Students - Extra Services					
Salaries	208,897.00	57,000.00	265,897.00	56,659.64	209,237.36
Aids for Instruction	180,500.00	(77,000.00)	103,500.00	127,338.94	23,838.94
Purchased Professional - Educational Services	6,000.00	61,826.00	67,826.00	240,005.90	172,179.90
Supplies and Materials		10,084.00	10,084.00	11,446.14	1,362.14
Total Other Support Services - Students - Extra Services	395,397.00	51,910.00	447,307.00	435,450.62	11,856.38

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND

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

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Guidance:					
Salaries of Other Professional Staff	\$ 957,878.00	\$ 12,281.00	\$ 970,159.00	\$ 911,287.50	\$ 58,871.50
Salaries of Secretarial and Clerical Assistants	153,911.00		153,911.00	153,850.00	61.00
Other Purchased Professional and Tech Services	4,000.00		4,000.00	4,000.00	4,000.00
Other Purchased Services	14,736.00		14,736.00	9,144.20	5,591.80
Supplies and Materials	38,216.00	6,700.00	44,916.00	43,842.54	1,073.46
Other Objects	3,425.00		3,425.00	2,673.80	751.20
Total Guidance	1,172,166.00	18,981.00	1,191,147.00	1,120,798.04	70,348.96
Child Study Teams:					
Salaries of Other Professional Staff	820,100.00	16,276.00	836,376.00	713,933.84	122,442.16
Salaries of Secretarial and Clerical Assistants	146,476.00	(30,000.00)	116,476.00	111,943.75	4,532.25
Purchased Professional Educational Services	25,571.00		25,571.00	19,660.25	5,910.75
Other Purchased Professional and Technical Services	6,000.00		6,000.00	4,275.00	1,725.00
Other Purchased Services (400-500 series)	20,900.00		20,900.00	10,440.04	10,459.96
Supplies and Materials	8,500.00	2,250.00	10,750.00	8,953.90	1,796.10
Other Objects	1,000.00		1,000.00	545.00	455.00
Total Child Study Teams	1,028,547.00	(11,474.00)	1,017,073.00	869,751.78	147,321.22
Improvement of Instruction Services					
Other Support Services - Instructional Staff:					
Salaries of Supervisors of Instruction	447,800.00	(162,800.00)	285,000.00	279,426.82	5,573.18
Salaries of Secretarial and Clerical Assists	64,000.00	(30,000.00)	34,000.00	30,402.24	3,597.76
Other Salaries	46,700.00	22,140.00	68,840.00	26,961.00	41,879.00
Purchased Prof. and Tech. Services		1,414.00	1,414.00	1,414.00	
Other Purchased Services (400-500)	28,470.00	7,241.00	35,711.00	33,320.78	2,390.22
Supplies and materials	111,180.00	1,099.00	112,279.00	92,472.88	19,806.12
Total Improvement of Instruction Services /					
Other Support Services - Instructional Staff	698,150.00	(160,906.00)	537,244.00	463,997.72	73,246.28

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Educational Media Services / School Library:					
Salaries	\$ 452,751.00	\$ 10,000.00	\$ 462,751.00	\$ 459,295.00	\$ 3,456.00
Purchased Professional and Technical Services	2,402.00	(2,015.06)	2,402.00	37,612.92	2,402.00
Other Purchased Services (400-500 Series)	42,927.00	15.00	40,911.94	25,903.77	3,299.02
Supplies and materials	31,938.00	(123.90)	31,953.00	29.95	6,049.23
Other Objects	1,050.00		926.10		896.15
Total Educational Media Services / School Library	531,068.00	7,876.04	538,944.04	522,841.64	16,102.40
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction Summer Hours	301,648.00	(40,000.00)	261,648.00	259,147.07	2,500.93
Salaries of Secretarial and Clerical Assistants	17,603.00		17,603.00	15,201.36	2,401.64
Other Purchased Professional - Educational Services	9,104.84	5,450.00	5,450.00	5,219.14	230.86
Other Purchased Services (400- 500)	2,000.00	(429.00)	8,675.84	8,634.46	41.38
Supplies and materials		(1,250.00)	750.00		750.00
Other Objects		1,825.00	1,825.00	1,825.00	
Total Instructional Staff Training Services	330,355.84	(34,404.00)	295,951.84	290,027.03	5,924.81
Support Services General Administration:					
Salaries	327,301.00	25,000.00	352,301.00	348,080.74	4,220.26
Legal Services	120,705.50	8,000.00	128,705.50	123,196.90	5,508.60
Expenditure and Internal Control Audit Fees	36,500.00	1,875.00	38,375.00	38,375.00	
Architectural/Engineering Services	79,450.00	(53,000.00)	26,450.00	18,450.00	8,000.00
Other Purchased Professional Services	41,300.00	53,000.00	94,300.00	67,228.11	27,071.89
Communications / Telephone	181,100.00	(23,330.00)	157,770.00	118,539.09	39,230.91
Board Travel Expense	19,886.00	(1,417.00)	18,469.00	4,775.10	13,693.90
Miscellaneous Expenditures	272,159.00	5,250.00	277,409.00	267,557.54	9,851.46
General Supplies	8,000.00	6,028.00	14,028.00	13,986.21	41.79
BOE In- House Training/ Meeting Supplies	2,500.00	722.00	3,222.00	2,794.99	427.01
Judgements against the District		86,000.00	86,000.00	86,000.00	
Miscellaneous Expenditures	6,600.00	(1,875.00)	4,725.00	3,300.00	1,425.00
BOE Membership Dues and Fees	23,500.00	1,417.00	24,917.00	24,916.90	0.10
Total Support Services General Administration	1,119,001.50	107,670.00	1,226,671.50	1,117,200.58	109,470.92

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Support Services School Administration:					
Salaries of Principals / Asst. Principals	\$ 1,748,795.00	\$ 304,397.00	\$ 2,053,192.00	\$ 2,053,191.94	\$ 0.06
Salaries of Secretarial and Clerical Assistants	675,110.00	(21,563.00)	653,547.00	653,546.58	0.42
Other Purchased Services(400-500 series)	29,298.00	(24,308.00)	4,990.00	4,987.36	2.64
Supplies and Materials	25,151.61	(7,065.81)	18,085.80	18,026.40	59.40
Other Objects	14,300.00	(11,600.00)	2,700.00	1,267.50	1,432.50
Total Support Services School Administration	2,492,654.61	239,860.19	2,732,514.80	2,731,019.78	1,495.02
Central Service:					
Salaries	587,558.00	73,000.00	660,558.00	628,295.79	32,262.21
Purchased Professional Services	6,900.00		6,900.00	4,210.00	2,690.00
Other Purchase Professional Service	40,100.00	(27,400.00)	12,700.00	12,692.17	7.83
Misc. Purch Services (400-500)	112,750.00	(7,500.00)	105,250.00	88,279.57	16,970.43
Supplies and Materials	69,743.00	(22,000.00)	47,743.00	39,990.46	7,752.54
Miscellaneous Expenditures	3,000.00		3,000.00	2,733.00	267.00
Total Central Service	820,051.00	16,100.00	836,151.00	776,200.99	59,950.01
Administrative Information Technology:					
Salaries	456,436.00	17,010.00	473,446.00	448,208.91	25,237.09
Purchased Technical Services	241,436.00	(49,716.99)	191,719.01	191,719.01	
Other Purchased Services	1,000.00	(436.25)	563.75	563.75	
Supplies and Materials	7,200.00	941.07	8,141.07	8,099.07	42.00
Total Administrative Information Technology	706,072.00	(32,202.17)	673,869.83	648,590.74	25,279.09
Required Maintenance for School Facilities:					
Salaries	30,963.00	86,852.92	117,815.92	117,815.92	
Cleaning, Repair and Maintenance Services	1,032,867.38	326,178.45	1,359,045.83	1,304,768.72	54,277.11
General Supplies	123,162.96	(46,605.30)	76,557.66	76,557.66	
Total Required Maintenance for School Facilities	1,186,993.34	366,426.07	1,553,419.41	1,499,142.30	54,277.11

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Custodial Services:					
Salaries of Non-Instructional Aides	\$ 269,847.00	\$	269,847.00	\$ 265,993.20	\$ 3,853.80
Purchased Professional and Technical Services	190,700.00	(138,450.00)	52,250.00	48,630.27	3,619.73
Cleaning, Repair and Maintenance Services	1,492,824.00	358,473.67	1,851,297.67	1,845,929.74	5,367.93
Other Purchased Property Services	160,000.00	12,833.00	172,833.00	161,040.43	11,792.57
Insurance	173,300.00	(3,875.00)	169,425.00	169,424.55	0.45
Miscellaneous Purchased Services		4,610.00	4,610.00	4,610.00	
General Supplies	15,618.02	2,000.00	17,618.02	16,786.15	831.87
Energy (Natural Gas)	448,900.00	(30,000.00)	418,900.00	287,104.30	131,795.70
Energy (Heat and Electricity)	1,099,400.00	(188,976.00)	910,424.00	615,045.32	295,378.68
Other Objects	7,400.00	265.00	7,665.00	7,195.87	469.13
Total Custodial Services	3,857,989.02	16,880.67	3,874,869.69	3,421,759.83	453,109.86
Care and Upkeep of Grounds:					
Cleaning, Repair And Maintenance	416,294.00	(94,925.00)	321,369.00	319,550.44	1,818.56
General Supplies	54,300.00	(20,901.05)	33,398.95	32,647.51	751.44
Total Care and Upkeep of Grounds	470,594.00	(115,826.05)	354,767.95	352,197.95	2,570.00
Security:					
Salaries	24,106.00	2,000.00	26,106.00	25,287.90	818.10
Purchased Professional and Technical Services			8,000.00	7,350.00	650.00
General Supplies	290.00	5,982.59	6,272.59	5,789.80	482.79
Total Security	24,396.00	7,982.59	40,378.59	38,427.70	1,950.89

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Student Transportation Services:					
Salaries of Non-Instructional Aides	\$ 173,159.00	\$ 29,000.00	\$ 202,159.00	\$ 200,973.94	\$ 1,185.06
Salaries for Pupil Transportation (Between Home and School) - Regular	565,000.00	351.00	565,351.00	565,350.64	0.36
Salaries for Pupil Transportation (Between Home and School) - Special	304,115.00		304,115.00	302,995.52	1,119.48
Salaries (Other than H & S)	111,228.45		111,228.45	104,223.17	7,005.28
Management Fee- ESC & CTSA Trans. Program	10,000.00	3,000.00	13,000.00	11,151.23	1,848.77
Transportation- Other Purchased Prof & Tech	9,900.00		9,900.00	1,483.00	8,417.00
Cleaning, Repair and Maintenance Services	202,300.00	7,000.00	209,300.00	203,456.46	5,843.54
Contracted Services - Aid in Lieu Payments-NonPub Sch	157,300.00	(44,095.00)	113,205.00	98,401.32	14,803.68
Contracted Services - Aid in Lieu Payments-Charter Sch	5,304.00		5,304.00	3,536.00	1,768.00
Contracted Services (Other than Between Home and School) - Vendors	37,300.00	(1,380.00)	35,920.00	12,371.65	23,548.35
Contract Services (Sp. Ed. Sids.) - Vendors		4,095.00	4,095.00	4,094.72	0.28
Contracted Services (Spec. Ed. Students) - Joint Agreements	66,000.00	5,180.00	71,180.00	31,517.40	39,662.60
Contracted Services -(Spec.Ed. Students) - ESCs & CTSA	299,500.00	135,000.00	434,500.00	419,397.74	15,102.26
Miscellaneous Purchased Services - Transportation	96,800.00	(15,000.00)	81,800.00	74,464.86	7,335.14
General Supplies	15,000.00		15,000.00	14,399.74	600.26
Transportation Supplies	158,951.48	(45,000.00)	113,951.48	74,258.57	39,692.91
Other Objects	1,500.00		1,500.00	1,485.76	14.24
Total Student Transportation Services	2,213,357.93	78,151.00	2,291,508.93	2,123,561.72	167,947.21
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	726,700.00		726,700.00	513,727.66	212,972.34
Other Retirement Contributions - PERS	612,000.00	(20,867.00)	591,133.00	528,628.00	62,505.00
Other Retirement Contributions - Regular		15,000.00	15,000.00	7,439.90	7,560.10
Unemployment Compensation	76,500.00		76,500.00	2,568.40	73,931.60
Workmen's Compensation	190,300.00	(7,000.00)	183,300.00	174,112.47	9,187.53
Health Benefits	11,026,742.00	(1,985,727.24)	9,041,014.76	8,666,278.85	374,735.91
Tuition Reimbursements	72,500.00	(1,231.95)	71,268.05	26,683.07	44,584.98
Other Employee Benefits	28,000.00	23,381.95	51,381.95	51,375.96	5.99
Unused sick payment		21,714.00	21,714.00	21,538.33	175.67
Total Unallocated Benefits - Employee Benefits	12,732,742.00	(1,954,730.24)	10,778,011.76	9,992,352.64	785,659.12

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
On-Behalf TPAF Contributions (Non-Budgeted):					
On-behalf TPAF Contributions-non-budgeted				2,734,411.00	(2,734,411.00)
NCGI-non-budgeted				99,074.00	(99,074.00)
Long Term Disability Insurance				4,985.00	(4,985.00)
Post Retirement/Medical-non budgeted				2,360,937.00	(2,360,937.00)
Reimbursed TPAF Social Security Contribution-non-budgeted				1,918,885.36	(1,918,885.36)
Total On-Behalf TPAF Contributions (Non-Budgeted)				7,118,292.36	(7,118,292.36)
Total Undistributed Expenditures	32,925,361.24	(460,552.90)	32,472,808.34	37,313,580.16	(4,840,771.82)
TOTAL EXPENDITURES - CURRENT EXPENSE	57,602,785.09	(160,397.87)	57,424,137.22	61,688,337.38	(4,264,200.16)
CAPITAL OUTLAY:					
Equipment:					
Grades 9-12 - Equipment		5,183.10	5,183.10	5,183.10	
School Sponsored and Other Instructional Program		8,219.00	8,219.00	8,219.00	
Undistributed-Admin. Info Technology		29,310.00	29,310.00	29,310.00	29,310.00
Undistributed-Req. Maint. For Schools		219,718.68	219,718.68	20,930.43	198,788.25
Undistributed-Security		46,704.64	46,704.64	46,704.64	46,704.64
Total Equipment		309,135.42	309,135.42	34,332.53	274,802.89
Facilities Acquisition and Construction Services:					
Construction services	64,257.00	15,962.00	15,962.00	15,962.00	
Assessment for Debt Service on SDA Funding			64,257.00	64,257.00	
Total Facilities Acquisition and Construction Services	64,257.00	15,962.00	80,219.00	80,219.00	
Assets acquired under capital leases (non-budgeted)					
Undistributed expenditures:					
Equipment				98,029.50	98,029.50
Total assets acquired under capital leases (non-budgeted)				98,029.50	98,029.50
TOTAL CAPITAL OUTLAY	64,257.00	325,097.42	389,354.42	212,581.03	372,832.39
TRANSFER OF FUNDS TO CHARTER SCHOOLS	114,000.00		114,000.00	77,357.00	36,643.00
TOTAL EXPENDITURES	\$ 57,781,042.09	\$ 164,699.55	\$ 57,927,491.64	\$ 61,978,275.41	\$ (3,854,724.77)

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
GENERAL FUND

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

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Excess (deficiency) of revenues over (under) expenditures	\$ (1,891,833.09)	\$ (164,699.55)	\$ (2,038,282.64)	\$ 2,533,622.22	\$ 4,767,963.86 196,059.00
Other financing sources (uses)					
Proceeds from Capital Lease (non-budgeted)				98,029.50	98,029.50
Total other financing sources				98,029.50	98,029.50
Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	(1,891,833.09)	(164,699.55)	(2,038,282.64)	2,631,651.72	4,865,993.36
Fund balances, July 1	6,052,900.50		6,052,900.50	6,052,900.50	
Fund balances, June 30	\$ 4,161,067.41	\$ (164,699.55)	\$ 4,014,617.86	\$ 8,684,552.22	\$ 4,865,993.36

Recapitulation:

Assigned - year-end encumbrances	\$ 357,047.48
Restricted - excess surplus - designated for subsequent year's expenditures	814,654.00
Restricted - excess surplus - current year	1,049,131.52
Restricted - capital reserve	3,198,956.37
Restricted - emergency reserve	198,362.44
Restricted - maintenance reserve	1,676,356.34
Unassigned fund balance	1,390,044.07
	8,684,552.22
Reconciliation to governmental funds statements (GAAP):	
Prior Year aid payment not recognized on GAAP basis	(887,195.00)
Fund balance per governmental funds (GAAP)	\$ 7,797,357.22

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

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Other Sources	\$ 52,800.00	\$ 92,868.67	\$ 92,868.67	\$ 92,868.67	
State Sources		158,652.00	211,452.00	209,918.25	(1,533.75)
Federal Sources	1,117,203.00	141,837.35	1,259,040.35	1,258,991.10	(49.25)
Total Revenues	\$ 1,170,003.00	\$ 393,358.02	\$ 1,563,361.02	\$ 1,561,778.02	\$ (1,583.00)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	784,797.00	(504,119.93)	66,142.65	280,677.07	\$ 280,677.07
Purchased Professional/Technical Services	385,206.00	(344,129.00)	41,077.00	41,077.00	
Tuition		786,810.76	786,810.76	786,810.76	
General Supplies		36,130.23	36,130.23	36,130.23	
Textbooks		24,496.00	24,496.00	24,496.00	
Total Instruction	1,170,003.00	(811.94)	1,169,191.06	1,169,191.06	
Support Services:					
Other Salaries		1,500.00	1,500.00	1,500.00	
Purchased Services Employee Benefits		55,604.00	55,604.00	55,604.00	
Purchased Professional/Technical Services		76,208.19	76,208.19	76,208.19	
Other purchased services		43,337.04	43,337.04	43,337.04	
Supplies and Materials		28,052.02	28,052.02	28,052.02	
Other Objects		137,838.00	137,838.00	136,255.00	1,583.00
Total Support Services		342,539.25	342,539.25	340,956.25	1,583.00
Facilities Acquisition and Construction Service:					
Equipment		51,630.71	51,630.71	51,630.71	
Total Facilities Acquisition and Construction Service		51,630.71	51,630.71	51,630.71	
Total expenditures	\$ 1,170,003.00	\$ 393,358.02	\$ 1,563,361.02	\$ 1,561,778.02	\$ 1,583.00

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI (REQUIRED SUPPLEMENTARY INFORMATION)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 64,511,897.63	\$ 1,561,778.02
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously it was recognized for budgetary purposes.	880,993.00	5,280.00
The last state aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(887,195.00)	(5,280.00)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Adjust for encumbrances:		
Add prior year encumbrances		57,516.97
Less prior year encumbrances canceled		(556.76)
Less current year encumbrances		(29,759.79)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 64,505,695.63	\$ 1,588,978.44
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$	\$ 1,561,778.02
Difference - budget to GAAP:		
Adjust for encumbrances:		
Add prior year encumbrances		57,516.97
Less prior year encumbrances canceled		(556.76)
Less current year encumbrances		(29,759.79)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	\$	\$ 1,588,978.44

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

<u>Measurement Date Ending June 30,</u>	<u>District's Proportion of the Net Pension Liability (Asset)</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>District's Covered-Employee Payroll</u>	<u>District's Proportion of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2013	0.0610000000% \$	11,657,411 \$	4,226,333.00	275.83%	48.72%
2014	0.0614800000%	11,509,914	4,226,933.00	272.30%	52.08%
2015	0.0621921857%	13,960,899	4,280,395.00	326.16%	47.92%
2016	0.0594472637%	17,606,574	3,960,898.00	444.51%	40.14%

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

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

Fiscal Year Ending <u>June 30,</u>	530762 Contractually Required <u>Contribution</u>	Contributions in Relation to the Contractually Required <u>Contributions</u>	Contribution Deficiency <u>(Excess)</u>	District's Covered- Employee <u>Payroll</u>	Contributions as a Percentage of Covered- Employee <u>Payroll</u>
2014	\$ 506,796	\$ 506,796	\$ -0-	\$ 4,226,933.00	11.99%
2015	534,686	534,686	-0-	4,280,395.00	12.49%
2016	528,121	528,121	-0-	3,960,898.00	13.33%
2017	530,762	530,762	-0-	3,938,440.00	13.48%

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

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION AND ANNUITY FUND
LAST TEN YEARS

<u>Measurement Date Ending June 30.</u>	<u>District's Proportion of the Net Pension Liability (Asset)</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>District's Covered-Employee Payroll</u>	<u>District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2013	0.2600214795% \$	-0-	\$ 24,719,460.00	-0-	33.76%
2014	0.2515090687%	-0-	25,542,268.00	-0-	33.64%
2015	0.2493242221%	-0-	25,926,765.00	-0-	28.71%
2016	0.2516877573%	-0-	25,757,586.00	-0-	22.33%

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION- PART III

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Public Employees Retirement System

Change in benefit terms: None

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

Teacher Pension and Annuity Fund

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

	<u>NONPUBLIC</u>	<u>NONPUBLIC</u>	<u>NONPUBLIC</u>	<u>NONPUBLIC</u>	<u>NONPUBLIC</u>	<u>NONPUBLIC</u>	<u>NONPUBLIC</u>	<u>NONPUBLIC</u>	<u>NONPUBLIC</u>
	<u>TEXTBOOKS</u>	<u>COMPENSATORY</u>	<u>ESL</u>	<u>TRANSPORTATION</u>	<u>SUPPLEMENTAL</u>	<u>EXAM AND</u>	<u>SPEECH</u>	<u>CORRECTION</u>	
		<u>EDUCATION</u>			<u>INSTRUCTION</u>	<u>CLASS</u>	<u>CLASS</u>		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES:									
Local Sources	24,496.00	18,812.00	13,703.00	6,224.00	10,201.00	9,909.00	6,185.00		
Slate Sources									
Federal Sources									
Total Revenues	<u>24,496.00</u>	<u>18,812.00</u>	<u>13,703.00</u>	<u>6,224.00</u>	<u>10,201.00</u>	<u>9,909.00</u>	<u>6,185.00</u>		
EXPENDITURES:									
Instruction:									
Salaries of Teachers									
Other Purchased Services									
Tuition									
General Supplies	24,496.00								
Textbooks									
Total Instruction	<u>24,496.00</u>								
Support Services:									
Other Salaries									
Personal Services Employee - Benefits									
Purchased Professional / Technical Services									
Other purchased services									
Supplies and Materials		18,812.00	13,703.00	6,224.00	10,201.00	9,909.00	6,185.00		
Other Objects									
Total Support Services		<u>18,812.00</u>	<u>13,703.00</u>	<u>6,224.00</u>	<u>10,201.00</u>	<u>9,909.00</u>	<u>6,185.00</u>		
Equipment:									
Non-Instructional Equip.									
Total Equipment									
Total Expenditures	<u>24,496.00</u>	<u>18,812.00</u>	<u>13,703.00</u>	<u>6,224.00</u>	<u>10,201.00</u>	<u>9,909.00</u>	<u>6,185.00</u>		
Excess (Deficiency) of Revenues									
Over (Under) Expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

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

	NONPUBLIC NURSING	NONPUBLIC TECHNOLOGY	NONPUBLIC SECURITY AID	PRESCHOOL EDUCATION AID	TITLE II	TITLE I
\$	\$	\$	\$	\$	\$	\$
REVENUES:						
Local Sources	40,062.00	9,685.00	21,474.00	49,167.25	71,331.29	304,041.86
State Sources						
Federal Sources						
Total Revenues	40,062.00	9,685.00	21,474.00	49,167.25	71,331.29	304,041.86
EXPENDITURES:						
Instruction:						
Salaries of Teachers				49,167.25	8,619.75	231,509.82
Other Purchased Services						
Tuition						
General Supplies						15,549.52
Textbooks						
Total Instruction				49,167.25	8,619.75	247,059.34
Support Services:						
Other Salaries					1,500.00	55,604.00
Personal Services Employee - Benefits					55,750.00	
Purchased Professional / Technical Services					5,461.54	1,378.52
Other purchased services						
Supplies and Materials						
Other Objects	40,062.00	9,685.00	21,474.00			
Total Support Services	40,062.00	9,685.00	21,474.00		62,711.54	56,982.52
Equipment:						
Non-Instructional Equip.						
Total Equipment						
Total Expenditures	40,062.00	9,685.00	21,474.00	49,167.25	71,331.29	304,041.86
Excess (Deficiency) of Revenues Over (Under) Expenditures	-0-	-0-	-0-	-0-	-0-	-0-

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

	<u>TITLE III</u>	<u>\$</u>	<u>TITLE III</u>	<u>IDEA PART B</u>	<u>IDEA PART B</u>	<u>LOCAL</u>	<u>Totals</u>
		<u>\$</u>	<u>IMMIGRANT</u>	<u>PRE-SCHOOL</u>	<u>BASIC</u>		
REVENUES:							
Local Sources						92,868.67	92,868.67
State Sources	13,510.16		16,117.19	34,701.84	819,288.76	209,918.25	209,918.25
Federal Sources						1,258,991.10	1,258,991.10
Total Revenues	13,510.16	\$	16,117.19	34,701.84	819,288.76	92,868.67	1,561,778.02
EXPENDITURES:							
Instruction:							
Salaries of Teachers							280,677.07
Other Purchased Services	1,512.50		708.75	25,676.00	4,560.00	41,077.00	41,077.00
Tuition					786,810.76		786,810.76
General Supplies	4,397.66		492.94	6,775.84	2,706.81	6,207.46	36,130.23
Textbooks							24,496.00
Total Instruction	5,910.16	\$	1,201.69	32,451.84	794,077.57	6,207.46	1,169,191.06
Support Services:							
Other Salaries							1,500.00
Personal Services Employee - Benefits							55,604.00
Purchased Professional / Technical Services			3,200.00		17,258.19		76,208.19
Other purchased services	7,600.00			2,250.00	2,995.00	25,030.50	43,337.04
Supplies and Materials			11,715.50		4,958.00	10,000.00	28,052.02
Other Objects							136,255.00
Total Support Services	7,600.00	\$	14,915.50	2,250.00	25,211.19	35,030.50	340,956.25
Equipment:							
Non-Instructional Equip.						51,630.71	51,630.71
Total Equipment						51,630.71	51,630.71
Total Expenditures	13,510.16		16,117.19	34,701.84	819,288.76	92,868.67	1,561,778.02
Excess (Deficiency) of Revenues Over (Under) Expenditures	-0-		-0-	-0-	-0-	-0-	-0-

BOROUGH OF SOUTH PLAINFIELD - SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

DISTRICT-WIDE TOTAL

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$ <u>53,153.05</u>	\$ <u>49,167.25</u>	\$ <u>3,985.80</u>
Total instruction	53,153.05	49,167.25	3,985.80
Total expenditures	\$ <u><u>53,153.05</u></u>	\$ <u><u>49,167.25</u></u>	\$ <u><u>3,985.80</u></u>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2016-17 Preschool Education Aid Allocation	\$ 52,800.00
Add: Actual ECP/PEA Carryover (June 30, 2016)	353.05
Add: Budgeted Transfer from the General Fund 2016-17	
Total Preschool Education Aid Funds Available for 2016-17 Budget	<u>53,153.05</u>
Less: 2016-17 Budgeted Preschool Education Aid (Including Prior Year budget carryover)	<u>(53,153.05)</u>
Available and unbudgeted Preschool Education Aid Funds as of June 30, 2017	\$
Add: June 30, 2017 Unexpended Preschool Education Aid	<u>3,985.80</u>
2016-17 Carryover- Preschool Education Aid	\$ <u><u>3,985.80</u></u>
2016-17 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2017-18	\$ <u><u>3,985.80</u></u>

CAPITAL PROJECTS FUND DETAIL STATEMENTS

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

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

<u>ISSUE/PROJECT TITLE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>BALANCE</u> <u>JUNE 30, 2017</u>
		<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
Franklin School Security Upgrade	\$ 56,994.00	\$ 59,191.00	\$	(2,197.00)
Kennedy School Security Upgrade	56,894.00	59,112.00		(2,218.00)
Riley School Security Upgrade	57,394.00	59,607.00		(2,213.00)
Roosevelt School Security Upgrade	24,000.00	19,918.00		4,082.00
Grant School Security Upgrade	54,369.00	56,479.00		(2,110.00)
Middle School Security Upgrade	39,110.00	40,825.00		(1,715.00)
High School Security Upgrade	135,239.00	130,568.00		4,671.00
Roosevelt Building Boiler Replacement	85,000.00	68,428.00		16,572.00
Kennedy Building Boiler Replacement	85,000.00	55,375.00		29,625.00
Franklin School Fire Alarm Replacement	166,000.00	99,233.63		66,766.37
Kennedy School Fire Alarm Replacement	166,000.00	119,803.75		46,196.25
Riley School Fire Alarm Replacement	166,000.00	150,902.78		15,097.22
Grant School Partial Roof Replacement	1,260,000.00	961,197.10		298,802.90
Totals	\$ 2,352,000.00	\$ 1,880,640.26	\$	471,359.74

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

Fund Balance - Beginning of Year	\$ <u>471,359.74</u>
Fund Balance - End of Year	\$ <u><u>471,359.74</u></u>
<u>Reconciliation to GAAP Financial Statements:</u>	
Fund Balance- Budgetary Basis (Exhibit F-2)	\$ 471,359.74
Less: Unearned Revenue (GAAP Basis)	<u>176,694.00</u>
Fund Balance- GAAP Basis (Exhibit B-1)	\$ <u><u>294,665.74</u></u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
ROOSEVELT BUILDING BOILER REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
SDA Grant	\$ 34,000.00	\$	\$ 34,000.00	\$ 88,150.00
Transfer from Capital Reserve	<u>51,000.00</u>	<u></u>	<u>51,000.00</u>	<u>132,225.00</u>
Total Revenues and Other Financing Sources	<u>85,000.00</u>	<u></u>	<u>85,000.00</u>	<u>220,375.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional Services	560.00		560.00	560.00
Construction Services	<u>67,868.00</u>	<u></u>	<u>67,868.00</u>	<u>220,375.00</u>
Total Expenditures and other financing uses	<u>68,428.00</u>	<u></u>	<u>68,428.00</u>	<u>220,935.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 16,572.00</u>	<u>\$</u>	<u>\$ 16,572.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4910-058-14-G1XU			
Grant Date	8/22/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$85,000.00			
Additional Authorized Cost				
Revised Authorized Cost	\$85,000.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	80.50%			
Original Target Completion Date	6/30/15			
Revised Target Completion Date	6/30/16			

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
KENNEDY SCHOOL BUILDING BOILER REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

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

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

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

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

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
GRANT SCHOOL PARTIAL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

PROPRIETARY FUND DETAIL STATEMENTS

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

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS - ENTERPRISE FUNDS
 JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				
	MAJOR	NON-MAJOR			TOTALS
	FOOD SERVICE	LATCHKEY PROGRAM	ADULT EDUCATION PROGRAM	PRESCHOOL PROGRAM	
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	\$ 63,522.04	\$ 350,794.63	\$ 286,021.67	\$ 212,573.58	\$ 912,911.92
Accounts receivable:					
Federal	86,017.13				86,017.13
State	2,334.12				2,334.12
Other	11,393.02	3,543.88		4,264.30	19,201.20
Inventories	22,406.25				22,406.25
Total Current Assets	<u>185,672.56</u>	<u>354,338.51</u>	<u>286,021.67</u>	<u>216,837.88</u>	<u>1,042,870.62</u>
Capital Assets:					
Equipment	408,483.00	96,700.00		57,921.00	563,104.00
Less: Accumulated Depreciation	(291,995.00)	(41,099.00)		(24,616.00)	(357,710.00)
Total Capital Assets	<u>116,488.00</u>	<u>55,601.00</u>		<u>33,305.00</u>	<u>205,394.00</u>
Total Assets	<u>302,160.56</u>	<u>409,939.51</u>	<u>286,021.67</u>	<u>250,142.88</u>	<u>1,248,264.62</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	93,247.64				93,247.64
Unearned revenue	7,730.39				7,730.39
Total Current Liabilities	<u>100,978.03</u>				<u>100,978.03</u>
Total Liabilities	<u>100,978.03</u>				<u>100,978.03</u>
NET POSITION					
Restricted for:					
Net Investment in Capital Assets	116,488.00	55,601.00		33,305.00	205,394.00
Unrestricted	84,694.53	354,338.51	286,021.67	216,837.88	941,892.59
Total Net Position	<u>\$ 201,182.53</u>	<u>\$ 409,939.51</u>	<u>\$ 286,021.67</u>	<u>\$ 250,142.88</u>	<u>\$ 1,147,286.59</u>

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				
	MAJOR	NON-MAJOR			TOTALS
	FOOD SERVICE	LATCHKEY PROGRAM	ADULT EDUCATION PROGRAM	PRESCHOOL PROGRAM	
OPERATING REVENUES:					
Charges for services:					
Daily sales	\$ 473,526.12				\$ 473,526.12
Daily sales - non-reimbursable programs	352,262.00				352,262.00
Special Functions	37,325.79				37,325.79
Miscellaneous	30,576.29				30,576.29
Program Fees		621,510.54	37,311.50	197,044.04	855,866.08
Total Operating Revenues	893,690.20	621,510.54	37,311.50	197,044.04	1,749,556.28
OPERATING EXPENSES:					
Cost of sales	450,218.02				450,218.02
Cost of sales - nonreimbursable	123,814.00				123,814.00
Salaries	525,477.95	515,282.61	8,800.00	266,802.78	1,316,363.34
Employee benefits	113,602.20				113,602.20
Other purchased services	118,217.20	20,316.57	32,783.24	11,400.48	182,717.49
Supplies and materials	123,872.61	22,312.77	24.95	104.80	146,315.13
Depreciation	18,963.00	8,220.00		4,923.00	32,106.00
Total Operating Expenses	1,474,164.98	566,131.95	41,608.19	283,231.06	2,365,136.18
Operating Income (Loss)	(580,474.78)	55,378.59	(4,296.69)	(86,187.02)	(615,579.90)
NONOPERATING REVENUES:					
State Sources					
State School Lunch Program	12,747.85				12,747.85
Federal Sources					
National School Lunch Program	404,116.50				404,116.50
National School Breakfast Program	64,042.60				64,042.60
National Food Distribution Commodities	84,538.32				84,538.32
Interest and Investment Revenue	1,471.45	2,729.07	1,764.28	1,365.95	7,330.75
Total Nonoperating Revenues	566,916.72	2,729.07	1,764.28	1,365.95	572,776.02
Net Income (Loss) before Contributions and Transfers	(13,558.06)	58,107.66	(2,532.41)	(84,821.07)	(42,803.88)
Transfers in (out)	150,000.00	(150,000.00)			
Change in net position	136,441.94	(91,892.34)	(2,532.41)	(84,821.07)	(42,803.88)
Total Net Position, Beginning of Year	64,740.59	501,831.85	288,554.08	334,963.95	1,190,090.47
Total Net Position, End of Year	\$ 201,182.53	\$ 409,939.51	\$ 286,021.67	\$ 250,142.88	\$ 1,147,286.59

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
 PROPRIETARY FUND
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				
	FOOD SERVICE	LATCHKEY PROGRAM	ADULT EDUCATION PROGRAM	PRESCHOOL PROGRAM	TOTALS
Cash flows from operating activities:					
Receipts from customers	\$ 881,146.83	\$ 642,009.66	\$ 37,311.50	\$ 194,604.74	\$ 1,755,072.73
Payments for employees' salaries and benefits	(594,731.58)	(515,282.61)	(8,800.00)	(266,802.78)	(1,385,616.97)
Payments to suppliers for goods and services	(931,137.99)	(42,629.34)	(32,808.19)	(11,505.28)	(1,018,080.80)
Net Cash Provided by (Used for) Operating Activities	(644,722.74)	84,097.71	(4,296.69)	(83,703.32)	(648,625.04)
Cash Flows from Noncapital Financing Activities:					
State Sources	12,847.47				12,847.47
Federal Sources	467,143.19				467,143.19
Transfers from/(to) other funds	150,000.00	(425,000.00)	(125,000.00)		(400,000.00)
Net Cash Provided by (Used for) Noncapital Financing Activities	629,990.66	(425,000.00)	(125,000.00)		79,990.66
Cash Flows from Investing Activities:					
Interest on investments and deposits	1,471.45	2,729.07	1,764.28	1,365.95	7,330.75
Net Cash Provided by (Used for) by Investing Activities	1,471.45	2,729.07	1,764.28	1,365.95	7,330.75
Cash Flows from Capital and Related Financing Activities:					
Acquisition of Capital Assets	(39,752.00)				(39,752.00)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(39,752.00)				(39,752.00)
Net increase in cash and cash equivalents	(53,012.63)	(338,173.22)	(127,532.41)	(82,337.37)	(601,055.63)
Cash and cash equivalents, July 1	116,534.67	688,967.85	413,554.08	294,910.95	1,513,967.55
Cash and cash equivalents, June 30	\$ 63,522.04	\$ 350,794.63	\$ 286,021.67	\$ 212,573.58	\$ 912,911.92
Operating Income (Loss)	\$ (580,474.78)	\$ 55,378.59	\$ (4,296.69)	\$ (86,187.02)	\$ (615,579.90)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation and Net Amortization	18,963.00	8,220.00		4,923.00	32,106.00
Non-Cash Federal Assistance Food Distribution Program	84,538.32				84,538.32
Change in Assets and Liabilities:					
Increase / (Decrease) in Accounts Payable	(153,255.99)				(153,255.99)
Increase / (Decrease) in Unearned Revenue	(11,310.14)				(11,310.14)
(Increase) / Decrease in Accounts Receivable	1,255.67	20,499.12		(2,439.30)	19,315.49
(Increase) / Decrease in Inventory	(4,438.82)				(4,438.82)
Net Cash Provided by (Used for) by Operating Activities	\$ (644,722.74)	\$ 84,097.71	\$ (4,296.69)	\$ (83,703.32)	\$ (648,625.04)

FIDUCIARY FUNDS DETAIL STATEMENTS

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

- Unemployment Compensation Insurance Trust Fund:** This trust fund is used to account for board contributions which are utilized to pay unemployment compensation claims as they arise.
- Student Activity Fund:** This agency fund is used to account for student funds held at the schools.
- Payroll Agency Fund:** This agency fund is used to account for the payroll transactions of the school district.

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

	UNEMPLOYMENT COMPENSATION TRUST	TOTAL TRUST FUNDS	STUDENT ACTIVITY	AGENCY FUNDS		TOTAL AGENCY FUNDS
				PAYROLL		
ASSETS:						
Cash and Cash Equivalents	\$ 663,649.58	\$ 663,649.58	\$ 148,090.02	\$ 100,508.26	\$	\$ 248,598.28
Total assets	\$ 663,649.58	\$ 663,649.58	\$ 148,090.02	\$ 100,508.26	\$	\$ 248,598.28
LIABILITIES:						
Payroll Deductions and Withholdings Due to Student Groups	\$		\$ 148,090.02		\$ 100,508.26	\$ 100,508.26
Total liabilities	\$		\$ 148,090.02		\$ 100,508.26	\$ 248,598.28
NET POSITION:						
Held in trust for unemployment claims	\$ 663,649.58	\$ 663,649.58				
TOTAL NET POSITION	\$ 663,649.58	\$ 663,649.58				

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

	UNEMPLOYMENT COMPENSATION TRUST	TOTALS
ADDITIONS:		
Contributions:		
Unemployment	\$ <u>44,391.64</u>	\$ <u>44,391.64</u>
Total contributions	<u>44,391.64</u>	<u>44,391.64</u>
Investment Earnings:		
Interest Earned	<u>3,431.20</u>	<u>3,431.20</u>
Net Investment Earnings	<u>3,431.20</u>	<u>3,431.20</u>
Total additions	<u>47,822.84</u>	<u>47,822.84</u>
DEDUCTIONS:		
Scholarships awarded		
Unemployment claims and contributions	<u>49,601.29</u>	<u>49,601.29</u>
Total deductions	<u>49,601.29</u>	<u>49,601.29</u>
Change in Net Position	(1,778.45)	(1,778.45)
Net Position, Beginning of Year	<u>665,428.03</u>	<u>665,428.03</u>
Net Position, End of Year	\$ <u><u>663,649.58</u></u>	\$ <u><u>663,649.58</u></u>

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

	<u>BALANCE</u> <u>JUNE 30, 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>133,707.83</u>	\$ <u>358,061.24</u>	\$ <u>343,679.05</u>	\$ <u>148,090.02</u>
Total assets	\$ <u><u>133,707.83</u></u>	\$ <u><u>358,061.24</u></u>	\$ <u><u>343,679.05</u></u>	\$ <u><u>148,090.02</u></u>
LIABILITIES:				
Due student groups				
Grant School Student Council	\$ 6,551.06	\$ 4,075.73	\$ 4,041.00	\$ 6,585.79
Middle School Activity Account	42,534.01	195,281.90	173,900.07	63,915.84
High School Student Activity	84,622.76	158,703.61	165,737.98	77,588.39
Total liabilities	\$ <u><u>133,707.83</u></u>	\$ <u><u>358,061.24</u></u>	\$ <u><u>343,679.05</u></u>	\$ <u><u>148,090.02</u></u>

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

	<u>BALANCE</u> <u>JUNE 30, 2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
ASSETS:				
Cash and cash equivalents	\$ <u>577,994.72</u>	\$ <u>36,874,873.05</u>	\$ <u>37,352,359.51</u>	\$ <u>100,508.26</u>
Total assets	\$ <u><u>577,994.72</u></u>	\$ <u><u>36,874,873.05</u></u>	\$ <u><u>37,352,359.51</u></u>	\$ <u><u>100,508.26</u></u>
LIABILITIES:				
Payroll deductions and withholdings Due to General Fund	\$ <u>543,961.72</u> <u>34,033.00</u>	\$ <u>36,874,873.05</u>	\$ <u>37,318,326.51</u> <u>34,033.00</u>	\$ <u>100,508.26</u>
Total liabilities	\$ <u><u>577,994.72</u></u>	\$ <u><u>36,874,873.05</u></u>	\$ <u><u>37,352,359.51</u></u>	\$ <u><u>100,508.26</u></u>

LONG-TERM DEBT SCHEDULES

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
LONG-TERM DEBT
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 JUNE 30, 2016</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2017</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Refunding Bonds	7/15/2009	\$ 9,765,000.00	7/15/2017	\$ 995,000.00	3.000%	\$	\$	\$
			7/15/2018	1,040,000.00	4.250%			
			7/15/2019	1,085,000.00	4.500%			
			7/15/2020	1,140,000.00	5.000%			
			7/15/2021	1,195,000.00	5.000%	6,415,000.00	960,000.00	5,455,000.00
					<u>\$ 6,415,000.00</u>	<u>\$ 960,000.00</u>	<u>\$ 5,455,000.00</u>	

EXHIBIT "I-2"

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
AS OF JUNE 30, 2017

<u>SERIES</u>	<u>AMOUNT OF ORIGINAL LEASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2016</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2017</u>
Front End Loader	98,029.50	\$	98,029.50	9,211.48	\$ 88,818.02
	\$	\$	98,029.50	9,211.48	\$ 88,818.02

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

	<u>ORIGINAL BUDGET</u>	<u>TRANSFERS</u>	<u>MODIFIED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 1,223,625.00		\$ 1,223,625.00	\$ 1,223,625.00	\$
Total revenues	1,223,625.00		1,223,625.00	1,223,625.00	
EXPENDITURES:					
Regular debt service:					
Interest	263,625.00		263,625.00	263,625.00	
Redemption of principal	960,000.00		960,000.00	960,000.00	
Total regular debt service-expenditures	1,223,625.00		1,223,625.00	1,223,625.00	
Excess (deficiency) of revenues over (under) expenditures				1,665.00	
Fund balance, July 1	1,665.00				
Fund balance, June 30	1,665.00		1,665.00	1,665.00	\$

STATISTICAL SECTION
(UNAUDITED)

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
STATISTICAL SECTION

Contents

Page

Financial Trends:

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

J-1 to J-4

Revenue Capacity:

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

J-5 to J-9

Debt Capacity:

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14 to J-15

Operating Information:

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

Sources

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

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

	Fiscal Year Ending June 30,							2008		
	2017	2016	2015	2014	2013	2012	2011		2010	2009
Governmental activities										
Net investment in capital assets	15,458,005.98	15,451,250.00	\$ 15,516,546	\$ 13,503,788	\$ 12,268,014	\$ 7,082,547	\$ 6,784,851	\$ 7,495,986	\$ 5,943,343	\$ 4,687,615
Restricted	7,006,173.83	4,372,522.94	1,780,651	2,548,548	3,489,765	3,386,689	5,156,707	5,861,710	6,950,391	5,917,921
Unrestricted/(deficit)	(13,113,218.71)	(12,025,361.38)	(9,657,745)	(9,884,543)	1,833,466	2,386,482	(708,454)	(349,647)	(825,142)	(195,897)
Total governmental activities net position	\$ 9,350,961	\$ 7,798,412	\$ 7,639,452	\$ 6,167,793	\$ 17,591,245	\$ 12,855,718	\$ 11,233,104	\$ 13,012,049	\$ 12,068,592	\$ 10,409,639
Business-type activities										
Net investment in capital assets	205,394.00	193,231.00	\$ 194,393	\$ 219,324	\$ 244,255	\$ 219,204	\$ 77,411	\$ 90,092	\$ 83,035	\$ 90,356
Unrestricted	941,892.59	996,859.47	944,768	1,353,804	1,338,934	1,253,294	1,148,665	1,057,047	873,446	654,732
Total business-type activities net position	\$ 1,147,287	\$ 1,190,090	\$ 1,139,161	\$ 1,573,128	\$ 1,583,189	\$ 1,472,498	\$ 1,226,076	\$ 1,147,139	\$ 956,481	\$ 745,088
District-wide										
Net investment in capital assets	15,663,399.98	15,644,481	\$ 15,710,939	\$ 13,723,112	\$ 12,512,269	\$ 7,301,751	\$ 6,862,262	\$ 7,590,078	\$ 6,026,378	\$ 4,777,971
Restricted	7,006,173.83	4,372,523	1,780,651	2,548,548	3,489,765	3,386,689	5,156,707	5,861,710	6,950,391	5,917,921
Unrestricted/(Deficit)	(12,171,326.12)	(11,028,502)	(8,712,977)	(8,530,739)	3,172,400	3,639,776	440,211	707,400	48,304	488,835
Total district net position	\$ 10,498,248	\$ 8,988,502	\$ 8,778,613	\$ 7,740,921	\$ 19,174,434	\$ 14,328,216	\$ 12,459,180	\$ 14,159,189	\$ 13,025,073	\$ 11,154,727

Source: CAFR Schedule A-1

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

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities										
Instruction										
Regular	\$ 35,048,703	\$ 32,407,070	\$ 29,815,485	\$ 26,744,764	\$ 25,895,594	\$ 24,701,312	\$ 24,293,199	\$ 24,613,371	\$ 23,907,312	\$ 23,899,746
Special education	12,357,249	10,818,458	10,104,837	9,076,153	8,361,993	8,395,082	7,874,824	7,502,098	5,990,400	6,080,215
Other instruction	2,555,069	2,343,782	1,496,543	971,985	1,122,688	1,079,829	1,815,960	1,920,632	1,763,815	1,954,057
School sponsored activities and athletics			1,248,712	1,461,816	1,312,462	1,180,725				
Support Services:										
Tuition	9,987,062	9,504,887	8,991,136	7,957,459	7,591,031	6,613,391	1,134,463	1,252,047	1,189,630	1,195,973
Student and instruction related services							5,901,185	6,341,027	6,149,740	6,195,047
Educational media/school library										
General administration	1,533,871	1,335,216	4,310,696	2,858,028	2,937,397	1,238,685	2,414,733	2,143,004	2,088,527	2,596,816
School administrative services	5,148,810	4,785,062	1,278,897	1,158,319	1,906,861	3,380,066	3,022,552	3,013,615	2,871,127	2,538,731
Central services	2,213,793	2,154,388	1,793,830	1,907,567	1,570,824	1,453,217	361,669	361,523	573,256	573,256
Plant operations and maintenance	5,711,118	5,616,513	4,899,308	5,124,060	4,775,302	4,504,179	4,811,259	5,562,928	5,700,095	5,416,830
Pupil transportation	3,140,456	2,832,457	2,503,270	2,365,993	2,377,641	2,316,150	1,896,037	2,048,352	1,943,771	1,976,627
Interest on long-term debt	239,621	298,786	327,992	361,722	378,663	393,844	428,703	416,205	567,011	603,100
Special Schools							42,468	605,641	496,766	527,197
Charter Schools							8,044	32,262	28,669	4,478
Debt Service Assessment										
Unallocated amortization	50,952	56,886					68,734			
Total governmental activities expenses	77,866,702	72,153,507	66,770,706	59,987,866	58,230,456	55,256,460	53,873,930	55,832,705	53,270,119	52,998,817
Business-type activities:										
Food service	1,474,165	1,400,398	1,375,120	1,311,366	1,237,900	1,302,832	1,209,946	1,163,548	1,186,806	1,140,614
Preschool Program	283,231	335,054	316,139	289,362	267,259	222,473	240,804	219,024	203,323	207,069
Latchkey Program	566,132	614,541	533,733	506,713	390,769	341,000	391,479	333,947	373,795	377,681
Adult Education Program	41,608	120,011	145,097	143,464	176,723	193,861	272,749	269,589	262,138	222,133
Total business-type activities expense	2,365,136	2,470,005	2,370,089	2,260,905	2,072,651	2,060,166	2,114,978	1,986,108	2,026,062	1,947,497
Total district expenses	80,251,838	74,623,511	69,140,795	62,248,771	60,303,107	57,316,646	55,988,908	57,818,813	55,296,181	54,946,314
Program Revenues										
Governmental activities:										
Charges for services	\$ 280,864	\$ 207,778	\$ 198,711	\$ 218,941	\$ 202,237	\$ 262,772	\$ 744,247	\$ 835,439	\$ 850,520	\$ 10,759,447
Operating grants and contributions	23,498,312	18,843,702	15,223,636	8,870,576	9,491,962	8,503,754	8,369,423	8,354,394	8,505,200	10,759,447
Capital grants and contributions	51,631		693,706	2,030	21,856	58,154				
Total governmental activities program revenues	23,830,806	19,051,480	16,122,053	9,091,547	9,716,055	8,824,680	9,113,670	8,354,394	8,505,200	10,759,447
Business-type activities:										
Charges for services										
Food service	893,690	810,704	802,982	758,727	704,980	764,153	770,978	751,141	846,811	795,171
Preschool Program	197,044	358,604	257,751	289,016	274,011	356,161	288,641	304,575	263,628	239,418
Latchkey Program	621,511	642,665	554,312	528,822	421,823	454,134	383,424	394,804	515,361	473,314
Adult Education Program	37,312	128,184	174,100	153,180	224,107	226,534	303,827	271,505	283,090	262,396
Operating grants and contributions	572,776	580,775	541,313	520,893	491,431	505,606	442,431	422,602	328,564	297,316
Total business-type activities program revenues	2,322,332	2,520,932	2,330,458	2,250,638	2,116,352	2,306,588	2,189,301	2,144,627	2,237,454	2,067,615
Total district program revenues	26,153,138	21,572,412	18,452,511	11,342,185	11,832,407	11,131,268	11,302,971	10,499,021	10,742,654	12,827,062
Net (Expense)/Revenue										
Governmental activities	(54,055,895)	(53,102,027)	(50,648,653)	(50,896,319)	(48,514,401)	(46,431,800)	(44,760,260)	(47,478,311)	(44,754,919)	(42,239,370)
Business-type activities	(42,804)	50,928	(39,631)	(10,267)	43,701	246,422	74,323	158,519	211,392	120,118
Total district-wide net expense	\$ (54,098,699)	\$ (53,051,099)	\$ (50,688,284)	\$ (50,906,686)	\$ (48,470,700)	\$ (46,185,378)	\$ (44,685,937)	\$ (47,319,792)	\$ (44,543,527)	\$ (42,119,252)

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CHANGES IN NET POSITION
(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, net	\$ 46,390,086	\$ 44,942,061	\$ 43,653,001	\$ 42,499,893	\$ 41,446,285	\$ 40,139,182	\$ 39,438,003	\$ 39,255,222	\$ 39,108,513	\$ 40,097,815
Taxes levied for debt service	1,223,625 00	1,218,589 00	1,216,563 00	1,216,825	1,113,113	1,193,115	751,885	609,775	642,994	411,654
Unrestricted state aid	6,851,863 00	6,823,714 00	6,714,045 00	6,655,971	6,616,348	6,330,568	4,452,378	9,538,921	6,205,879	5,603,884
Tuition								10,584		3,984
Transportation Fees								120,604	112,190	
Investment Earnings							24,138	134,801	113,338	301,285
Miscellaneous income	1,068,531.62	209,522.57	136,703.00	399,997	840,148	391,449	120,296	505,619	240,959	147,081
Transfers			400,000 00				(124,993)			
Special Items		67,100						(1,753,758)		
Total governmental activities	\$ 55,534,106	\$ 53,260,986	\$ 52,120,312	\$ 50,772,686	\$ 50,015,894	\$ 48,054,314	\$ 44,661,707	\$ 48,421,768	\$ 46,423,873	\$ 46,565,703
Business-type activities:										
Investment earnings			5,664	206			4,614	8,876		
Special Items			(400,000)					23,263		
Total business-type activities	\$ 55,534,106	\$ 53,260,986	\$ 51,725,976	\$ 50,772,892	\$ 50,015,894	\$ 48,054,314	\$ 44,666,321	\$ 48,453,907	\$ 46,423,873	\$ 46,565,703
Change in Net Position										
Govnmr	\$ 1,478,210	\$ 158,960	\$ 1,471,659	\$ (123,633)	\$ 1,501,493	\$ 1,622,514	\$ (98,553)	\$ 943,457	\$ 1,658,954	\$ 4,326,333
Business-type activities	(42,804)	50,928	(433,967)	(10,061)	43,701	246,422	78,937	190,658	211,392	120,118
Total district	\$ 1,435,406	\$ 209,888	\$ 1,037,692	\$ (133,694)	\$ 1,545,194	\$ 1,868,936	\$ (19,616)	\$ 1,134,115	\$ 1,870,346	\$ 4,446,451

Source: CAFR Schedule A.2

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

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Reserved										
Unreserved(Deficit)										
Restricted	6,937,461	4,219,448	3,821,031	4,578,117	5,367,848	4,016,409	2,541,016	2,590,394	7,064,506	6,210,036
Committed			169,420	292,322	228,600			748,915	164,847	587,805
Assigned	357,047	557,324	596,356	543,468	865,067	1,104,018	986,078			
Unassigned	502,849	395,135	87,890	80,240	52,506	69,032	348,942			
Total general fund	\$ 7,797,357	\$ 5,171,908	\$ 4,674,697	\$ 5,494,147	\$ 6,514,021	\$ 5,189,459	\$ 3,876,036	\$ 3,339,309	\$ 7,229,353	\$ 6,797,841
All Other Governmental Funds										
Unreserved	\$ 276,014	\$ 276,014	297,291	588	588	1,685,608	1,685,608	3,308,168	(5,279)	(19,782)
Restricted	20,317	20,317					(55,995)			
Committed	(1,294)	(4,927)								
Unassigned	295,037	291,404	297,291	588	588	1,685,608	1,629,613	3,308,168	(5,279)	(19,782)
Total all other governmental funds	\$ 295,037	\$ 291,404	\$ 297,291	\$ 588	\$ 588	\$ 1,685,608	\$ 1,629,613	\$ 3,308,168	\$ (5,279)	\$ (19,782)

Source: CAFR Schedule B-1

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Tax Levy	\$ 47,613,711	\$ 46,160,650	44,869,564	43,716,718	\$ 42,559,398	\$ 41,332,297	\$ 40,621,123	\$ 40,281,202	\$ 40,318,518	\$ 41,113,292
Tuition Charges	1,469,523	451,994	383,792	646,578	1,072,395	672,069	535,779	10,584	466,396	3,984
Miscellaneous	16,928,959	16,353,442	15,673,852	14,232,200	14,852,429	12,973,298	10,847,991	14,480,568	12,957,956	14,695,722
State Sources	1,309,698	1,572,496	1,029,853	1,268,737	1,247,727	1,848,238	1,542,575	2,998,551	1,186,112	1,063,786
Federal Sources	67,321,932	64,539,582	61,957,061	59,864,233	59,731,949	56,878,994	53,900,370	56,743,129	54,928,982	57,325,150
Total Revenue	18,303,554	18,501,370	25,655,145	26,358,792	25,405,012	24,293,097	17,343,994	18,171,974	17,721,073	16,878,859
Expenditures										
Instruction	5,103,397	4,802,116	8,970,020	8,713,538	7,908,699	8,010,610	5,852,406	5,892,110	4,590,153	4,497,062
Regular Instruction	1,489,094	1,432,365	1,321,975	972,115	1,121,091	1,078,811	1,405,314	1,533,100	1,419,635	1,502,790
Special Education Instruction										
Other Instruction										
School Sponsored Activities and Athletics	2,645,206	2,467,638	8,280,195	7,932,585	7,359,777	6,420,096	1,134,464	1,252,047	1,189,630	1,195,973
Support Services:	5,865,686	6,081,126	8,280,195	7,932,585	7,359,777	6,420,096	4,395,094	4,864,503	4,803,498	4,590,296
Tuition	1,117,201	989,031	1,092,798	1,070,823	1,891,794	1,225,955	1,853,214	1,710,942	1,656,844	2,059,322
Student & Instruction Related Services	2,731,020	2,751,922	3,846,209	2,856,089	2,931,523	3,375,506	2,155,640	2,174,202	2,130,476	1,694,404
Educational Media / School Library	1,424,792	1,489,035	1,795,797	1,907,865	1,568,005	1,451,515	366,467	402,246	573,256	474,506
General Administration	5,311,528	5,096,345	4,864,744	5,089,219	4,764,414	4,495,180	4,064,956	4,760,982	4,972,103	4,740,506
School Administrative Services	2,123,562	1,937,784	2,335,545	2,222,966	2,169,915	2,139,404	1,627,767	1,690,550	1,804,484	1,637,749
Central Services	17,110,645	16,904,054	16,904,054	16,904,054	16,904,054	16,904,054	12,201,279	11,397,191	10,266,779	11,823,855
Plant Operations and Maintenance	77,357	79,634	79,634	79,634	79,634	79,634	8,044	32,262	28,669	4,478
Pupil Transportation	264,212	463,837	2,249,249	1,081,185	2,557,613	295,569	1,273,541	3,651,217	1,690,526	388,857
Employee Benefits	960,000	910,000	870,000	845,000	725,000	730,000	690,000	660,000	630,000	805,420
Charter Schools	263,625	308,100	345,975	371,825	387,525	412,400	446,125	463,691	580,005	495,000
Special Schools										603,823
Capital Outlay										
Debt Service										
Refunding Bond Issue Cost										
Principal										
Interest and Other Charges										
Debt Service Assessment										
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)	98,030	67,100	1,881,600	1,085,548	1,085,548	3,603,074	554,761	3,603,074		
Cancelled Accounts Payable			(1,481,600)	(1,085,548)	(1,085,548)	(3,603,074)	(601,354)	(3,603,074)		
Canceled SDA Grant			400,000	400,000			(124,993)			
Transfers In	98,030	67,100								
Tot Transfers Out										
Net Change in Fund Balances	\$ 2,629,082	\$ 491,323	\$ (522,747)	\$ (1,019,874)	\$ (360,458)	\$ 1,778,140	\$ (1,141,928)	\$ 636,613	\$ 445,926	\$ 4,406,756
Debt Service as a Percentage of Noncapital Expenditures	1.90%	1.91%	2.01%	2.03%	1.93%	2.08%	2.12%	2.03%	2.29%	2.29%

Source: CAFR Schedule B-2
* Noncapital expenditures are total expenditures less capital outlay

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

Fiscal Year Ended June 30,	Tuition	Interest on Investments	Athletic Receipts	Prior Year Refunds	Rentals	Transportation Fees	Prior Year Voided Checks	Miscellaneous	Total
2008	3,984	301,285	604		11,940	106,768		27,768	452,349
2009	5,010	113,338		49,593		112,190		160,487	440,618
2010	10,584	134,801	16,753	92,775		120,604		35,094	410,611
2011	535,779	8,785	20,063	30,497		208,468		65,949	869,541
2012	53,092	10,537	26,236	66,420		209,680		288,256	654,221
2013		8,553	32,959	86,755	8,100	202,237	379,009	324,772	1,042,385
2014		5,869	28,923	96,417	16,600	218,941		252,188	618,938
2015		32,232	32,290	48,986	13,608	198,711		9,587	335,414
2016		31,186	24,033	102,257	11,348	207,778		40,699	417,300
2017		49,499	21,610	961,202	13,672	256,583		46,829	1,349,395

Source: District Records

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

Calendar Year	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2008	23,492,800	867,210,700	82,500	175,644,400	337,224,500	22,000,000	1,425,654,900	2,560,394	1,428,215,294	2.850	3,842,735,560
2009	18,865,200	874,160,200	82,500	175,920,110	333,379,600	21,875,000	1,424,282,610	2,612,373	1,426,894,983	2.824	3,965,358,298
2010	16,567,800	877,722,100	82,500	177,034,700	332,261,600	21,875,000	1,425,543,700	2,358,981	1,427,902,681	2.798	4,066,052,539
2011	16,070,600	881,938,600	82,500	167,989,000	328,349,700	21,875,000	1,416,245,400	2,138,401	1,418,383,801	2.889	4,073,891,820
2012	15,865,600	888,708,750	82,500	167,861,900	327,276,400	21,875,000	1,421,670,150	2,138,401	1,423,808,551	2.861	3,960,742,778
2013	16,295,800	875,415,360	82,500	165,630,900	321,530,251	18,277,800	1,397,192,611	2,055,443	1,399,248,054	3.083	3,653,543,945
2014	20,464,300	877,602,216	82,500	165,384,618	310,495,784	18,277,800	1,392,307,218	1,889,444	1,394,196,662	3.177	3,714,283,185
2015	18,131,100	860,542,206	82,500	165,745,351	306,447,490	18,277,800	1,389,226,447	1,850,510	1,391,076,957	3.272	3,832,729,139
2016	16,852,580	886,609,859	82,500	164,065,081	308,853,210	18,277,800	1,394,741,030	1,870,885	1,396,611,915	3.358	3,813,794,648
2017	15,510,654	893,214,696	82,500	164,793,981	306,666,733	18,277,800	1,398,546,364	1,935,287	1,400,481,651	3.431	3,723,235,606

Source: District records Tax list summary & Municipal Tax Assessor

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

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

b Tax rates are per \$100

SOUTH PLAINFIELD BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES

(rate per \$100 of assessed value)

UNAUDITED

Calendar Year Ended Dec. 31	Local School District	Municipality of South Plainfield	Municipal Public Library	County of Middlesex	Total
2008	2.850	1.044		0.774	4.668
2009	2.824	1.374		0.820	5.018
2010	2.798	1.226		0.863	4.887
2011	2.889	1.116	0.095	0.964	5.064
2012	2.961	1.201	0.092	0.990	5.244
2013	3.083	1.217	0.092	0.995	5.387
2014	3.177	1.214	0.088	1.054	5.533
2015	3.272	1.255	0.091	1.079	5.697
2016	3.358	1.287	0.090	1.063	5.798
2017	3.431	1.280	0.087	0.978	5.776

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any appending growth adjustments.

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable
- b** Rates for debt service are based on each year's requirements.

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

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Jayne Enterprises	\$ 18,268,400.00		1.30%	*		
Office Two Limited/o Ntl Tlt Devl	13,772,700.00		0.98%	*		
Nakash 200 Helen	12,500,000.00		0.89%	*		
EQR- South Plainfield LLP	12,000,000.00		0.86%	*		
AG-WP Oak Park Owner, LLC	12,052,800.00		0.86%	*		
Harris Realty LLC	11,124,200.00		0.79%	*		
JSM Tingley	11,088,477.00		0.79%	*		
GBR Middlesex LLC	10,238,100.00		0.73%	*		
Home Depot	9,249,500.00		0.66%	*		
Plainfield Associates	8,618,000.00		0.62%	*		
Total	\$ 118,912,177.00		8.49%	0		0.00%

* Information for this schedule was not available at the time of audit.

Source: District CAFR J11 and Municipal Tax Assessor

SOUTH PLAINFIELD BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	39,458,273	39,458,273	100.00%	-
2009	39,751,507	39,751,507	100.00%	-
2010	39,864,997	39,864,997	100.00%	-
2011	40,189,888	39,532,742	98.36%	657,146
2012	41,332,297	40,332,287	97.58%	1,000,010
2013	42,559,398	39,012,771	91.67%	3,546,627
2014	43,716,718	43,716,708	100.00%	10
2015	44,869,564	44,869,554	100.00%	10
2016	46,160,650	46,160,650	100.00%	-
2017	47,613,711	47,613,711	100.00%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Total District	Population	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases				
2008	12,386,000.00				12,386,000.00	22,516	550
2009	11,756,000.00				11,756,000.00	22,626	520
2010	11,185,000.00				11,185,000.00	23,395	478
2011	10,495,000.00				10,495,000.00	23,506	446
2012	9,765,000.00				9,765,000.00	23,708	412
2013	9,040,000.00				9,040,000.00	23,844	379
2014	8,195,000.00				8,195,000.00	24,016	341
2015	7,325,000.00				7,325,000.00	24,290	302
2016	6,415,000.00				6,415,000.00	24,290	264
2017	5,455,000.00				5,455,000.00	24,221	225

Source: District CAFR Schedules I-1

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Total Municipal Assessed Value	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions				
2008	12,386,000.00	-0-	12,386,000.00	1,424,282,610	0.87%	550
2009	11,756,000.00	-0-	11,756,000.00	1,425,543,700	0.82%	520
2010	11,185,000.00	-0-	11,185,000.00	1,416,245,400	0.79%	478
2011	10,495,000.00	-0-	10,495,000.00	1,421,670,150	0.74%	446
2012	9,765,000.00	-0-	9,765,000.00	1,397,192,611	0.70%	412
2013	9,040,000.00	-0-	9,040,000.00	1,392,307,218	0.65%	379
2014	8,195,000.00	-0-	8,195,000.00	1,389,226,447	0.59%	341
2015	7,325,000.00	-0-	7,325,000.00	1,394,741,030	0.53%	302
2016	6,415,000.00	-0-	6,415,000.00	1,394,741,030	0.46%	264
2017	6,415,000.00	-0-	6,415,000.00	1,398,546,364	0.46%	265

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

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

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

SOUTH PLAINFIELD BOARD OF EDUCATION
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 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 South Plainfield Borough (as of 12/31/16)	19,299,704	100.00%	\$ 19,299,704
Other debt Middlesex County (as of 12/31/16)	512,964,315	2.47%	<u>12,648,661</u>
Subtotal, overlapping debt			31,948,365
South Plainfield Borough School District Direct Debt			<u>5,455,000</u>
Total direct and overlapping debt			<u>\$ 37,403,365</u>

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

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

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

SOUTH PLAINFIELD BOARD OF EDUCATION
 LEGAL DEBT MARGIN INFORMATION
 UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 139,885,060	\$ 150,311,972	\$ 161,573,431	\$ 161,601,454	\$ 161,573,431	\$ 155,468,274	\$ 150,582,425	\$ 148,991,335	\$ 150,367,859	\$ 150,190,375
Total net debt applicable to limit	12,386,000	11,756,000	11,185,000	10,495,000	9,765,000	9,040,000	8,195,000	7,325,000	6,415,000	5,455,000
Legal debt margin	\$ 127,499,060	\$ 138,555,972	\$ 150,388,431	\$ 151,106,454	\$ 151,808,431	\$ 146,428,274	\$ 142,387,425	\$ 141,666,335	\$ 143,952,859	\$ 144,735,375
Total net debt applicable to the limit as a percentage of debt limit	8.85%	7.82%	6.92%	6.49%	6.04%	5.81%	5.44%	4.92%	4.27%	3.63%

	2016	2015	2014
Equalized valuation basis			
2016	\$ 3,811,407,659		
2015	\$ 3,768,926,877		
2014	3,683,943,555		
	<u>\$ 11,264,278,091</u>	<u>[A]</u>	
Average equalized valuation of taxable property	\$ 3,754,759,364	<u>[A/3]</u>	
Debt limit (4% of average equalization value)	\$150,190,375	<u>[B]</u>	a
Net bonded school debt		<u>[C]</u>	
Legal debt margin	\$ 150,190,375	<u>[B-C]</u>	

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

SOUTH PLAINFIELD BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year Ended</u> <u>December 31</u>	<u>Unemployment Rate</u>	<u>Per Capita</u> <u>Income</u>	<u>Population</u>
2008	4.1%	48,248	22,516
2009	6.4%	45,829	22,626
2010	6.4%	46,572	23,395
2011	6.2%	48,883	23,506
2012	6.3%	50,261	23,708
2013	8.4%	50,267	23,844
2014	6.1%	52,486	24,016
2015	4.8%	52,486	24,290
2016	4.3%	53,467	24,290
2017	**	**	24,221

Source: N.J. Department of Labor

** Not available at audit

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction	255	244	228	227	228	233	227	230	229
Regular	49	61	49	50	50	54	48	58	64
Special education	10	10	12	12	12	14	20	32	36
Other special education									
Support Services:									
Student & instruction related services	51	49	45	45	50	118	117	116	114
General administration	12	7	7	9	10	4	2	2	2
School administrative services	9	11	12	12	12	25	29	12	12
Other Administrative Services	20	31	31	30	30	9	9	17	8
Central Services	14	14	14	14	15	9	9	17	14
Other Support Services	38	79	70	70	70	29	30	29	26
Pupil transportation	55	36	32	31	33	36	36	35	36
Total	513	542	500	500	510	522	518	531	541

Source: District Personnel Records

SOUTH PLAINFIELD BOARD OF EDUCATION
OPERATING STATISTICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost per Pupil ^d	Percentage Change	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff ^b	Elementary School	Middle School	Senior High School				
2008	3,710	52,395,717.00	14,123	6.02%	*	*	*	3,721	3,557	-2.00%	95.59%	
2009	3,708	52,703,108.00	14,213	0.64%	*	*	*	3,705	3,536	-0.43%	95.44%	
2010	3,764	54,331,608.00	14,435	1.56%	*	*	*	3,739	3,585	0.92%	95.88%	
2011	3,753	52,438,805.00	13,973	-3.20%	*	*	*	3,714	3,551	-0.67%	95.61%	
2012	3,641	53,662,885.00	14,739	5.48%	*	*	*	3,630	3,490	-2.26%	96.14%	
2013	3,564	56,422,269.00	15,831	7.41%	291.0			3,558	3,408	-1.98%	95.78%	
2014	3,468	58,586,097.00	16,893	6.71%	293.0	12.6	10.7	3,461	3,322	-2.73%	95.98%	
2015	3,530	59,414,584.00	16,831	-0.37%	343.0	11.0	8.2	3,576	3,416	3.32%	95.53%	
2016	3,527	62,532,420.57	17,730	5.34%	298.0	12.4	11.0	3,523	3,365	-1.48%	95.52%	
2017	3,392	63,303,042.11	18,662	5.26%	293.0	12.8	11.5	3,393	3,217	-3.69%	94.81%	

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

* Information for this schedule was not available at the time of audit.

Note: Enrollment based on annual October district count.

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

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

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

d Cost per pupil represents operating expenditures divided by enrollment.

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>District Building</u>										
<u>Elementary</u>										
Grant										
Square Feet	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833
Capacity (students)	683	683	683	683	683	683	683	683	683	683
Enrollment	564	564	547	544	536	515	500	542	553	517
Franklin										
Square Feet	36,629	36,629	36,629	36,629	36,629	36,629	36,629	36,629	36,629	36,629
Capacity (students)	371	371	371	371	371	371	371	371	371	371
Enrollment	329	329	317	312	312	327	299	268	257	272
Kennedy										
Square Feet	38,946	38,946	38,946	38,946	38,946	38,946	38,946	38,946	38,946	38,946
Capacity (students)	391	391	391	391	391	391	391	391	391	391
Enrollment	270	270	275	280	275	261	270	257	242	270
Riley										
Square Feet	39,404	39,404	39,404	39,404	39,404	39,404	39,404	39,404	39,404	39,404
Capacity (students)	391	391	391	391	391	391	391	391	391	391
Enrollment									318	341
Roosevelt										
Square Feet	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000
Capacity (students)	492	492	492	492	492	492	492	492	492	492
Enrollment	346	346	400	373	397	400	384	391	394	405
Middle School										
Square Feet	102,496	102,496	102,496	102,496	102,496	102,496	102,496	102,496	102,496	102,496
Capacity (students)	722	722	722	722	722	722	722	722	722	722
Enrollment	619	619	586	554	557	557	556	515	520	562
High School										
Square Feet	218,270	218,270	218,270	218,270	218,270	218,270	218,270	218,270	218,270	218,270
Capacity (students)	1,153	1,153	1,153	1,153	1,153	1,153	1,153	1,153	1,153	1,153
Enrollment	1,217	1,217	1,191	1,178	1,173	1,103	1,082	1,103	1,069	1,025
Other-Roosevelt Administration Building										
Square Feet	37,455	37,455	37,455	37,455	37,455	37,455	37,455	37,455	37,455	37,455

Number of Schools at June 30, 2017

Elementary -	5
Middle School -	1
Senior High School -	1
Other-	1
	<hr/>
	8

Source: District records

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

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

School Facilities	Project # (s)	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
J.F.K. School	N/A	\$ 84,739	\$ 55,709	\$54,664	\$ 62,022	\$ 58,945	\$ 33,826	\$ 34,412	\$ 70,708	\$ 62,798	\$ 22,588
John E. Riley School	N/A	96,565	56,434	55,349	62,800	59,684	34,250	34,843	71,595	64,786	23,310
Franklin School	N/A	69,157	57,981	55,691	63,188	60,053	34,462	35,059	72,038	61,303	22,072
Grant School	N/A	139,131	102,745	99,474	112,864	107,265	61,555	62,621	128,671	117,989	30,736
Roosevelt Administration	N/A	19,709	57,952	52,608	59,689	56,728	32,554	33,117	68,048	66,750	
Roosevelt School	N/A	114,407	99,110	88,510	100,424	95,442	54,770	55,719	114,486	114,155	23,723
South Plainfield Middle School	N/A	267,905	169,209	143,942	163,318	155,216	89,072	90,614	186,191	176,871	63,673
South Plainfield High School	N/A	707,529	379,883	306,562	347,829	330,573	189,702	192,987	396,543	438,039	157,703
Grand Total		\$ 1,499,142	\$ 979,023	\$ 856,800	\$ 972,134	\$ 923,906	\$ 530,151	\$ 539,372	\$ 1,108,280	\$ 1,102,691	\$ 343,805

(0)

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

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Package Policy-New Jersey School Boards Association Insurnace Group (NJSIG)		
Real and Personal Property-Building and Contents (NJSIG Limit)	\$ 450,000,000	\$ 5,000
Electronic Data Processing	2,500,000	1,000
Environmental Package	1,000,000	10,000
Comprehensive General Liability	16,000,000	
School Leaders Errors and Ommissions Liability	16,000,000	10,000
Automobile Liability	16,000,000	1,000
Faithful Performance Crime Coverage	500,000	1,000
Workers Compensation and Employees Liability	2,000,000	
Surety Bond - Treasurer of School Monies	350,000	
Surety Bond - Business Asministrator/Board Secretary	50,000	

THIS PAGE INTENTIONALLY LEFT BLANK

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Borough of South Plainfield School District (the "District") as of and for the year ended June 30, 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 13, 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 South Plainfield's School District's internal control.

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

SUPLEE, CLOONEY & COMPANY

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However we noted an immaterial instance of noncompliance that we have reported to the Board of Education of the Borough of South Plainfield School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated November 13, 2017.

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 13, 2017



SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300 Fax 908-789-8535

E-mail info@senco.com

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

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

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of South Plainfield School District's compliance with the types of compliance requirements described in the Federal *OMB Compliance Supplement* and the New Jersey *OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Borough of South Plainfield School District's major federal and state programs for the year ended June 30, 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 South Plainfield School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance*) and New Jersey *OMB 15-08*. Those standards, the *Uniform Guidance* and New Jersey *OMB 15-08* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough of South Plainfield School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

SUPLEE, CLOONEY & COMPANY

Opinion on Each Major Federal and State Program

In our opinion, the Borough of South Plainfield School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the Borough of South Plainfield School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Borough of South Plainfield School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the *Uniform Guidance* and New Jersey *OMB 15-08*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of South Plainfield School District's internal control over compliance.

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

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

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


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

November 13, 2017

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

FEDERAL GRANT OR PROJECT NUMBER	FEDERAL STATE PROJECT NUMBER	FEDERAL AWARD I.D. NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE JUNE 30, 2016		CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT BUDGETARY EXPENDITURES	ADJUSTMENTS	BALANCE JUNE 30, 2017		
					(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE					(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	
FEDERAL GRANT OR PROJECT NUMBER	FEDERAL STATE PROJECT NUMBER	FEDERAL AWARD I.D. NUMBER	GRANT PERIOD	AWARD AMOUNT	(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT BUDGETARY EXPENDITURES	ADJUSTMENTS	(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE TO GRANTOR
Enterprise Funds													
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Child Nutrition Cluster													
10 555	N/A	16171NJ304N1059	7/1/16-6/30/17	84,538.32	\$	\$	87,027.22	(83,034.30)	\$	\$	\$	3,992.92	\$
10 555	N/A	16161NJ304N1059	7/1/15-6/30/16	99,806.48		1,504.02		(1,504.02)					
10 555	N/A	16171NJ304N1059	7/1/16-6/30/17	404,116.50		(73,564.20)	333,733.16	(404,116.50)			(70,383.34)		
10 555	N/A	16161NJ304N1059	7/1/15-6/30/16	414,002.73			73,564.20				(15,633.79)		
10 555	N/A	16171NJ304N1059	7/1/16-6/30/17	64,042.80		(11,437.02)	48,408.81	(64,042.80)			(86,017.13)		
10 553	N/A	16161NJ304N1059	7/1/15-6/30/16	47,274.04		(63,497.20)	554,170.41	(552,697.42)				3,992.92	
Total U.S. Department of Agriculture													
					(83,497.20)		554,170.41	(552,697.42)			(86,017.13)		3,992.92
Special Revenue Funds													
U.S. Department of Education													
Passed-through State Department of Education:													
Title I													
84 010	NCLB491017	S010A150030	7/1/16-6/30/17	\$ 331,934.00			248,450.49	(304,041.86)			(55,551.37)		
84 010	NCLB49101E	S010A150030	7/1/15-6/30/16	495,061.00		(129,754.51)	129,754.51						
Total Title I													
					(129,754.51)		378,245.00	(304,041.86)			(55,551.37)		
84 367	NCLB491017	S367A150029	7/1/16-6/30/17	77,356.00		(6,454.17)	71,686.83	(71,331.29)			355.54		
84 367	NCLB49101E	S367A150029	7/1/15-6/30/16	107,965.00		(6,454.17)	78,141.00	(71,331.29)					
Total Title II													
							78,141.00	(71,331.29)					
84 365	NCLB491017	S365A150030	7/1/16-6/30/17	20,212.00		(4,305.38)	16,117.62	(16,117.19)			0.43		
84 365	NCLB49101E	S365A150030	7/1/15-6/30/16	22,398.00			4,305.38						
84 365	NCLB491017	S365A150030	7/1/16-6/30/17	20,579.00			12,118.13	(13,510.16)			(1,392.03)		
84 365	NCLB49101E	S365A150030	7/1/15-6/30/16	18,499.00		(9,250.25)	4,944.87	(29,627.35)			(1,391.60)		
Total Title III													
							37,486.00	(29,627.35)			(1,391.60)		
Special Education Cluster													
84 027	IDEA491017	S027A150100	7/1/16-6/30/17	849,896.00			793,109.37	(819,288.76)			(26,719.39)		
84 027	IDEA49101E	S027A150100	7/1/15-6/30/16	1,043,787.00		(397,056.63)	397,056.63						
84 173	IDEA219017	S1733A150114	7/1/16-6/30/17	35,238.00			32,814.00	(34,701.84)			(1,887.84)		
84 173	IDEA49101E	S1733A150114	7/1/15-6/30/16	30,624.00		(23,905.00)	1,222,980.00	(853,950.60)			(51,973.23)		
Total Special Education Cluster													
							1,222,980.00	(853,950.60)			(51,973.23)		
Total U.S. Department of Education													
					(566,421.55)		1,716,852.00	(1,258,991.10)			(108,560.66)		
General Fund													
U.S. Department of Health & Human Services													
Passed-through State Department of Education:													
Medical Assistance Prog. (SEMI) ARRA													
93 778		1705NJ5MAP	7/1/16-6/30/15	1,644.28			1,644.28	(1,644.28)					
93 778		1605NJ5MAP	7/1/16-6/30/17	49,121.66		(22,078.28)	22,078.28	(49,121.66)					
93 778		1605NJ5MAP	7/1/15-6/30/16	65,035.85									
Total U.S. Department of Health & Human Services													
							72,844.22	(50,765.94)					
U.S. Department of Homeland Security													
FEMA Snow Storm													
97 035			7/1/15-6/30/16	10,771.27			10,771.27	(10,771.27)					
97 035			8/1/12 - 9/30/14	571,454.95			571,454.95	(571,454.95)					
Total U.S. Department of Homeland Security													
							582,226.22	(582,226.22)					
Total Federal Financial Assistance													
					(567,197.04)		\$2,926,092.85	(51,862,454.45)			(51,944,577.79)		\$3,992.92

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

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

STATE GRANTOR/PROGRAM TITLE	PROJECT NUMBER	GRANT OR STATE PERIOD	GRANT AMOUNT	BALANCE AT JUNE 30, 2016		CARRY-OVER/ (WALLOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2017		MEMO BUDGETARY REVENUE	CUMULATIVE TOTAL EXPENDITURES
				ACCOUNT'S RECEIVABLE	GRANTOR DUE TO						ACCOUNT'S RECEIVABLE	GRANTOR		
State Department of Education General Funds														
State Aid Cluster														
Equalization Aid	17-495-034-5120-076	7/1/16-6/30/17	\$6,636,433.00			\$5,995,396.00		(\$6,636,433.00)	\$641,035.00			\$641,035.00	\$6,636,433.00	
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	2,227,684.00			2,012,552.00		(2,227,684.00)	215,179.00			215,179.00	2,227,684.00	
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	112,479.00			103,096.00		(112,479.00)	9,383.00			9,383.00	112,479.00	
FARCC Readiness Aid	17-495-034-5120-097	7/1/16-6/30/17	34,410.00			31,086.00		(34,410.00)	3,324.00			3,324.00	34,410.00	
Per Pupil Growth Aid	17-495-034-5120-098	7/1/16-6/30/17	34,410.00			31,086.00		(34,410.00)	3,324.00			3,324.00	34,410.00	
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	33,710.00			30,454.00		(33,710.00)	3,256.00			3,256.00	33,710.00	
Total State Aid Cluster						\$8,263,625.00		(\$6,076,126.00)	875,501.00			875,501.00	9,079,126.00	
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	121,052.00			109,358.00		(121,052.00)	11,694.00			11,694.00	121,052.00	
Non-Public Transportation Aid	N/A	7/1/16-6/30/17	24,360.00			25,404.00		(24,360.00)				24,360.00	24,360.00	
Non-Public Transportation Aid	N/A	7/1/15-6/30/16	25,404.00					(\$25,404.00)					25,404.00	
Extraordinary Aid	17-100-034-5120-473	7/1/16-6/30/17	378,620.00			264,259.00		(378,620.00)				378,620.00	378,620.00	
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	264,259.00			2,734,411.00		(2,734,411.00)				2,734,411.00	2,734,411.00	
On-Behalf TPAE Contributions	17-495-034-5084-002	7/1/16-6/30/17	2,734,411.00			99,074.00		(2,734,411.00)				99,074.00	2,734,411.00	
NCGI	17-495-034-5084-004	7/1/16-6/30/17	99,074.00			4,985.00		(99,074.00)				4,985.00	99,074.00	
Long Term Disability Insurance	17-495-034-5084-004	7/1/16-6/30/17	4,985.00			2,360,937.00		(4,985.00)				2,360,937.00	2,360,937.00	
Post Retirement Medical	17-495-034-5084-001	7/1/16-6/30/17	2,360,937.00			1,824,468.22		(2,360,937.00)				1,824,468.22	1,824,468.22	
TPAE Social Security Aid	17-495-034-5084-003	7/1/16-6/30/17	1,918,885.36			96,122.27		(1,918,885.36)				96,122.27	1,918,885.36	
TPAE Social Security Aid	16-495-034-5084-003	7/1/15-6/30/16	1,939,136.09					(\$6,122.27)					1,939,136.09	
Total General Fund						15,722,642.49		(16,721,650.36)	887,951.00			1,373,086.00	16,955,448.45	
Special Revenue Fund														
Preschool Education Aid	17-100-034-5120-086	7/1/16-6/30/17	118,567.00			47,526.00		(48,814.20)				47,526.00	118,567.00	
Preschool Education Aid	16-100-034-5120-086	7/1/15-6/30/16	52,800.00			5,280.00		(52,800.00)				5,280.00	52,800.00	
NJ Nonpublic Aid														
Technology Aid	17-100-034-5120-373	7/1/16-6/30/17	11,076.00			11,076.00		(9,695.00)				1,381.00	9,681.00	
Technology Aid	16-100-034-5120-373	7/1/15-6/30/16	12,740.00					(12,740.00)					12,740.00	
Technology Aid	14-100-034-5120-373	7/1/13-6/30/14												
Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	24,555.00			24,555.00		(24,466.00)				89.00	24,476.00	
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	27,979.00					(27,979.00)					27,979.00	
Security Aid	17-100-034-5120-509	7/1/16-6/30/17	21,600.00			2,600.00		(21,474.00)				2,600.00	21,474.00	
Security Aid	16-100-034-5120-509	7/1/15-6/30/16	12,425.00					(12,425.00)					12,425.00	
Nursing	13-100-034-5120-070	7/1/12-6/30/13	43,417.00			38,880.00		(43,417.00)				38,880.00	43,417.00	
Nursing	13-100-034-5120-070	7/1/16-6/30/17	38,880.00					(38,880.00)					38,880.00	
Nursing	16-100-034-5120-070	7/1/15-6/30/16	44,730.00					(44,730.00)					44,730.00	
Auxiliary Services														
English as a Second Language	17-100-034-5120-067	7/1/16-6/30/17	23,751.00			23,751.00		(13,703.00)				10,048.00	13,703.00	
English as a Second Language	16-100-034-5120-067	7/1/15-6/30/16	34,510.00					(17,255.00)					17,255.00	
Compensatory Education	17-100-034-5120-067	7/1/16-6/30/17	35,832.00			35,832.00		(18,612.00)				17,220.00	18,612.00	
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	38,917.00					(20,304.00)					18,613.00	
Transportation	17-100-034-5120-067	7/1/16-6/30/17	6,224.00			6,224.00		(6,224.00)					6,224.00	

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

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

STATE GRANT/PROGRAM TITLE	PROJECT NUMBER	GRANT OR STATE PERIOD	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2016		CARRYOVER/ (WALK-OVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2017		MEMO
					(ACCOUNTS RECEIVABLE)	GRANTOR						UNEARNED REVENUE	GRANTOR	
Special Revenue Fund														
NU Nonpublic Ac														
Home Instruction	16-100-034-5120-067	7/1/15-6/30/16		10,201.00			10,201.00	(10,201.00)						10,201.00
Home Instruction	13-100-034-5120-067	7/1/12-6/30/13		11,169.00			11,169.00	(9,809.00)						9,727.00
Handicapped Services	17-100-034-5120-068	7/1/16-6/30/17		10,201.00										9,969.00
Supplemental Instruction	16-100-034-5120-068	7/1/15-6/30/16		11,169.00										10,228.00
Supplemental Instruction	17-100-034-5120-068	7/1/16-6/30/17		13,805.00	3,577.00					(3,577.00)				6,165.00
Examination & Classification	16-100-034-5120-068	7/1/15-6/30/16		12,369.00			12,369.00	(6,165.00)						8,351.00
Examination & Classification	17-100-034-5120-068	7/1/16-6/30/17		12,369.00										10,228.00
Connective Speech	16-100-034-5120-068	7/1/15-6/30/16		12,369.00										6,165.00
Connective Speech	17-100-034-5120-068	7/1/16-6/30/17		12,369.00										8,351.00
Total Special Revenue Fund				50,662.00	(4,926.95)		248,457.00	(208,916.25)			(49,474.00)	(57,294.20)	1,284.20	532,247.05
Capital Projects Fund														
School Development Authority - Facilities Grant														
Franklin School Security Upgrade	4910-090-14-G-XQ	N/A		\$17,600.00			\$17,600.00							\$17,600.00
Kennedy School Security Upgrade	4910-095-14-G-1XN	N/A		\$17,600.00								(17,600.00)		17,600.00
Riley School Security Upgrade	4910-058-14-G-XQ	N/A		9,600.00			17,600.00							17,600.00
Rosevelt School Security Upgrade	4910-058-14-G-1XN	N/A		9,600.00			9,600.00							5,967.00
Grant School Security Upgrade	4910-070-14-G-1XN	N/A		16,400.00			16,400.00			(3,633.00)				16,400.00
High School Security Upgrade	4910-053-14-G-1XJ	N/A		5,200.00			5,200.00							5,200.00
High School Security Upgrade	4910-053-14-G-1XK	N/A		15,200.00			15,200.00							15,200.00
Rosevelt Building Boiler Replacement	4910-085-14-G-XU	N/A		34,000.00			34,000.00							31,344.00
Kennedy Building Boiler Replacement	4910-085-14-G-1XN	N/A		34,000.00			17,600.00					(31,344.00)		26,144.00
Franklin School Fire Alarm Replacement	4910-060-14-G-1XN	N/A		66,400.00			45,171.96							46,256.00
Kennedy School Fire Alarm Replacement	4910-055-14-G-1XN	N/A		66,400.00			53,340.01							48,596.00
Riley School Fire Alarm Replacement	4910-058-14-G-1XN	N/A		66,400.00			65,569.62							58,288.00
Grant School Paria Roof Replacement	4910-070-14-G-1XN	N/A		504,800.00			415,344.40							393,511.00
Total Capital Projects Fund				676,645.99			676,645.99			(33,663.99)		(48,944.80)		663,706.00
Enterprise Fund														
National School Lunch Program	16-100-020-3350-023	7/1/15-6/30/16		13,545.81			2,433.74							13,545.81
National School Lunch Program	17-100-020-3350-023	7/1/16-6/30/17		12,747.85			10,413.73					(2,334.12)		12,747.85
Total Enterprise Fund				26,293.66			12,847.47					(2,334.12)		26,293.66
Total State Financial Assistance				\$1,080,850.66	\$50,662.00		\$1,662,592.95	(\$1,644,316.46)		\$853,311.01	(\$49,474.00)	(\$550,166.46)	\$36,094.00	\$20,406,602.11
Less: On-Benefit amounts not utilized for determination of Major Programs				2,734,411.00			\$2,734,411.00	(\$2,734,411.00)						13,545.81
On-Benefit TPAF Contributions	17-495-034-5084-002	7/1/16-6/30/17		99,074.00			99,074.00	(\$99,074.00)						12,747.85
NCG	17-495-034-5084-004	7/1/16-6/30/17		4,885.00			4,885.00	(\$4,885.00)						26,293.66
Long Term Disability Insurance	17-495-034-5084-004	7/1/16-6/30/17		2,360,937.00			2,360,937.00	(\$2,360,937.00)						
Post Retirement Medical	17-495-034-5084-001	7/1/16-6/30/17		2,360,937.00			2,360,937.00	(\$2,360,937.00)						
Total State Financial Assistance Subject to Single Audit				\$11,488,170.95			\$11,488,170.95	(\$11,488,170.95)						

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

Borough of South Plainfield School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 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, South Plainfield School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from the federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the deferred state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP accounting purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas GAAP basis does not. The special revenue fund also recognizes the deferred state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$6,202.00) for the general fund. The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$27,200.42 for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$50,765.94	\$16,715,448.36	\$16,766,214.30
Special Revenue Fund	1,258,932.31	213,551.00	1,472,483.31
Food Service Fund	<u>552,697.62</u>	<u>12,747.85</u>	<u>565,445.47</u>
Total Awards & Financial Assistance	<u>\$1,862,395.87</u>	<u>\$16,941,747.21</u>	<u>\$18,804,143.08</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions, post-retirement medical benefits and long-term disability insurance represents the amount paid by the state on behalf of the district 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 South Plainfield School District
Middlesex 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(es) identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) | Noncompliance material to the basic financial statements noted during the audit? | No |

Federal Program(s)

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

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

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

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

Borough of South Plainfield School District
Middlesex County, New Jersey

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

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

State Program(s)

- (1) Internal Control Over Major State Programs:
- (a) Material weakness(es) identified? No
- (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? Yes
- (4) Identification of Major State Program(s):

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

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

Borough of South Plainfield School District
Middlesex County, New Jersey

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

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

Internal Control Findings – None Reported

Compliance Findings – None Reported

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

Federal Programs – None Reported

State Programs – None Reported

Borough of South Plainfield School District
Middlesex County, New Jersey

Schedule of Prior Year Audit Findings

Not Applicable

