

**SCHOOL DISTRICT
OF THE
BOROUGH OF NORTH PLAINFIELD**

**North Plainfield Board of Education
North Plainfield, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2021**

**Comprehensive Annual
Financial Report**

of the

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT

North Plainfield, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

**North Plainfield Board of Education
Finance Department**

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2021

INTRODUCTORY SECTION (UNAUDITED)

Letter of Transmittal	1
Organizational Chart	8
Roster of Officials	9
Consultants and Advisors.....	10

FINANCIAL SECTION..... 11

Independent Auditors' Report.....	12
-----------------------------------	----

Required Supplementary Information	15
Management's Discussion and Analysis	16

Basic Financial Statements (Sections A. and B.).....	24
--	----

A. District-Wide Financial Statements	25
A-1 Statement of Net Position	26
A-2 Statement of Activities.....	27

B. Fund Financial Statements.....	29
B-1 Balance Sheet – Governmental Funds	30
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds.....	31
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
B-4 Statement of Net Position – Proprietary Funds.....	33
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds	34
B-6 Statement of Cash Flows – Proprietary Funds.....	35

Notes to the Basic Financial Statements.....	36
--	----

Required Supplementary Information	76
--	----

L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits	
Other than Pensions.....	77
L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System.....	77
L-2 Schedule of District Contributions – Public Employees Retirement System	78
L-3 Schedule of State's Proportionate Share of the Net Pension Liability Attributable to the District – Teachers' Pension and Annuity Fund.....	79
L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund	80
L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios.....	81
Notes to Required Supplementary Information	82

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

FINANCIAL SECTION (Cont'd)

Other Supplementary Schedules (D.-I.)

C. Budgetary Comparison Schedules.....	84
C-1 Budgetary Comparison Schedule – General Fund.....	85
C-2 Budgetary Comparison Schedule - Special Revenue Fund.....	96
C-3 Required Supplementary Information - Budgetary Comparison Schedule – Note to RSI.....	97
D. School Level Schedules (Not Applicable).....	98
E. Special Revenue Fund	99
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis.....	100
E-2 Preschool Education Aid Schedule of Expenditures Special Revenue Fund – Budgetary Basis	103
F. Capital Projects Fund (Not Applicable).....	104
G. Proprietary Funds.....	105
Enterprise Fund:	
G-1 Statement of Net Position	106
G-2 Statement of Revenue, Expenses and Changes in Fund Net Position.....	107
G-3 Statement of Cash Flows	108
H. Fiduciary Activities (Not Applicable)	109
I. Long-Term Debt	110
I-1 Schedule of Serial Bonds	111
I-2 Schedule of Obligations Under Capital Leases (Not Applicable)	
I-3 Debt Service Fund Budgetary Comparison Schedule	112

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

STATISTICAL SECTION

J.	Statistical Section (Unaudited)	113
J-1	Net Position by Component	114
J-2	Changes in Net Position	115
J-3	Fund Balances – Governmental Funds	117
J-4	Changes in Fund Balances – Governmental Funds	118
J-5	General Fund – Other Local Revenue by Source	120
J-6	Assessed Value and Actual Value of Taxable Property	121
J-7	Direct and Overlapping Property Tax Rates	122
J-8	Principal Property Tax Payers	123
J-9	Property Tax Levies and Collections	124
J-10	Ratios of Outstanding Debt by Type	125
J-11	Ratios of Net General Bonded Debt Outstanding	126
J-12	Ratios of Overlapping Governmental Activities Debt	127
J-13	Legal Debt Margin Information	128
J-14	Demographic and Economic Statistics	129
J-15	Principal Employers	130
J-16	Full-Time Equivalent District Employees by Function/Program	131
J-17	Operating Statistics	132
J-18	School Building Information	133
J-19	Schedule of Required Maintenance for School Facilities	134
J-20	Insurance Schedule	135
K.	SINGLE AUDIT SECTION	136
K-1	Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	137
K-2	Independent Auditors’ Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance	139
K-3	Schedule of Expenditures of Federal Awards	141
K-4	Schedule of Expenditures of State Awards	143
K-5	Notes to the Schedules of Expenditures of Federal and State Awards	145
K-6	Schedule of Findings and Questioned Costs	147
K-7	Summary Schedule of Prior Audit Findings	149

INTRODUCTORY SECTION
(UNAUDITED)

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

Michelle Aquino
Superintendent of Schools
Phone (908) 769-6060

Pamela Graziano
Business Administrator
Fax (908) 755-5490

December 13, 2021

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

Dear Board Members:

The comprehensive annual financial report of the North Plainfield Borough School District (the "District") for the fiscal year ended June 30, 2021, 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 (the "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 basic financial statements and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi- year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*; and New Jersey's 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 auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, is included in the single audit section of this report.

Generally Accepted Accounting Principles require 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). The transmittal letter is designed to be read in conjunction with the MD&A. The MD&A section provides an overview of factors that impact the District's financial position.

1) REPORTING ENTITY AND ITS SERVICES: The North Plainfield Borough School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The North Plainfield Borough School District and all its schools constitute the District's reporting entity.

The Honorable President and Members of
the Board of Education
North Plainfield Borough School District
Page 2
December 13, 2021

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular as well as special education for classified youngsters with special needs.

2) ENROLLMENT:

The District completed the 2020-2021 fiscal year with an enrollment of 3,310 students, which is a decrease of 69 students from the previous year's enrollment.

3) ECONOMIC CONDITION AND OUTLOOK:

This year saw a slight uptick in economic development. Several new business and redevelopment projects have begun or are open generating additional activity. North Plainfield Borough saw the Borough total valuation reduce slightly thereby leaving the tax rate slightly higher which left a slight increase in the tax levy. However, average house prices increased slightly for the 2020-21 school year.

4) MAJOR INITIATIVES:

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

Educational Program

During the 2020-21 school year, the Board of Education reaffirmed the following mission statement:

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

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

Equitable Opportunities for Learning

To improve student achievement through a commitment to reflective and sustainable instructional practices to ensure a learning environment that promotes growth.

Safe & Efficient Schools

Cultivate a safe and supportive school environment for students, staff and community.

Communication, Trust & Community Engagement

Strengthen and expand two-way communication and involvement with stakeholders to engage and inform the community.

Recruitment & Retention of High Quality Staff

Improve practices that recruit, hire and retain a diverse workforce.

Technology

In its continued commitment to offering quality, innovative, and comprehensive educational programs to all of its students, the district continued to expand, update, and revise all of its curriculum so that it aligns with the NJ Student Learning Standards (NJSLA). Supervisors and staff have made curriculum a living document throughout the year in order to provide a curriculum that is viable and teachable. It is updated on a regular basis.

Our district continues to work with literacy consultants to support teachers in implementing best practices in reading and writing workshop. This year we have rolled out a new resource, Literacy Footprints, that features leveled readers, unique teaching tools, and guided reading lesson plans integrated with reading, writing and phonics.

Our district has worked with professionals in the area of SEL to provide professional development opportunities to our staff. In addition, we are working closely with Rutgers University, who has provided us with an on-site social worker that supports the needs of our students.

Our district is creating enrichment and support opportunities that will allow students to expand their interests in various areas. Our district is engaged in furthering the advancement of its students along career pathways and college preparation through increased involvement in Structured Learning Experiences (SLE), as well as expanding offerings through Career and Technical Education (CTE) programs. SLE is a proven strategy for engaging students, effectively connecting them to college and careers, increasing high school graduation rates and improving labor market outcomes for high school graduates. There is a multi-year Advanced Placement (AP) strategic plan that involves middle and high school in order to continue the work of college and career preparedness.

Our district currently has a dual language program from Pre-K - 4th grade with plans of expanding into 5th grade. Our bilingual program also continues to broaden in grades 6-8. In regards to progress monitoring, we have provided ongoing professional development in understanding how to utilize data to drive instruction through the LinkIt platform.

Using data to drive curriculum is critical in making instructional decisions and the administration and staff members are actively engaging in this process. Various meetings have offered opportunities to extend our staff's understanding of LinkIt, where they are "unpacking standards" and determining from unit assessments the skills that students need additional support in.

Community Involvement

During the 2020-2021 school year, community involvement was specifically solicited and focused in various areas that require stakeholder input and participation:

- a. Early Childhood Advisory Council (ECAC) - this committee supports the work of the district's full day preschool program focusing on the preschool to third grade continuum.
- b. North Plainfield Business Association- the NPSD actively participates and interacts with area employers to support the work of the student mentorship program.

- c. Somerset County Business Partnership- the SCBP actively participates and interacts with area employers to support the work of the student mentorship program.
- d. North Plainfield Public Library Board- serves to foster an active partnership dedicated to literacy and other areas, including robotics.
- e. Community Forum- a monthly meeting of municipal, school, service organization and clergy centered on meeting the needs of the community.
- f. Municipal Alliance- community stakeholders inclusive of the schools, that place and enact activities designed to prevent substance abuse.
- g. Fall Festival Planning Committee - more than 30 individuals from the school district, borough offices, business leaders, parents and residents representing community stakeholder groups.

Parental Involvement

During the 2020-2021 school year, in addition to many special events, parental involvement is a key part of two critical committees;

- a. K-12 Bilingual Advisory Committee provides ideas and feedback to assist the district in meeting the needs of students who are designated as English Language Learners
- b. Dual Language Parent Advisory Committee composed of parents of students in the district's dual language immersion program providing information to support in order that parents may partner with school in this important initiative.
- c. PTA Presidents meet quarterly with the Superintendent and Assistant Superintendent.

Additionally, each school has an active PTO and/or PTA. Special Education also supports an active parent advisory council that provides informational programs for parents of students with individual education plans. Information Sessions were conducted virtually to increase participation, as well as Board meetings.

Food Services Program

The District maintains an extensive district wide food service program in compliance with all state and federal regulations and requirements. The District continued to offer free meals to all students for the 2020-2021 school year with the continued Seamless Summer Option program continued through the pandemic. This program provides both breakfast and lunch to over 80% of our students on a daily basis, and is an integral part of the educational environment. With reimbursements from both Federal and State, along with paid meals this program is self-sufficient, and has in certain year's returned excess funds to the district. In order to actively work to increase participation the district provides additional opportunities for students not to miss out on breakfast by providing a "Breakfast After The Bell" program, to ensure all students start their day with a meal. Additionally, all of our prekindergarten students receive breakfast and lunch both in the district and at our provider services locations. During the closure, breakfast satellite locations were identified and meals provided to students for pick-up, as well as delivery should there have been a need.

Facilities

The District continues to ensure its commitment to a safe and secure educational environment that promotes learning, the details of which are presented in the Comprehensive Maintenance Plan submitted to the State for approval. We have continued to focus on maintaining our assets with investments in infrastructure such as full district ventilation analysis. The District Capital Improvement plans include new Heating Ventilation and Air conditioning through the CARES and ESSERS funding. The District added Air Conditioning units in the East End and West End gymnasiums as well as the High School Wrestling gymnasium.

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

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

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

6) ACCOUNTING SYSTEM AND BUDGETARY CONTROLS: The District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report.

The District's accounting records include an expanded minimum chart of accounts using dimensions to define area and location. Board approval for most budgetary transfers is required at the state minimum level, which is the dimension object within program. Additional approval from the New Jersey State Department of Education is required in the case of General Fund transfers from instructional to non-instructional accounts, any transfer to capital outlay from current expense except for equipment, transfers from unassigned fund balance, and all transfers that on a cumulative basis exceeds 10% of the advertised appropriation as established by the New Jersey Department of Education, Division of Finance.

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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2021.

The District's accounting records reflect generally accepted accounting principles as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

The District's budget is developed annually by the administration with input from all stakeholders in the District. Once compiled, it is presented to the District's Board of Education and the New Jersey Department of Education's Executive County Superintendent of Schools in March of each year. It is then advertised for public input and a budget hearing is scheduled. Public comment at the hearing may result in modifications. The final budget must be posted to the District's website forty-eight hours after the public hearing.

In addition to internal accounting controls, the District maintains budgetary controls. The objective of the controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, special revenue fund and 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 of the report.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public 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, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Health benefits are provided to District employees through the State Health Benefits Plan. Insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's statistical section.

9) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants. The accounting firm of Nisivoccia LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the 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's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

Honorable President and Members of
the Board of Education
North Plainfield Borough School District
Page 7
December 13, 2021

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the North Plainfield School Board 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 the financial and accounting staff.

Respectfully submitted.

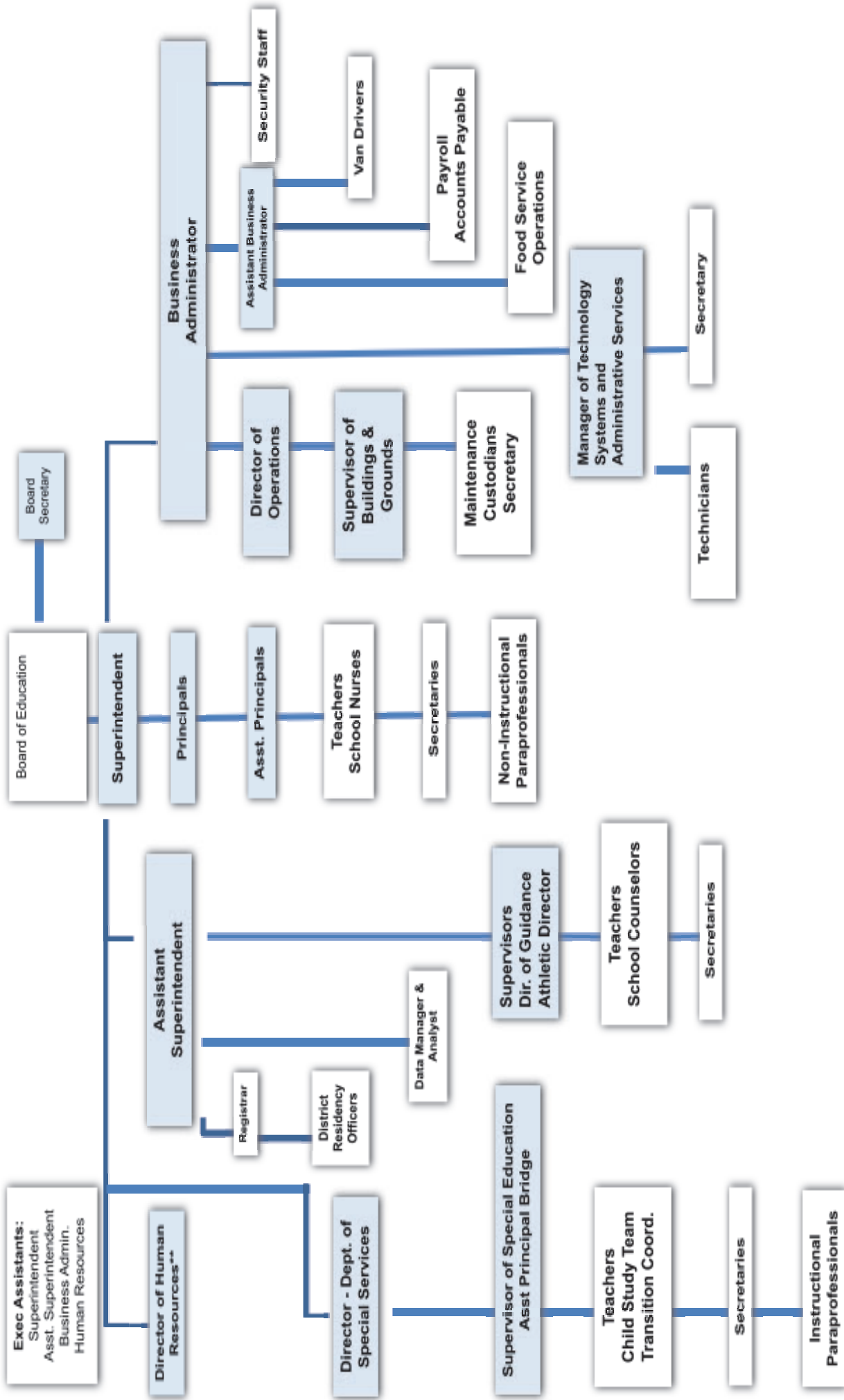


Michelle Aquino
Superintendent



Pamela Graziano
Business Administrator/Board Secretary

NORTH PLAINFIELD SCHOOL DISTRICT



**NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Michelle Robertson, President	2021
Mark Kruscynski, Vice President	2022
Thomas Allen	2022
Sandra J. Dodd	2021
Amnet Ramos-Hernandez	2021
Willie Vick Jr.	2023
Reginald McRae	2021

<u>Other Officials</u>	<u>Title</u>
Michelle Aquino	Superintendent of Schools
Pamela Graziano	Board Secretary/School Business Administrator
Eileen Rogalski	Treasurer of School Monies

**North Plainfield Borough School District
Consultants and Advisors**

Attorney

Anthony P. Sciarrillo
238 Saint Paul Street
Westfield, NJ 07090

Bonding Attorney

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

Audit Firm

Nisivoccia LLP, CPAs
200 Valley Road, Suite 300
Mount Arlington, NJ 07856

Architect

Parette Somjen Architects
439 Route 46 East
Rockaway, NJ 07866

Financial Advisors

Phoenix Advisors
309 Fellowship Road, Suite 200
Mount Laurel, NJ 08054

Official Depository

TD Bank
100 Washington Avenue
Green Brook Township, NJ 08812

FINANCIAL SECTION

Independent Auditors' Report

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

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 Board of Education of the North Plainfield Borough School District (the "District") in the County of Somerset, as of and for the fiscal year ended June 30, 2021, 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.

Auditors' 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinions

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 Board of Education of the North Plainfield Borough School District, in the County of Somerset, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No.84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

Other Matters

The financial statements of the District as of June 30, 2020 were audited by other auditors whose report dated December 18, 2020 expressed an unmodified opinion on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the pension and post-retirement benefit schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable President and Members
of the Board of Education
North Plainfield Borough School District
Page 3

The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate 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 and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information such as the introductory and statistical sections 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 December 13, 2021 on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s 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 District’s internal control over financial reporting and compliance.

Mount Arlington, New Jersey
December 13, 2021

Nisivoccia, LLP
NISIVOCCIA LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This section of the North Plainfield Borough School District’s (“The District”) annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District’s operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food service.
- The *Notes to the Basic Financial Statements* provide additional information to full understanding of *District-wide* and *fund financial statements*.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1
Organization of the Denville Township School District's Financial Report**

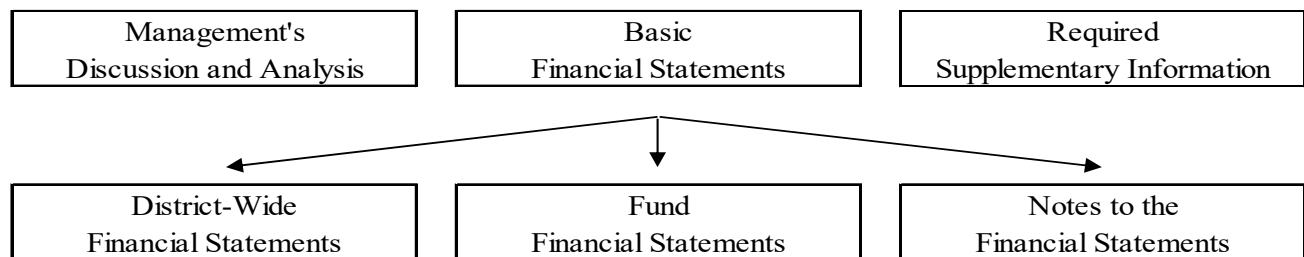


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

**NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private business: food services
Required Financial Statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter: no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due	All revenue and expenses during the year, regardless of when cash is received or paid

**NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

District-wide Statements

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

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows, and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.

**NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The District uses *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

Notes to the Basic Financial Statements: The notes provide basic information that is essential to a full understanding of the data provided in the District-wide and Fund financial statements. Those notes to the basic financial statements can be found immediately following the Fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by \$2,825,291, or 10.59%. Net position from governmental activities increased \$2,670,459 while net position from business-type activities increased \$154,832. Net investment in capital assets increased \$408,665, restricted net position increased by \$990,224 and unrestricted net position increased \$1,426,402.

**Figure A-3
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2020/2021	2019/2020*	2020/2021	2019/2020	2020/2021	2019/2020*	2020/2021
Current and							
Other Assets	\$ 9,318,110	\$ 6,549,933	\$ 634,331	\$ 521,305	\$ 9,952,441	\$ 7,071,238	
Capital Assets, Net	43,457,445	44,665,836	107,422	124,915	43,564,867	44,790,751	
Total Assets	52,775,555	51,215,769	741,753	646,220	53,517,308	51,861,989	3.19%
Deferred Outflows of Resources	1,770,386	2,417,521			1,770,386	2,417,521	-26.77%
Other Liabilities	2,437,186	1,839,596	13,155	72,454	2,450,341	1,912,050	
Long-Term Liabilities	17,330,803	19,824,308			17,330,803	19,824,308	
Total Liabilities	19,767,989	21,663,904	13,155	72,454	19,781,144	21,736,358	-9.00%
Deferred Inflows of Resources	5,991,258	5,853,151			5,991,258	5,853,151	2.36%
Net Position:							
Net Investment in Capital Assets	37,937,445	37,511,287	107,422	124,915	38,044,867	37,636,202	
Restricted	6,756,694	5,766,470			6,756,694	5,766,470	
Unrestricted/(Deficit)	(15,907,445)	(17,161,522)	621,176	448,851	(15,286,269)	(16,712,671)	
Total Net Position	\$ 28,786,694	\$ 26,116,235	\$ 728,598	\$ 573,766	\$ 29,515,292	\$ 26,690,001	10.59%

* - Restated

**NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Changes in Net Position. The District's combined net position was \$29,515,292 on June 30, 2021, \$2,825,291 or 10.59% more than it was the year before (See Figure A-3). Net investment in capital assets increased mainly due to capital assets additions offset by annual depreciation. Restricted net position increased primarily as a result of an increase in the capital reserve. Unrestricted net position increased mainly due to an increase in encumbrances (unexpended budget appropriations) and a decrease in net pension liability. (See Figure A-3).

**Figure A-4
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2020/2021
	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	
Revenue:							
Program Revenue:							
Charges for Services	\$ 141,335		\$ 3,746	\$ 351,709	\$ 145,081	\$ 351,709	
Grants and Contributions:							
Operating	50,796,901	\$ 17,951,148	938,777	1,026,235	51,735,678	18,977,383	
General Revenue:							
Property Taxes	32,589,426	32,589,325			32,589,426	32,589,325	
Federal and State Aid Not Restricted	131,889	29,789,127			131,889	29,789,127	
Other	331,131	1,068,455		5,229	331,131	1,073,684	
Total Revenue	83,990,682	81,398,055	942,523	1,383,173	84,933,205	82,781,228	2.60%
Expenses:							
Instruction	50,895,921	50,459,162			50,895,921	50,459,162	
Pupil and Instruction Services	11,930,724	12,138,176			11,930,724	12,138,176	
Administrative and Business	6,816,908	5,723,756			6,816,908	5,723,756	
Maintenance and Operations	7,201,631	6,774,058			7,201,631	6,774,058	
Transportation	1,520,666	2,074,043			1,520,666	2,074,043	
Other	2,954,373	1,714,138	787,691	1,432,583	3,742,064	3,146,721	
Total Expenses	81,320,223	78,883,333	787,691	1,432,583	82,107,914	80,315,916	2.23%
Change in Net Position	\$ 2,670,459	\$ 2,514,722	\$ 154,832	\$ (49,410)	\$ 2,825,291	\$ 2,465,312	14.60%

**NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Governmental Activities

The financial position of the District has increased by \$2.67 million; however, maintaining existing programs with changes in enrollment, the provision of a multitude of special programs/services for disabled pupils and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Because state aid has remained relatively flat over the past few years, the burden of funding education in the District has fallen on property taxes. Therefore, it is crucial that the District examine its expenses carefully, since any proposed increase to the school district budget will be funded entirely through property taxes.

Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

**Figure A-5
Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2020/2021	2019/2020	2020/2021	2019/2020
Instruction	\$ 50,895,921	\$ 50,459,162	\$ 2,838,712	\$ 38,389,905
Pupil and Instruction Services	11,930,724	12,138,176	11,776,144	7,471,939
Administrative and Business	6,816,908	5,723,756	5,815,406	4,807,187
Maintenance and Operations	7,201,631	6,774,058	5,811,662	6,774,058
Transportation	1,520,666	2,074,043	1,185,690	1,759,496
Other	2,954,373	1,714,138	2,954,373	1,714,138
	\$ 81,320,223	\$ 78,883,333	\$ 30,381,987	\$ 60,916,723

Business-Type Activities

Net position from the District's business-type activities, food service, increased by \$154,832. (Refer to Figure A-4). This was primarily due to an increase in subsidy reimbursements as the sales revenue and expenses of the food service operation were significantly reduced as a result of the COVID-19 pandemic.

Financial Analysis of the District's Funds

The District's General Fund financial status improved despite difficult economic times which have had a direct impact upon the District's revenue sources.

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management.

**NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments constitute changes made within budgetary line items were in school-based needs for programs, textbooks, and teachers' salaries, increased utilities costs and legal and other professional services.

Capital Assets

**Figure A-6
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021
Construction in Progress		\$ 2,179,609				\$ 2,179,609	
Site Improvements	\$ 186,637	220,461			\$ 186,637	220,461	
Buildings and Building Improvements	41,633,247	40,854,101			41,633,247	40,854,101	
Machinery and Equipment	1,637,561	1,411,665	\$ 107,422	\$ 124,915	1,744,983	1,536,580	
Total Capital Assets, Net of Depreciation	\$43,457,445	\$44,665,836	\$ 107,422	\$ 124,915	\$43,564,867	\$44,790,751	-2.74%

The District's overall capital assets increased due to \$675,299 of additions offset by \$1,901,183 of annual depreciation. (More detailed information about the District's capital assets is presented in Note 6 to the financial statements.)

Long-term Liabilities

The District's Long-Term Liabilities decreased \$2,493,505, or 12.58%, – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

**Figure A-7
Outstanding Long-Term Liabilities**

	Total School District		Total Percentage Change
	2020/2021	2019/2020	2020/2021
Bonds Payable	\$ 5,520,000	\$ 6,440,000	
Bond Premium	612,471	714,549	
Net Pension Liability	10,667,936	12,310,999	
Compensated Absences Payable	530,396	358,760	
	\$ 17,330,803	\$ 19,824,308	-12.58%

**NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Long-term Liabilities

- The District paid down \$920,000 of bonds payable.
- The District's bond premium decreased by \$102,078 due to amortization.
- The District's net pension liability decreased by \$1,643,063.
- The District's liability for compensated absences increased by a net amount of \$171,636.

Factors Bearing on the District's Future Revenue/Expense Changes

The North Plainfield School District is currently in good and stable financial condition. Due to the Covid Pandemic, the District gained \$7.6 million additional State Aid for the 2021-2022 School district budget. The District did receive CARES Act Funding and ESSER II funding in the Winter 2021 and additional funding is anticipated for December 2020. Economic indicators appear to be more positive as evidenced by increased business activity, low unemployment and a decrease in property reassessments. Additionally, the District has had an uptick in State Aid and it is anticipated that this will continue under the current state administration. It has been stated that the goal is to fully fund the SFRA formula for all previously underfunded districts. The North Plainfield School District is committed to maintaining fiscal responsibility as well as achieving educational excellence for all students of the District.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 33 Mountain Avenue, North Plainfield, New Jersey 07060.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 2,678,187	\$ 491,058	\$ 3,169,245
Receivables from Federal Governments	544,067	117,241	661,308
Receivables from State Governments	622,028	5,102	627,130
Receivables from Local Governments	2,715,785	20,930	2,736,715
Restricted Cash and Cash Equivalents	2,758,043		2,758,043
Capital Assets:			
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	43,457,445	107,422	43,564,867
Total Assets	52,775,555	741,753	53,517,308
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	1,770,386		1,770,386
Total Deferred Outflows of Resources	1,770,386		1,770,386
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	1,719,167	616	1,719,783
Accrued Interest Payable	79,275		79,275
Payable to State Government	15,824		15,824
Unearned Revenue	622,920	12,539	635,459
Noncurrent Liabilities:			
Due Within One Year	1,042,078		1,042,078
Due Beyond one Year	16,288,725		16,288,725
Total Liabilities	19,767,989	13,155	19,781,144
<u>DEFERRED INFLOW OF RESOURCES</u>			
Deferred Inflows Related to Pensions	5,991,258		5,991,258
Total Deferred Outflows of Resources	5,991,258		5,991,258
<u>NET POSITION</u>			
Net Investment in Capital Assets	37,937,445	107,422	38,044,867
Restricted for:			
Capital Projects	1,877,097		1,877,097
Debt Service	8,660		8,660
Unemployment Compensation	179,010		179,010
Student Activities	177,188		177,188
Scholarships	524,748		524,748
Excess Surplus	3,989,991		3,989,991
Unrestricted/(Deficit)	(15,907,445)	621,176	(15,286,269)
Total Net Position	\$ 28,786,694	\$ 728,598	\$ 29,515,292

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 37,353,050		\$ 40,722,719	\$ 3,369,669		\$ 3,369,669
Special Education	8,860,359		6,003,355	(2,857,004)		(2,857,004)
Other Special Instruction	3,257,635		1,013,495	(2,244,140)		(2,244,140)
Other Instruction	1,424,877		317,640	(1,107,237)		(1,107,237)
Support Services:						
Tuition	3,312,836			(3,312,836)		(3,312,836)
Student & Instruction Related Services	8,617,888	\$ 141,335	13,245	(8,463,308)		(8,463,308)
General Administrative Services	1,636,873		1,639	(1,635,234)		(1,635,234)
School Administrative Services	4,497,828		999,019	(3,498,809)		(3,498,809)
Central Services	508,257		844	(507,413)		(507,413)
Administration Information Technology	173,950			(173,950)		(173,950)
Plant Operations and Maintenance	7,201,631		1,389,969	(5,811,662)		(5,811,662)
Pupil Transportation	1,520,666		334,976	(1,185,690)		(1,185,690)
Transfer to Charter Schools	2,099,058			(2,099,058)		(2,099,058)
Interest on Long-Term Debt	112,772			(112,772)		(112,772)
Capital Outlay	742,543			(742,543)		(742,543)
Total Governmental Activities	81,320,223	141,335	50,796,901	(30,381,987)		(30,381,987)

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:						
Food Service	\$ 787,691	\$ 3,746	\$ 938,777		\$ 154,832	\$ 154,832
Total Business-Type Activities	787,691	3,746	938,777		154,832	154,832
Total Primary Government	\$ 82,107,914	\$ 145,081	\$ 51,735,678	\$ (30,381,987)	154,832	(30,227,155)

General Revenues:

Taxes:						
Property Taxes, Levied for General Purposes, Net				31,455,778		31,455,778
Taxes Levied for Debt Service				1,133,648		1,133,648
Federal and State Aid not Restricted				131,889		131,889
Interest and Miscellaneous Revenue				331,131		331,131
Total General Revenues				33,052,446		33,052,446
Change in Net Position				2,670,459	154,832	2,825,291
Net Position - Beginning (Restated)				26,116,235	573,766	26,690,001
Net Position - Ending				\$ 28,786,694	\$ 728,598	\$ 29,515,292

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 2,678,187			\$ 2,678,187
Interfund Receivables	220,205			220,205
Tax Levy Receivable	2,621,315		\$ 94,470	2,715,785
Receivables from State Government	622,028			622,028
Receivables from Federal Government		\$ 544,067		544,067
Restricted Cash and Cash Equivalents	2,056,107	701,936		2,758,043
Total Assets	\$ 8,197,842	\$ 1,246,003	\$ 94,470	\$ 9,538,315
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 926,084	\$ 46,335		\$ 972,419
Interfund Payable		134,395	\$ 85,810	220,205
Payable to State Government		15,824		15,824
Unearned Revenue		622,920		622,920
Total Liabilities	926,084	819,474	85,810	1,831,368
Fund Balances:				
Restricted:				
Capital Reserve Account	1,877,097			1,877,097
Unemployment Compensation	179,010			179,010
Excess Surplus - 2022-2023	2,165,991			2,165,991
Excess Surplus - 2021-2022	1,824,000			1,824,000
Debt Service			8,660	8,660
Student Activities		177,188		177,188
Scholarships		524,748		524,748
Assigned:				
Other Purposes	807,725			807,725
Designated for Subsequent Year's Expenditures	417,935			417,935
Unassigned/(Deficit)		(275,407)		(275,407)
Total Fund Balances	7,271,758	426,529	\$ 8,660	7,706,947
Total Liabilities and Fund Balances	\$ 8,197,842	\$ 1,246,003	\$ 94,470	

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) is Different Because:

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the Funds.	43,457,445
Interest on Long-Term Debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.	(79,275)
Bond issuance Premiums are reported as revenue in the governmental funds in the year the bonds are sold.	(612,471)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds	(10,667,936)
Certain amounts related to the Net Pension Liability and Deferred Inflows and Outflows are Amortized in the Statement of Activities and not reported in the Governmental Funds:	
Deferred Outflows	1,023,638
Deferred Inflows	(5,991,258)
Long-Term Liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds (see Note 7)	(6,050,396)
Net Position of Governmental Activities	\$ 28,786,694

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 31,455,778		\$ 1,133,648	\$ 32,589,426
Interest Earned			7,056	7,056
Interest on Capital Reserve Funds	305			305
Restricted Miscellaneous		\$ 141,335		141,335
Unrestricted Miscellaneous	323,770	218		323,988
Total - Local Sources	31,779,853	141,553	1,140,704	33,062,110
State Sources	42,878,843	2,713,335		45,592,178
Federal Sources	131,889	2,182,202		2,314,091
Total Revenues	74,790,585	5,037,090	1,140,704	80,968,379
EXPENDITURES				
Current:				
Regular Instruction	18,704,400	4,162,172		22,866,572
Special Education Instruction	4,406,952	788,979		5,195,931
Other Special Instruction	1,773,354			1,773,354
Other Instruction	962,900			962,900
Support Services and Undistributed Costs:				
Tuition	3,312,836			3,312,836
Student & Instruction Related Services	6,264,548	119,641		6,384,189
General Administrative Services	1,078,684			1,078,684
School Administrative Services	2,646,268			2,646,268
Central Services	381,637			381,637
Administration Information Technology	22,500			22,500
Plant Operations and Maintenance	5,447,800			5,447,800
Pupil Transportation	1,784,842			1,784,842
Allocated and Unallocated Benefits	22,627,075			22,627,075
Debt Service:				
Principal			\$ 920,000	920,000
Interest and Other Charges			225,200	225,200
Capital Outlay	994,824	53,361		1,048,185
Transfer of Funds to Charter Schools	2,099,058			2,099,058
Total Expenditures	72,507,678	5,124,153	1,145,200	78,777,031
Excess/(Deficit) of Revenues Over/(Under) Expenditures	2,282,907	(87,063)	(4,496)	2,191,348
OTHER FINANCING SOURCES/(USES)				
Transfers In		97,377		97,377
Transfers Out	(97,377)			(97,377)
Total Other Financing Sources/(Uses)	(97,377)	97,377	- 0 -	- 0 -
Net Change in Fund Balances	2,185,530	10,314	(4,496)	2,191,348
Fund Balance—July 1 (Restated)	5,086,228	416,215	13,156	5,515,599
Fund Balance—June 30	\$ 7,271,758	\$ 426,529	\$ 8,660	\$ 7,706,947

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

NORTH PLAINFIELD BOROUGH 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, 2021

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	2,191,348
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from capital outlays in the period.		
Capital Outlays	\$	675,299
Depreciation		<u>(1,883,690)</u>
		(1,208,391)
Repayment of debt service principal 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.		920,000
The Governmental Funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		102,078
In the Statement of Activities, interest on long-term debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).		10,350
The net pension liability reported in the Statement of Activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		1,643,063
Change in Deferred Outflows		(678,239)
Change in Deferred Inflows		(138,114)
In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the 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 (+).		<u>(171,636)</u>
Change in Net Position of Governmental Activities (A-2)	\$	<u><u>2,670,459</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-type Activities - Enterprise Funds
	Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 491,058
Accounts Receivable:	
Federal	117,241
State	5,102
Inventory	20,930
Total Current Assets	634,331
Non-Current Assets:	
Capital Assets	527,772
Less: Accumulated Depreciation	(420,350)
Total Non-Current Assets	107,422
Total Assets	741,753
LIABILITIES:	
Current Liabilities:	
Accounts Payable - Vendors	616
Unearned Revenue - Prepaid Sales	9,416
Unearned Revenue - Donated Commodities	3,123
Total Current Liabilities	13,155
Total Liabilities	13,155
NET POSITION:	
Investment in Capital Assets	107,422
Unrestricted	621,176
Total Net Position	\$ 728,598

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Business-type Activities - Enterprise Fund Food Service</u>
Operating Revenue:	
Charges for Services:	
Other Miscellaneous	\$ 3,746
Total Operating Revenue	<u>3,746</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	304,427
Salaries, Benefits and Payroll Taxes	297,484
Supplies, Insurance and Other Costs	29,375
COVID-19 Emergency Costs	78,391
Management Fee	35,700
Depreciation	17,493
Miscellaneous Expenses	24,821
Total Operating Expenses	<u>787,691</u>
Operating Loss	<u>(783,945)</u>
Non-Operating Revenue:	
State Sources:	
COVID 19 - Seamless Summer Option	27,348
Federal Sources:	
COVID 19 - Seamless Summer Option	853,931
Food Distribution Program	57,498
Total Non-Operating Revenue	<u>938,777</u>
Change in Net Position	154,832
Net Position - Beginning of Year	<u>573,766</u>
Net Position - End of Year	<u>\$ 728,598</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-type Activities - Enterprise Funds Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 3,746
Payments to Suppliers	(754,522)
(Increase)/Decrease in Accounts Receivable	
Net Cash Used for Operating Activities	(750,776)
Cash Flows from Noncapital Financing Activities:	
Federal Sources	753,825
State Sources	27,160
Net Cash Provided by Noncapital Financing Activities	780,985
Net Increase in Cash and Cash Equivalents	30,209
Cash and Cash Equivalents, July 1	460,849
Cash and Cash Equivalents, June 30	\$ 491,058
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (783,945)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	17,493
Food Distribution Program	57,498
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	12,112
(Increase)/Decrease in Interfund Receivable	5,365
Increase/(Decrease) in Deferred Revenue	(19,055)
(Decrease) in Accounts Payable	(40,244)
Net Cash Used for Operating Activities	\$ (750,776)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$46,179 and \$57,498 for the fiscal year ended June 30, 2021.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of North Plainfield Borough School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials 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.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate 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. 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.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall District in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) 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 requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School 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. Separate statements for each fund category – *governmental and proprietary* - 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.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. 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 expenses 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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

The District reports the following proprietary fund:

Enterprise (Food Service) Fund: This Enterprise Fund accounts for all revenue and expenses pertaining to the District's cafeteria operations. The fund is 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.

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. 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. 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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting (Cont'd)

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget for the fiscal year ended June 30, 2021 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2 (m) 1. All budget amendments/transfers must be made by School Board resolution. All budgeting 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 budget during the year).

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 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 except for student activities and scholarships. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund and Special Revenue Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 74,961,010	\$ 5,661,587
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Revenue and Expenditures, while the GAAP Basis does not.		(515,740)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	2,929,533	264,027
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(3,099,958)	(275,407)
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 74,790,585	\$ 5,134,467
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 72,507,678	\$ 5,639,893
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		(515,740)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 72,507,678	\$ 5,124,153

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments: (Cont'd)

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public 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.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

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 restricted, committed and/or 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 for which the District has received advances are reflected in the balance sheet as unearned revenue 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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost, including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	40 years
Site Improvements	20 years
Building Improvements	20 years
Machinery and Equipment	10 to 15 years

In the fund financial statements, Capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and the related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

M. Accrued Salaries and Wages:

The District does allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year. Accrued salaries and wages totaled \$721,478 as of June 30, 2021.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. 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 full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

In the district-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

P. Fund Balance Appropriated:

General Fund: Of the \$7,271,758 General Fund fund balance at June 30, 2021, \$1,877,097 is restricted in the capital reserve account; \$2,165,991 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2023; \$1,824,000 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2022; \$807,725 is assigned for encumbrances which is \$129,577 less than the calculated maximum unassigned fund balance, on a Budgetary Basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2022; \$179,010 is restricted for unemployment compensation; \$417,935 has been designated for subsequent year's expenditures and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2022; and \$-0- is the unassigned fund balance which is \$2,970,381 less than the calculated maximum unassigned fund balance, on a Budgetary Basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2022.

Special Revenue Fund: Of the \$426,529 of fund balance in the Special Revenue Fund fund balance at June 30, 2021 of \$177,188 is restricted for student activities, \$524,748 is restricted for scholarships, and (\$275,407) is a deficit in unassigned fund balance due to the final two state aid payments not being recognized on a GAAP basis.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2021 of \$8,660 is restricted.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Appropriated:(Cont'd)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school Districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus as noted on the prior page.

P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Deficit Net Position / Fund Balance:

The District has a deficit in unrestricted net position of \$15,907,445 in governmental activities, which is primarily due to compensated absences payable, net pension liability, and deferred outflows and inflows of resources related to pensions. The District also has a deficit in unassigned Special Revenue Fund fund balance of \$275,407 due to the last two state aid payments not being recognized on a GAAP basis as detailed in Note 1P. The deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows and inflows of resources related to pensions at June 30, 2021.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. Net Position: (Cont'd)

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

S. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, student activities, scholarships, unemployment compensation, capital reserve, and for debt service fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2021.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2021 on the budgetary basis.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for the food service program. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Fund.

U. Revenue - Exchange and Nonexchange 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.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from 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 School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

V. Management Estimates:

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

W. Pensions

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 State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Board ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Board limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the investments section of this note.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit, and

In addition to the above collateral requirement, if public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments:

New Jersey statutes permit the Board to purchase the following types 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;
- (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 school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (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 a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (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.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2021, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents				
		Capital Reserve	Unemployment Compensation	Student Activities	Scholarships	Total
Checking	\$ 3,169,245	\$1,877,097	\$ 179,010	\$ 177,188	\$ 524,748	\$ 5,927,288
	\$ 3,169,245	\$1,877,097	\$ 179,010	\$ 177,188	\$ 524,748	\$ 5,927,288

During the period ended June 30, 2021, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2021 was \$5,927,288 and the bank balance was \$8,358,495.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution 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 State Department of Education, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

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. 6A:23A-14.1(g) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFPP.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 1,737,021
Interest Earnings	305
Transfer by Board Resolution June 28, 2021	<u>139,771</u>
Ending Balance, June 30, 2021	<u>\$ 1,877,097</u>

The balance in the capital reserve account did not exceed the balance of local support costs of uncompleted capital projects in the District’s LRFPP. Withdrawals from the Capital Reserve Account were for use in DOE approved facilities projects, consistent with the District’s LRFPP.

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2021, the District transferred \$138,467 to the capital outlay accounts for equipment which did not require County Superintendent approval.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Construction in Progress	\$ 2,179,609		\$ (2,179,609)	
Total Capital Assets Not Being Depreciated	2,179,609		(2,179,609)	
Capital Assets Being Depreciated:				
Site Improvements	1,054,081			\$ 1,054,081
Buildings and Building Improvements	62,800,647	\$ 10,500	2,179,609	64,990,756
Machinery and Equipment	7,303,186	664,799		7,967,985
Total Capital Assets Being Depreciated	71,157,914	675,299	2,179,609	74,012,822
Governmental Activities Capital Assets	73,337,523	675,299		74,012,822
Less Accumulated Depreciation for:				
Site Improvements	(833,620)	(33,824)		(867,444)
Buildings and Building Improvements	(21,946,546)	(1,410,963)		(23,357,509)
Machinery and Equipment	(5,891,521)	(438,903)		(6,330,424)
	(28,671,687)	(1,883,690)		(30,555,377)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 44,665,836	\$ (1,208,391)	\$ - 0 -	\$ 43,457,445
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 527,772			\$ 527,772
Less Accumulated Depreciation	(402,857)	\$ (17,493)		(420,350)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 124,915	\$ (17,493)	\$ - 0 -	\$ 107,422
Depreciation expense was charged to governmental functions as follows:				
Regular Instruction			\$ 286,348	
Special Education Instruction			151,450	
Student and Instructional Support Services			248,002	
General Administrative			300,251	
School Administrative			97,180	
Plant Operations and Maintenance			773,062	
Pupil Transportation			27,397	
			\$ 1,883,690	

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2020	Accrued	Adjustment/ Retired	Balance 6/30/2021	Due within One Year
Serial Bonds Payable	\$ 6,440,000		\$ 920,000	\$ 5,520,000	\$ 940,000
Comensated					
Absences Payable	358,760	\$ 518,878	347,242	530,396	
Net Pension Liability	12,310,999		1,643,063	10,667,936	
Unamortized Bond					
Issuance Premium	714,549		102,078	612,471	102,078
	<u>\$ 19,824,308</u>	<u>\$ 518,878</u>	<u>\$ 3,012,383</u>	<u>\$ 17,330,803</u>	<u>\$ 1,042,078</u>

A. Bonds Premiums:

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance is \$102,078 and is separated from the long-term balance of \$510,393.

B. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. The Debt Service Fund will be used to liquidate the bonds.

The District had serial bonds outstanding as of June 30, 2021 as follows:

Purpose	Final Maturity	Interest Rate	Amount
2016 School Refunding Bonds	8/15/2026	3.00 - 4.00%	<u>\$ 5,520,000</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

B. Bonds Payable: (Cont'd)

Principal and interest due on serial bonds outstanding are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 940,000	\$ 197,300	\$ 1,137,300
2023	935,000	164,500	1,099,500
2024	930,000	127,200	1,057,200
2025	920,000	90,200	1,010,200
2026	905,000	53,700	958,700
2027	890,000	17,800	907,800
	<u>\$ 5,520,000</u>	<u>\$ 650,700</u>	<u>\$ 6,170,700</u>

C. Bonds Authorized But Not Issued:

As of June 30, 2021, the Board had no bonds authorized but not issued.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The long-term liability balance of compensated absences is \$530,396. There is no current portion of the compensated absences liability at June 30, 2021. The General Fund will be used to liquidate compensated absences payable.

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, 2021, no liability existed for compensated absences in the Food Service Fund.

E. Capital Leases Payable:

As of June 30, 2021, the Board had no capital leases payable.

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2021 is \$-0- and the long-term portion is \$10,667,936. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF), the Public Employee's Retirement System (PERS) of New Jersey, or the Defined Contribution Retirement Program (DCRP) – a tax-qualified defined contribution money purchase pension plan under the Internal Revenue Code (IRC) 401(a).

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$899,078 for 2021.

The employee contribution rate was 7.50% effective July 1, 2018.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2021, the District's liability was \$10,667,936 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2020, the District's proportion was 0.0654%, which was a decrease of 0.0029% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized actual pension expense in the amount of \$889,615. At June 30, 2021, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	5.57	\$ 346,080	
	2017	5.48		\$(1,009,807)
	2018	5.63		(990,691)
	2019	5.21		(786,751)
	2020	5.16		(1,679,517)
			<u>346,080</u>	<u>(4,466,766)</u>
Changes in Proportion	2016	5.57		(16,633)
	2017	5.48	118,673	
	2018	5.63		(717,192)
	2019	5.21		(225,393)
	2020	5.16		(527,548)
			<u>118,673</u>	<u>(1,486,766)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(130,543)	
	2018	5.00	(121,071)	
	2019	5.00	29,299	
	2020	5.00	586,954	
			<u>364,639</u>	
Difference Between Expected and Actual Experience	2016	5.57	10,503	
	2017	5.48	30,032	
	2018	5.63		(37,726)
	2019	5.21	60,139	
	2020	5.16	93,572	
			<u>194,246</u>	<u>(37,726)</u>
District Contribution Subsequent to the Measurement Date	2020	1.00	746,748	
			<u>\$1,770,386</u>	<u>\$(5,991,258)</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows and inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2021	\$ (1,338,630)
2022	(1,220,424)
2023	(697,441)
2024	(282,034)
2025	(60,998)
	\$ (3,599,527)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2020 are summarized in the table on the following page.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2020 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 13,399,404	\$ 10,667,936	\$ 8,306,528

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Plan Description (Cont'd)

The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten 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.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Special Funding Situation

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, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2021, the State of New Jersey contributed \$6,803,650 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$9,871,188.

The employee contribution rate was 7.50% effective July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2021, the State's proportionate share of the net pension liability associated with the District was \$158,740,951. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2020, the District's proportion was 0.2411%, which was a decrease of 0.0106% from its proportion measured as of June 30, 2019.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		<u>158,740,951</u>
Total	\$	<u><u>158,740,951</u></u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$9,871,188 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 financial statements.

The State reported collective deferred outflows and inflows of resources (excluding employer specific amounts) related to pensions from the sources on the following page.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	8.50	\$ 461,324,773	
	2015	8.30	1,638,696,238	
	2016	8.30	4,304,747,820	
	2017	8.30		\$ 6,882,861,832
	2018	8.29		4,349,959,805
	2019	8.04		3,009,143,115
	2020	7.99	<u>1,411,170,422</u>	
			<u>7,815,939,253</u>	<u>14,241,964,752</u>
Difference Between Expected and Actual Experience	2014	8.50		4,393,807
	2015	8.30	101,207,836	
	2016	8.30		53,533,223
	2017	8.30	122,460,660	
	2018	8.29	763,099,015	
	2019	8.04		116,909,940
	2020	7.99		<u>7,520,890</u>
			<u>986,767,511</u>	<u>182,357,860</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(226,008,261)	
	2018	5.00	(192,060,744)	
	2019	5.00	108,662,078	
	2020	5.00	<u>965,582,162</u>	
			<u>656,175,235</u>	
			<u>\$ 9,458,881,999</u>	<u>\$ 14,424,322,612</u>

Amounts reported by the State as collective deferred outflows and inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions is on the following page.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2021	\$ (262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	(335,285,618)
	<u>\$ (4,965,440,613)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 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 78% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2020 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	At 1% Decrease (4.40%)	At Current Discount Rate (5.40%)	At 1% Increase (6.40%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 186,459,838	\$ 158,740,951	\$ 135,725,068

Pension Plan Fiduciary Net Position

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writings to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$36,601 for the fiscal year ended June 30, 2021. Employee contributions to DCRP amounted to \$67,101 for the fiscal year ended June 30, 2021.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. POST-RETIREMENT BENEFITS

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notice-oheb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	<u>216,892</u>
Total	<u><u>364,943</u></u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. POST-RETIREMENT BENEFITS (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 3.05%	2.00 - 6.00%
	based on service years	based on service years
Thereafter	1.55 - 3.05%	3.00 - 7.00%
	based on service years	based on service years

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. POST-RETIREMENT BENEFITS (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State's Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	\$ 101,007,877
Changes for Year:	
Service Cost	3,900,767
Interest on the Total OPEB Liability	4,007,626
Changes of Assumptions	1,366,881
Differences between Expected and Actual Experience	(15,877,485)
Gross Benefit Payments by the State	(2,814,147)
Contributions from Members	83,419
Net Changes	(9,332,939)
Balance at June 30, 2019	\$ 91,674,938

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019 calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. POST-RETIREMENT BENEFITS (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount (Cont'd)

	June 30, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Total OPEB Liability Attributable to the District	\$ 108,304,329	\$ 91,674,938	\$ 78,465,461

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 75,536,063	\$ 91,674,938	\$ 113,039,495

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2021 the District recognized OPEB expense of \$1,604,913 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2019 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. POST-RETIREMENT BENEFITS (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 10,672,817
	2018	9.51		9,180,066
	2019	9.29	\$ 1,219,746	
			<u>1,219,746</u>	<u>19,852,883</u>
Differences Between Expected and Actual Experience	2018	9.51		8,678,019
	2019	9.29		14,356,482
				<u>23,034,501</u>
Changes in Proportion	N/A	N/A	421,421	886,938
			<u>\$ 1,641,167</u>	<u>\$ 43,774,322</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2020	\$ (5,594,486)
2021	(5,594,485)
2022	(5,594,485)
2023	(5,594,485)
2024	(5,594,485)
Thereafter	<u>(13,695,212)</u>
	<u>\$ (41,667,638)</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. RISK MANAGEMENT

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. 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. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. Health and dental benefits are provided to District employees through the State Health Benefits Plan.

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 Compensation 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 table on the following page is a summary of District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s Unemployment Compensation Restricted Fund Balance for the current and previous two years.

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ 90,598	\$ 120,323	\$ 179,010
2019-2020	78,990		208,735
2018-2019	51,617	130,000	129,745

Property and Liability

A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the Diploma Joint Insurance Fund. This public entity risk management pool provided workers’ compensation and employer’s liability for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

The Diploma Joint Insurance Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the Diploma Joint Insurance Fund are elected.

As a member of the Diploma Joint Insurance Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Diploma Joint Insurance Fund were to be exhausted, members would become responsible for their respective shares of the Diploma Joint Insurance Fund’s liabilities. The Diploma Joint Insurance Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Selected financial information as of June 30, 2021 is as follows:

Total Assets	\$	20,662,901
Net Position	\$	10,481,379
Total Revenue	\$	10,052,973
Total Expenses	\$	8,270,346
Change in Net Position	\$	1,782,627
Members Dividends	\$	-0-

Financial statements for Diploma Joint Insurance Fund are available at the Diploma Joint Insurance Fund's Executive Director's Office:

Risk and Loss Managers, Inc.
51 Everett Drive, Suite B-40
West Windsor, NJ 08550
Phone: (609) 275-1140
Fax: (609) 275-9662

NOTE 11. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 12. INTERFUND BALANCES AND TRANSFERS

The following interfund balances existed as of June 30, 2021:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 220,205	
Special Revenue Fund		\$ 134,395
Debt Service Fund		85,810
	\$ 220,205	\$ 220,205

The interfund receivable in the General Fund represents cash advanced to Special Revenue Fund while awaiting federal grant reimbursements and to the Debt Service Fund while awaiting collection of the Debt Service tax levy.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, 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. The plan administrators are as follows:

Metropolitan Life Insurance Company
Lincoln Investment Planning, Inc.
AXA Equitable
AIG Retirement Services
The Vanguard Group

NOTE 14. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten- day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10. Taxes are collected by the constituent municipality and are remitted to the School District on a predetermined, agreed-upon schedule.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation:

The Board is periodically involved in claims or lawsuits arising in the normal course of business. The Board does not believe that the ultimate outcome of these cases would have a material adverse effect on the District's financial position.

Grant Programs:

The District participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management of the District is not aware of any material items of noncompliance which would result in the disallowance of grant program expenditures.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 15. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances:

The following encumbrance balances existed as of June 30, 2021:

	Governmental Funds		
	General	Special	Total
	Fund	Revenue Fund	Governmental Funds
Encumbrances	\$ 937,302	\$ 515,740	\$ 1,453,042

On the District's Governmental Funds Balance Sheet as of June 30, 2021, \$807,725 is assigned for year-end encumbrances in the General Fund, which is \$129,577 less than the actual encumbrances on a budgetary basis. On the GAAP basis, assigned fund balance for encumbrances is reduced by the last two state aid payments. Also, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$515,740 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

NOTE 16. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2021:

	Governmental Funds			District	Total	Proprietary	
	General	Special	Total	Contribution		Governmental	Fund
	Fund	Revenue Fund	Governmental Funds	Subsequent to the Measurement Date		Governmental Activities	Food Service Fund
Vendors	\$ 182,758	\$ 46,335	\$ 229,093		\$ 229,093	\$ 616	
Payroll Deductions and Withholdings	21,848		21,848		21,848		
Accrued Salaries and Wages	721,478		721,478		721,478		
State of New Jersey				\$ 746,748	746,748		
	\$ 926,084	\$ 46,335	\$ 972,419	\$ 746,748	\$ 1,719,167	\$ 616	

NOTE 17. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey continues to cause disruption of the District's financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy. There have been additional operating expenses in the General Fund due to schools re-opening on a full-time basis.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 18. PRIOR YEAR ADJUSTMENTS

GASB 84, *Fiduciary Activities*, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities Fund (which includes Athletic Activities) and the Private Purpose Scholarship Fund are now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to this implementation as follows:

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 as Restated
<u>Statement of Net Activities - Governmental Activities:</u>			
Net Position - Ending	\$ 25,227,258	\$ 888,977	\$ 26,116,235
 <u>Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds:</u>			
General Fund:			
Fund Balance - June 30	\$ 4,877,493	\$ 208,735	\$ 5,086,228
Special Revenue Fund:			
Fund Balance - June 30	\$ (264,027)	\$ 680,242	\$ 416,215
 <u>Statement of Changes in Fiduciary Net Position - Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Position - End of the Year	\$ 208,735	\$ (208,735)	\$ - 0 -
Student Activities Trust:			
Net Position - End of the Year	\$ 183,469	\$ (183,469)	\$ - 0 -
Private Purpose Scholarship Trust:			
Net Position - End of the Year	\$ 496,773	\$ (496,773)	\$ - 0 -

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	0.0747439083%	0.0755492581%	0.0747307154%	0.0767462465%	0.0699392925%	0.0683242815%	0.0654178240%
District's proportionate share of the net pension liability	\$ 13,994,104	\$ 16,959,295	\$ 22,133,094	\$ 17,865,299	\$ 13,770,698	\$ 12,310,999	\$ 10,667,936
District's covered employee payroll	\$ 4,913,957	\$ 4,982,516	\$ 4,594,367	\$ 4,925,229	\$ 4,635,501	\$ 4,648,896	\$ 4,533,659
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	284.78%	340.38%	481.74%	362.73%	297.07%	264.82%	235.31%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 649,521	\$ 663,897	\$ 710,972	\$ 695,670	\$ 664,597	\$ 715,638	\$ 889,078
Contributions in relation to the contractually required contribution	<u>(649,521)</u>	<u>(663,897)</u>	<u>(710,972)</u>	<u>(695,670)</u>	<u>(664,597)</u>	<u>(715,638)</u>	<u>(889,078)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 4,982,516	\$ 4,594,367	\$ 4,925,229	\$ 4,635,501	\$ 4,648,896	\$ 4,533,659	\$ 4,613,197
Contributions as a percentage of covered employee payroll	13.04%	14.45%	14.44%	15.01%	14.30%	15.78%	19.27%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
State's proportion of the net pension liability attributable to the District	0.2334801033%	0.2401798172%	0.2429585269%	0.2425116272%	0.2533963510%	0.2517123469%	0.2410688983%
State's proportionate share of the net pension liability attributable to the District	\$ 124,787,516	\$ 151,803,901	\$ 191,126,647	\$ 163,510,084	\$ 161,205,115	\$ 154,478,237	\$ 158,740,951
District's covered employee payroll	\$ 24,460,445	\$ 24,410,360	\$ 25,747,187	\$ 26,454,098	\$ 26,202,326	\$ 25,695,344	\$ 26,344,194
State's proportionate share of the net pension liability as a percentage of the District's covered employee payroll	510.16%	621.88%	742.32%	618.09%	615.23%	601.19%	602.57%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 6,714,740	\$ 9,268,995	\$ 14,360,508	\$ 11,327,151	\$ 9,397,694	\$ 9,111,539	\$ 9,871,188
Contributions in relation to the contractually required contribution	(1,211,349)	(1,852,920)	(2,632,400)	(3,731,630)	(4,950,573)	(5,287,563)	(6,803,650)
Contribution deficiency/(excess)	<u>\$ 5,503,391</u>	<u>\$ 7,416,075</u>	<u>\$ 11,728,108</u>	<u>\$ 7,595,521</u>	<u>\$ 4,447,121</u>	<u>\$ 3,823,976</u>	<u>\$ 3,067,538</u>
District's covered employee payroll	24,410,360	\$ 25,747,187	\$ 26,454,098	\$ 26,202,326	\$ 25,695,344	\$ 26,344,194	\$ 29,530,239
Contributions as a percentage of covered employee payroll	27.51%	7.20%	9.95%	14.24%	19.27%	20.07%	23.04%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST THREE FISCAL YEARS

	Fiscal Years Ending		
	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 5,474,264	\$ 4,530,304	\$ 3,900,767
Interest Cost	3,756,381	4,358,394	4,007,626
Changes in Assumptions	(15,723,187)	(11,591,159)	1,366,881
Differences between Expected and Actual Experience		(12,186,967)	(15,877,485)
Member Contributions	(2,744,824)	93,348	83,419
Gross Benefit Payments	101,071	(2,700,915)	(2,814,147)
Net Change in Total OPEB Liability	(9,136,295)	(17,496,995)	(9,332,939)
Total OPEB Liability - Beginning	127,641,167	118,504,872	101,007,877
Total OPEB Liability - Ending	<u>\$ 118,504,872</u>	<u>\$ 101,007,877</u>	<u>\$ 91,674,938</u>
District's Covered Employee Payroll *	\$ 30,341,554	\$ 31,379,327	\$ 30,330,845
Total OPEB Liability as a Percentage of Covered Employee Payroll	391%	322%	302%

* - Covered payroll for the fiscal years ending June 30, 2019, June 30, 2018 and June 30, 2017 are based on the payroll on the June 30, 2018, June 30, 2017 and June 30, 2016 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020. The municipal bond rate changed from 3.50% to 2.21%.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

The mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 31,455,778		\$ 31,455,778	\$ 31,455,778	\$ 305
Interest Earned on Capital Reserve Funds			80,450	323,770	243,320
Unrestricted Miscellaneous Revenues	80,450		80,450	323,770	243,320
Total Revenues from Local Sources	<u>31,536,228</u>		<u>31,536,228</u>	<u>31,779,853</u>	<u>243,625</u>
Revenues from State Sources:					
Equalization Aid	30,643,113	\$ (3,217,507)	27,425,606	27,425,606	
Categorical Special Education Aid	2,219,988		2,219,988	2,219,988	
Categorical Security Aid	1,337,265		1,337,265	1,337,265	
Categorical Transportation Aid	314,548		314,548	314,548	
Extraordinary Aid				493,878	493,878
Nonpublic Transportation Aid				21,750	21,750
TPAF Post Retirement Contributions (Non-Budgeted)				2,172,725	2,172,725
TPAF Pension Contributions (Non-Budgeted)				6,803,650	6,803,650
TPAF Non-Contributory Insurance (Non-Budgeted)				129,448	129,448
TPAF Long-Term Disability Insurance (Non-Budgeted)				5,432	5,432
Reimbursed TPAF Social Security Contributions				2,124,978	2,124,978
Total Revenues from State Sources	<u>34,514,914</u>	<u>(3,217,507)</u>	<u>31,297,407</u>	<u>43,049,268</u>	<u>11,751,861</u>
Revenues from Federal Sources:					
Medicaid Reimbursement	96,326		96,326	122,001	25,675
FFCRA SEMI				9,888	9,888
Total Revenues from Federal Sources	<u>96,326</u>		<u>96,326</u>	<u>131,889</u>	<u>35,563</u>
TOTAL REVENUE	<u>66,147,468</u>	<u>(3,217,507)</u>	<u>62,929,961</u>	<u>74,961,010</u>	<u>12,031,049</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 661,234	\$ 109,643	\$ 770,877	\$ 728,217	\$ 42,660
Grades 1-5 - Salaries of Teachers	5,142,041	520,505	5,662,546	5,486,338	176,208
Grades 6-8 - Salaries of Teachers	4,478,089	(180,960)	4,297,129	4,232,610	64,519
Grades 9-12 - Salaries of Teachers	5,805,309	(20,708)	5,784,601	5,760,017	24,584
Regular Programs - Home Instruction					
Salaries of Teachers	40,000	5,295	45,295	19,630	25,665
Purchased Professional-Educational Services	38,000	(5,500)	32,500	17,623	14,877
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	1,377,341	110,213	1,487,554	1,456,698	30,856
Purchased Professional-Educational Services	25,000	(7,300)	17,700	7,622	10,078
Purchased Technical Services	230,136	(8,262)	221,874	193,852	28,022
Other Purchased Services (400-500 series)	13,000		13,000	2,100	10,900
General Supplies	796,950	(21,909)	775,041	660,298	114,743
Textbooks	180,000	(40,174)	139,826	138,611	1,215
Other Objects	3,200		3,200	784	2,416
TOTAL REGULAR PROGRAMS - INSTRUCTION	18,790,300	460,843	19,251,143	18,704,400	546,743
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	346,615	(47,797)	298,818	298,818	
Total Multiple Disabilities	<u>346,615</u>	<u>(47,797)</u>	<u>298,818</u>	<u>298,818</u>	
Resource Room/Resource Center:					
Salaries of Teachers	3,978,129	77,268	4,055,397	4,038,075	17,322
General Supplies	15,000	(1,114)	13,886	5,154	8,732
Total Resource Room/Resource Center	<u>3,993,129</u>	<u>76,154</u>	<u>4,069,283</u>	<u>4,043,229</u>	<u>26,054</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 64,015	\$	\$ 64,015	\$ 64,015	\$ 10
General Supplies	900		900	890	10
Total Preschool Disabilities - Full-Time	64,915		64,915	64,905	10
TOTAL SPECIAL EDUCATION - INSTRUCTION	4,404,659	\$ 28,357	4,433,016	4,406,952	26,064
Basic Skills/Remedial - Instruction					
Salaries of Teachers	943,550	(52,747)	890,803	889,443	1,360
Total Basic Skills/Remedial - Instruction	943,550	(52,747)	890,803	889,443	1,360
Bilingual Education - Instruction					
Salaries of Teachers	1,099,230	(239,319)	859,911	859,911	
General Supplies	24,000		24,000	24,000	
Total Bilingual Education - Instruction	1,123,230	(239,319)	883,911	883,911	
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.					
Salaries	243,557	(41,496)	202,061	189,820	12,241
Purchased Services (300-500 series)	5,000		5,000	3,100	1,900
Supplies and Materials	48,000	37,560	85,560	29,328	56,232
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	296,557	(3,936)	292,621	222,248	70,373
School-Sponsored Athletics - Instruction					
Salaries	423,897		423,897	380,755	43,142
Purchased Services (300-500 series)	160,000		160,000	129,473	30,527
Supplies and Materials	71,500		71,500	61,500	10,000
Total School-Sponsored Athletics - Instruction	655,397		655,397	571,728	83,669

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Summer School - Instruction					
Salaries of Teachers	\$ 150,000	\$ (138,405)	\$ 11,595		\$ 11,595
Total Summer School - Instruction	150,000	(138,405)	11,595		11,595
TOTAL SUMMER SCHOOL	150,000	(138,405)	11,595		11,595
Instructional/Alternative Education Program - Instruction					
Salaries of Teachers	125,000	45,975	170,975	\$ 167,511	3,464
General Supplies		1,421	1,421	1,413	8
Total Instructional/Alternative Education Program - Instruction	125,000	47,396	172,396	168,924	3,472
TOTAL INSTRUCTION	26,488,693	102,189	26,590,882	25,847,606	743,276
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State-Regular	20,000	(3,275)	16,725	15,925	800
Tuition to Other LEAs Within the State-Special	2,128,006	(457,313)	1,670,693	1,651,476	19,217
Tuition to County Voc. School Dist.-Regular	37,000	(3,383)	33,617	31,050	2,567
Tuition to Priv. Sch. for the Handicap. W/1 State	1,810,628	(251,496)	1,559,132	1,518,221	40,911
Tuition - State Facilities	44,372		44,372	44,372	
Tuition - Other		51,812	51,812	51,792	20
Total Undistributed Expenditures - Instruction	4,040,006	(663,655)	3,376,351	3,312,836	63,515
Undistributed Expend. - Attend. & Social Work					
Salaries	81,617	(1,380)	80,237	66,647	13,590
Total Undist. Expend. - Attendance and Social Work	81,617	(1,380)	80,237	66,647	13,590

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Health Services					
Salaries	\$ 586,505	\$ 85,224	\$ 671,729	\$ 671,729	
Purchased Professional and Technical Services	190,000	(77,827)	112,173	17,244	\$ 94,929
Other Purchased Services (400-500 series)		35,923	35,923	35,923	
Supplies and Materials	10,000	4,256	14,256	12,838	1,418
Other Objects	10,000		10,000	9,218	782
Total Undist. Expenditures - Health Services	<u>796,505</u>	<u>47,576</u>	<u>844,081</u>	<u>746,952</u>	<u>97,129</u>
Undist. Expend. - Speech, OT, PT, Related Svcs					
Salaries	619,647	(21,820)	597,827	597,827	
Purchased Professional - Educational Services	40,413	2,490	42,902	42,902	
Supplies and Materials	3,500	(84)	3,416	3,366	50
Total Undist. Expend. - Speech, OT, PT, Related Svcs	<u>663,560</u>	<u>(19,415)</u>	<u>644,145</u>	<u>644,095</u>	<u>50</u>
Undist. Expend.-Other Supp.Serv.Students-Extra.Serv.					
Purchased Professional - Educational Services	50,000	(36,916)	13,084	12,033	1,051
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	<u>50,000</u>	<u>(36,916)</u>	<u>13,084</u>	<u>12,033</u>	<u>1,051</u>
Undist.Expend.-Guidance					
Salaries of Other Professional Staff	937,105	51,612	988,717	986,447	2,270
Salaries of Secretarial and Clerical Assistants	102,580	(5,949)	96,631	96,631	
Total Undist Expend. - Guidance	<u>1,039,685</u>	<u>45,663</u>	<u>1,085,348</u>	<u>1,083,078</u>	<u>2,270</u>
Undist. Expend.-Child Study Team					
Salaries of Other Professional Staff	1,283,921	91,777	1,375,698	1,375,698	
Salaries of Secretarial and Clerical Assistants	173,140	1	173,141	173,140	1
Purchased Professional - Educational Services	90,000		90,000	42,002	47,998
Supplies and Materials	18,000	445	18,445	18,305	140
Total Undist Expend. - Child Study Team	<u>1,565,061</u>	<u>92,223</u>	<u>1,657,284</u>	<u>1,609,145</u>	<u>48,139</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Improv. of Inst. Serv.					
Salaries of Supervisors of Instruction	\$ 959,163	\$ 220,624	\$ 1,179,787	\$ 828,789	\$ 350,998
Salaries of Other Professional Staff	120,000	5,926	125,926	72,674	53,252
Salaries of Secretarial and Clerical Assistants	255,322	(32,352)	222,970	222,970	
Other Salaries		31,460	31,460	31,460	
Supplies and Materials		17,253	17,253	17,253	
Other Objects		1,050	1,050	558	492
Total Undist. Expend.-Improv. of Inst. Serv.	<u>1,334,485</u>	<u>243,961</u>	<u>1,578,446</u>	<u>1,173,704</u>	<u>404,742</u>
Undist. Expend.-Edu. Media Serv./Sch. Library					
Salaries	754,078	11,407	765,485	749,329	16,156
Other Purchased Services (400-500 series)	81,500	31,462	112,962	98,807	14,155
Supplies and Materials	40,000	18	40,018	23,708	16,310
Total Undist Expend-Edu. Media Serv./Sch. Library	<u>875,578</u>	<u>42,887</u>	<u>918,465</u>	<u>871,844</u>	<u>46,621</u>
Undist.Expend.-Instructional Staff Training Services					
Salaries of Supervisors of Instruction		1,815	1,815	1,815	
Salaries of Secretarial and Clerical Assistants		7,335	7,335	3,352	3,983
Purchased Professional - Educational Service	70,000	(9,150)	60,850	24,792	36,058
Supplies and Materials		14,917	14,917	14,299	618
Other Objects	35,000	(1,450)	33,550	12,792	20,758
Total Undist.Expend.-Instructional Staff Training Services	<u>105,000</u>	<u>13,467</u>	<u>118,467</u>	<u>57,050</u>	<u>61,417</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-Gen. Admin.					
Salaries	\$ 682,769	\$ 32,618	\$ 715,387	\$ 715,387	\$ 7,855
Legal Services	125,000	46,753	171,753	163,898	50
Audit Fees	30,000	(1,000)	29,000	28,950	598
Other Purchased Professional Services	21,500	(9,015)	12,485	11,887	6,887
Communications / Telephone	62,740	(8,596)	54,144	47,257	347
BOE Other Purchased Services	10,000	(8,562)	1,438	1,091	1,798
Other Purch. Serv. (400-500 series other than 530 & 585)	6,100	18,337	24,437	22,639	1,035
General Supplies	20,000	4,798	24,798	23,763	655
BOE In-house training/ Meeting Supplies	5,000	(4,345)	655	655	8,373
Miscellaneous Expenditures	75,000	(30,316)	44,684	36,311	1
BOE Membership Dues and Fees	30,500	(3,653)	26,847	26,846	26,944
Total Undist. Expend.-Support Serv.-Gen. Admin.	1,068,609	37,019	1,105,628	1,078,684	
Undist. Expend.-Support Serv.-School Admin.					
Salaries of Principals/Assistant Principals/Prog Director	1,506,193	214,989	1,721,182	1,721,182	1
Salaries of Other Professional Staff	388,033	(17,700)	370,333	370,333	11,902
Salaries of Secretarial and Clerical Assistants	433,990	600	434,590	434,589	4,137
Purchased Professional and Technical Services	90,000	31,738	31,738	19,836	29,174
Other Purchased Services (400-500 series)	79,800	(84,000)	6,000	1,863	9,923
Supplies and Materials	62,000	(3,238)	76,562	47,388	55,137
Other Objects	62,000	(1,000)	61,000	51,077	
Total Undist. Expend.-Support Serv.-School Adm.	2,560,016	141,389	2,701,405	2,646,268	

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services					
Salaries	\$ 359,412	\$ 9,001	\$ 368,413	\$ 368,413	
Purchased Technical Services	5,000	163	5,163	5,163	
Supplies and Materials	14,000	(6,429)	7,571	7,071	\$ 500
Interest on Lease Purchase Agreements	500	(500)			
Interest on Bond Anticipation Notes (BANs)	500	(500)			
Other Objects		990	990	990	
Total Undist. Expend. - Central Services	<u>379,412</u>	<u>2,725</u>	<u>382,137</u>	<u>381,637</u>	<u>500</u>
Undist. Expend. - Admin. Info. Technology					
Purchased Technical Services		35,635	35,635	22,500	13,135
Total Undist. Expend. - Admin. Info. Technology		<u>35,635</u>	<u>35,635</u>	<u>22,500</u>	<u>13,135</u>
Undist. Expend.-Required Maintenance for School Facilities					
Salaries	392,290	(21,349)	370,941	340,194	30,747
Cleaning, Repair, and Maintenance Services	537,000	(133,823)	403,177	357,771	45,406
General Supplies	120,000	10,128	130,128	111,183	18,945
Total Undist. Expend.- Required Maint. for School Facilities	<u>1,049,290</u>	<u>(145,044)</u>	<u>904,246</u>	<u>809,148</u>	<u>95,098</u>
Undist. Expend.-Custodial Services					
Salaries	2,186,116	(198,440)	1,987,676	1,935,057	52,619
Salaries of Non-Instructional Aides	495,622	(7,353)	488,269	437,414	50,855
Purchased Professional and Technical Services	41,500	(3,355)	38,145	18,659	19,486
Cleaning, Repair, and Maintenance Services	504,677	(19,793)	484,884	423,366	61,518
Other Purchased Property Services	90,000	13,464	103,464	37,351	66,113
Insurance	535,000	57,313	592,313	592,313	
General Supplies	128,900	179,000	307,900	250,589	57,311
Energy (Natural Gas)	125,000	(76,499)	48,501		48,501
Energy (Electricity)	687,365	(10,017)	677,348	628,850	48,498
Energy (Oil)	45,000	(45,000)			
Other Objects	8,500	(7,000)	1,500		1,500
Total Undist. Expend.-Custodial Services	<u>4,847,680</u>	<u>(117,680)</u>	<u>4,730,000</u>	<u>4,323,599</u>	<u>406,401</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care and Upkeep of Grounds					
Salaries	\$ 43,807		\$ 43,807	\$ 42,537	\$ 1,270
Purchased Professional and Technical Services	20,663		20,663	13,845	6,818
Cleaning, Repair, and Maintenance Services	13,425		113,425	99,761	13,664
General Supplies	(12,500)		12,500	11,706	794
Total Care And Upkeep Of Grounds	<u>125,000</u>	<u>65,395</u>	<u>190,395</u>	<u>167,849</u>	<u>22,546</u>
Security					
Salaries	392,844	(212,456)	180,388	136,297	44,091
Purchased Professional and Technical Services		59,456	59,456	9,930	49,526
General Supplies		2,000	2,000	977	1,023
Total Security	<u>392,844</u>	<u>(151,000)</u>	<u>241,844</u>	<u>147,204</u>	<u>94,640</u>
TOTAL UNDIST. EXPEND.-OPER. AND MAINT. OF PLANT SERV.	<u>6,414,814</u>	<u>(348,329)</u>	<u>6,066,485</u>	<u>5,447,800</u>	<u>618,685</u>
Undist. Expend.-Student Transportation Serv.					
Sal. for Pupil Trans. (Bet. Home and Sch)-Spl. Ed.	229,144	(43,884)	185,260	170,638	14,622
Cleaning, Repair, and Maint. Services	20,000		20,000	13,420	6,580
Contract. Serv.(Bet. Home & Sch.)-Vendors	115,000	38,439	153,439	153,439	
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	253,000	(63,439)	189,561	54,808	134,753
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA's	1,580,290		1,580,290	1,369,936	210,354
Transportation Supplies	56,000	(11,645)	44,355	22,601	21,754
Total Undist. Expend.-Student Trans. Serv.	<u>2,253,434</u>	<u>(80,529)</u>	<u>2,172,905</u>	<u>1,784,842</u>	<u>388,063</u>
UNALLOCATED BENEFITS					
Group Insurance	2,510,100	(156,178)	2,353,922	2,044,634	309,288
Social Security Contributions	641,460	141,977	783,437	640,605	142,832
Other Retirement Contributions - PERS	923,593	(33,978)	889,615	889,078	537
Unemployment Compensation	70,000	95,904	165,904	29,725	136,179
Workers Compensation	430,000	(9,815)	420,185	420,185	
Health Benefits	7,085,500	(83,629)	7,001,871	6,658,847	343,024
Tuition Reimbursement	90,000	(20,000)	70,000	65,784	4,216
Other Employee Benefits	562,176	120,708	682,884	641,984	40,900
TOTAL UNALLOCATED BENEFITS	<u>12,312,829</u>	<u>54,989</u>	<u>12,367,818</u>	<u>11,390,842</u>	<u>976,976</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)			\$ 2,172,725	\$ 2,172,725	\$ (2,172,725)
TPAF Pension Contributions (Non-Budgeted)			6,803,650	6,803,650	(6,803,650)
TPAF Non-Contributory Insurance (Non-Budgeted)			129,448	129,448	(129,448)
TPAF Long-Term Disability Insurance (Non-Budgeted)			5,432	5,432	(5,432)
Reimbursed TPAF Social Security Contributions			2,124,978	2,124,978	(2,124,978)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)			11,236,233	11,236,233	(11,236,233)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 12,312,829	\$ 54,989	\$ 12,367,818	22,627,075	(10,259,257)
TOTAL UNDISTRIBUTED EXPENDITURES	35,540,610	(392,689)	35,147,921	43,566,190	(8,418,269)
TOTAL GENERAL CURRENT EXPENSE	62,029,303	(290,500)	61,738,803	69,413,796	(7,674,993)
CAPITAL OUTLAY					
EQUIPMENT					
Undistributed:					
Undistributed Expenditures - Instruction	175,000	(102,572)	72,428	45,049	27,379
Undist.Expend.-Support Serv. - Students - Reg.		162,786	162,786	76,336	86,450
Undist. Expend. - Required Maint for School Fac.	40,000	79,714	119,714	116,008	3,706
School Buses - Regular	60,000	(1,461)	58,539	58,539	
TOTAL EQUIPMENT	275,000	138,467	413,467	295,932	117,535
Facilities Acquisition and Construction Serv.					
Construction Services	3,070,000	(2,126,944)	943,056	502,256	440,800
Assessment for Debt Service on SDA Funding	196,636		196,636	196,636	
Total Facilities Acquisition and Const. Serv.	3,266,636	(2,126,944)	1,139,692	698,892	440,800
TOTAL CAPITAL OUTLAY	3,541,636	(1,988,477)	1,553,159	994,824	558,335

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Transfer of Funds to Charter Schools	\$ 1,900,000	\$ 292,181	\$ 2,192,181	\$ 2,099,058	\$ 93,123
TOTAL EXPENDITURES	<u>67,470,939</u>	<u>(1,986,796)</u>	<u>65,484,143</u>	<u>72,507,678</u>	<u>(7,023,535)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	<u>(1,323,471)</u>	<u>(1,230,711)</u>	<u>(2,554,182)</u>	<u>2,453,332</u>	<u>5,007,514</u>
OTHER FINANCING SOURCES/(USES):					
Local Contribution - Transfer to Special Revenue Fund - Inclusion		<u>(97,377)</u>	<u>(97,377)</u>	<u>(97,377)</u>	
TOTAL OTHER FINANCING SOURCES/(USES)		<u>(97,377)</u>	<u>(97,377)</u>	<u>(97,377)</u>	
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(1,323,471)</u>	<u>(1,328,088)</u>	<u>(2,651,559)</u>	<u>2,355,955</u>	<u>5,007,514</u>
Fund Balance, July 1 (Restated)	<u>8,015,761</u>		<u>8,015,761</u>	<u>8,015,761</u>	
Fund Balance, June 30	<u>\$ 6,692,290</u>	<u>\$ (1,328,088)</u>	<u>\$ 5,364,202</u>	<u>\$ 10,371,716</u>	<u>\$ 5,007,514</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2022-2023				\$ 2,165,991	
Excess Surplus - Restricted For 2021-2022				1,824,000	
Capital Reserve				1,877,097	
Unemployment Compensation				179,010	
Assigned Fund Balance:					
Year End Encumbrances				937,302	
Designated for Subsequent Year's Expenditures				417,935	
Unassigned Fund Balance				2,970,381	
				<u>10,371,716</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last Two State Aid Payments not Recognized on GAAP basis				<u>(3,099,958)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 7,271,758</u>	

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 1,820,876	\$ 1,252,594	\$ 3,073,470	\$ 2,686,116	\$ (387,354)
State Sources	2,829,731	471,013	3,300,744	2,736,541	(564,203)
Local Sources		143,577	143,577	141,553	(2,024)
Total Revenues	<u>4,650,607</u>	<u>1,867,184</u>	<u>6,517,791</u>	<u>5,564,210</u>	<u>(953,581)</u>
Other Financing Sources:					
Transfer In - Board Contribution - General Fund		97,377	97,377	97,377	
Total Revenues and Other Financing Sources	<u>4,650,607</u>	<u>1,964,561</u>	<u>6,615,168</u>	<u>5,661,587</u>	<u>(953,581)</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers	952,477	111,669	1,064,146	980,925	83,221
Other Salaries for Instruction					
Purchased Professional - Educational Services	29,029	(8,453)	20,576	14,053	6,523
Tuition	877,729	3,866	881,595	750,889	130,706
Other Purchased Services	8,664	(8,664)			
General Supplies	9,703	377,238	386,941	265,857	121,084
Textbooks	6,062	230	6,292		6,292
Total Instruction	<u>1,883,664</u>	<u>475,886</u>	<u>2,359,550</u>	<u>2,011,724</u>	<u>347,826</u>
Support Services					
Personal Services - Salaries					
Salaries of Other Professional Staff	704,423	(23,142)	681,281	414,954	266,327
Personal Services - Employee Benefits	485,226	108,585	593,811	476,839	116,972
Purchased Professional - Technical Services	11,138	293,269	304,407	215,917	88,490
Purchased Professional - Educational Services	1,435,645	475,972	1,911,617	1,957,155	(45,538)
Other Purchased Services	116,991	20,591	137,582	79,819	57,763
Supplies and Materials	13,520	110,568	124,088	65,483	58,605
Student Activities		101,641	101,641	101,641	
Scholarships Awarded		18,000	18,000	18,000	
Total Support Services	<u>2,766,943</u>	<u>1,105,484</u>	<u>3,872,427</u>	<u>3,329,808</u>	<u>542,619</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		361,497	361,497	298,361	63,136
Total Facilities Acquisition and Construction Services		<u>361,497</u>	<u>361,497</u>	<u>298,361</u>	<u>63,136</u>
Total Expenditures	<u>4,650,607</u>	<u>1,942,867</u>	<u>6,593,474</u>	<u>5,639,893</u>	<u>953,581</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>\$ - 0 -</u>	<u>\$ 21,694</u>	<u>\$ 21,694</u>	<u>\$ 21,694</u>	<u>\$ - 0 -</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 74,961,010	\$ 5,661,587
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Revenue and Expenditures, while the GAAP Basis does not:		
Current Year Encumbrances		(515,740)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	2,929,533	264,027
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(3,099,958)</u>	<u>(275,407)</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 74,790,585</u>	<u>\$ 5,134,467</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 72,507,678	\$ 5,639,893
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		<u>(515,740)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 72,507,678</u>	<u>\$ 5,124,153</u>

Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2021 was submitted to the County office and was approved by a vote by the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary 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).

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 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, except for student activities and scholarships. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund and Special Revenue Fund budgetary revenue differs from the GAAP revenue due to a difference in the recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Every Student Succeeds Act				Perkins Grant	Preschool Education Aid	Nonpublic Nursing
	Title I, SIA	Title II, Part A	Title III	Title III Immigrant			
REVENUE:							
Local Sources							
State Sources							
Federal Sources							
Total Revenue	\$ 728,019	\$ 127,207	\$ 109,676	\$ 37,619	\$ 25,727	\$ 2,704,806	\$ 5,790
	728,019	127,207	109,676	37,619	25,727	2,704,806	5,790
Other Financing Sources:							
Transfer In - Board Contribution - General Fund						97,377	
Total Revenues and Other Financing Sources	728,019	127,207	109,676	37,619	25,727	2,802,183	5,790
EXPENDITURES:							
Instruction:							
Salaries of Teachers	380,028	36,589	50,188		14,408	486,956	
Other Salaries for Instruction							
Purchased Professional Educational Services					3,607		
Tuition							
Other Purchased Services							
General Supplies	68,711		27,515	19,019	3,439		
Textbooks							
Total Instruction	448,739	36,589	77,703	19,019	21,454	486,956	
Support Services:							
Salaries of Other Professional Staff		20,000			2,500	388,654	
Personal Services - Employee Benefits	215,355	37,468	23,973		1,293	198,750	
Purchased Professional Technical Services					5,900		
Purchased Professional Educational Services	63,925	20,000	8,000	18,600	480	1,719,484	5,790
Other Purchased Professional Services						6,233	
Supplies and Materials		13,150				2,106	
Other Objects							
Student Activities							
Scholarships Awarded							
Total Support Services	279,280	90,618	31,973	18,600	4,273	2,315,227	5,790
Facilities Acquisition:							
Instructional Equipment							
Total Facilities Acquisition							
Total Expenditures	\$ 728,019	\$ 127,207	\$ 109,676	\$ 37,619	\$ 25,727	\$ 2,802,183	\$ 5,790

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Nonpublic Auxiliary Services (Chapter 192)		Nonpublic Handicapped Services (Chapter 193)		Nonpublic Security	Nonpublic Textbooks	Coronavirus Relief Fund
	Supplemental Instruction	Compensatory Education	Examination & Classification	Corrective Speech			
IDEA Part B	Preschool						
Basic							
REVENUE:							
Local Sources							
State Sources	\$ 13,112	\$ 3,048	\$ 4,271	\$ 456	\$ 9,907	\$ 5,592	\$ 298,361
Federal Sources							
Total Revenue	803,901	3,048	4,271	456	9,907	5,592	298,361
Other Financing Sources:							
Transfer In - Board Contribution - General Fund							
Total Revenues and Other Financing Sources					9,907	5,592	298,361
EXPENDITURES:							
Instruction:							
Salaries of Teachers							
Other Salaries for Instruction							
Purchased Professional Educational Services		3,048	4,271	456			
Tuition	13,112					5,592	
General Supplies							
Textbooks							
Total Instruction	737,777	3,048	4,271	456		5,592	
Support Services:							
Salaries of Other Professional Staff							
Personal Services - Employee Benefits							
Purchased Professional Technical Services	66,124				9,907		
Purchased Professional Educational Services							
Other Purchased Professional Services							
Supplies and Materials							
Other Objects							
Student Activities							
Scholarships Awarded							
Total Support Services	66,124				9,907		
Facilities Acquisition:							
Instructional Equipment							298,361
Total Facilities Acquisition							298,361
Total Expenditures	803,901	3,048	4,271	456	9,907	5,592	298,361

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CARES Emergency Relief	COVID-19: Digital Grant	Student Activities	Scholarships	Local Grants	Totals
REVENUE:						
Local Sources			\$ 95,360	\$ 45,975	\$ 218	\$ 141,553
State Sources	\$ 481,580	\$ 34,631				2,736,541
Federal Sources	481,580	34,631	95,360	45,975	218	2,686,116
Total Revenue						5,564,210
Other Financing Sources:						
Transfer In - Board Contribution - General Fund	481,580	34,631	95,360	45,975	218	97,377
Total Revenues and Other Financing Sources						5,661,587
EXPENDITURES:						
Instruction:						
Salaries of Teachers					218	980,925
Purchased Professional Educational Services	102,905	34,631				14,053
Tuition	102,905	34,631				750,889
General Supplies						265,857
Total Instruction						2,011,724
Support Services:						
Salaries of Other Professional Staff						414,954
Personal Services - Employee Benefits	143,893					476,839
Purchased Professional Technical Services	127,146					215,917
Purchased Professional Educational Services	57,409					1,957,155
Other Purchased Professional Services	50,227					79,819
Supplies and Materials			101,641			65,483
Student Activities				18,000		101,641
Scholarships Awarded						18,000
Total Support Services	378,675		101,641	18,000		3,329,808
Facilities Acquisition:						
Instructional Equipment						298,361
Total Facilities Acquisition						298,361
Total Expenditures	\$ 481,580	\$ 34,631	\$ 101,641	\$ 18,000	\$ 218	\$ 5,639,893

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 496,585	\$ 486,956	\$ 9,629
Total Instruction	<u>496,585</u>	<u>486,956</u>	<u>9,629</u>
Support Services:			
Salaries of Program Directors	118,039	104,976	13,063
Salaries of Supervisors of Instruction	50		50
Salaries of Other Professional Staff	143,584	138,305	5,279
Salaries of Secretaries and Clerical Assistants	65,693	64,737	956
Salaries of Community Parent Involvement Spec.	97,873	80,636	17,237
Salaries of Master Teachers	29,142		29,142
Employee Benefits	204,000	198,750	5,250
Purchased Professional Educational Services	1,733,309	1,719,484	13,825
Other Purchased Services	9,318	6,233	3,085
Supplies and Materials	10,000	2,106	7,894
Total Support Services	<u>2,411,008</u>	<u>2,315,227</u>	<u>95,781</u>
Total Expenditures	<u>\$ 2,907,593</u>	<u>\$ 2,802,183</u>	<u>\$ 105,410</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2020-2021 Preschool Education Aid Allocation	\$ 2,683,158
Add: Actual Preschool Expansion Aid Carryover (June 30, 2020)	224,435
Add: Budgeted Transfer from General Fund	<u>97,377</u>
Total Preschool Education Aid Funds Available for 2020-2021 Budget	3,004,970
Less: 2020-2021 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(2,907,593)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	97,377
Add: June 30, 2021 Unexpended Preschool Education Aid	<u>105,410</u>
2020-2021 Carryover - Preschool Education Aid	<u>\$ 202,787</u>
2020-2021 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2021-2022	<u>\$ 202,787</u>

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 491,058
Accounts Receivable:	
Federal	117,241
State	5,102
Inventory	20,930
	<hr/>
Total Current Assets	634,331

Non-Current Assets:

Capital Assets	527,772
Less: Accumulated Depreciation	(420,350)
	<hr/>
Total Non-Current Assets	107,422

Total Assets

741,753

LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors	616
Unearned Revenue - Prepaid Sales	9,416
Unearned Revenue - Donated Commodities	3,123
	<hr/>
Total Current Liabilities	13,155

Total Liabilities

13,155

NET POSITION:

Investment in Capital Assets	107,422
Unrestricted	621,176
	<hr/>

Total Net Position

\$ 728,598

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Fund</u>
Operating revenue	
Local Sources:	
Other Miscellaneous	\$ 3,746
Total Operating Revenue	<u>3,746</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	304,427
Salaries, Benefits and Payroll Taxes	297,484
Supplies, Insurance and Other Costs	29,375
COVID-19 Emergency Costs	78,391
Management Fee	35,700
Depreciation	17,493
Miscellaneous Expenses	24,821
Total Operating Expenses	<u>787,691</u>
Operating (Loss)	<u>(783,945)</u>
Non-Operating Revenue	
State Sources:	
COVID 19 - Seamless Summer Option	27,348
Federal Sources:	
COVID 19 - Seamless Summer Option	853,931
Food Distribution Program	57,498
Total Non-Operating Revenue	<u>938,777</u>
Change in Net Position	154,832
Net Position - Beginning of Year	<u>573,766</u>
Net Position - End of Year	<u>\$ 728,598</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 3,746
Payments to Suppliers	<u>(754,522)</u>
Net Cash Used for Operating Activities	<u>(750,776)</u>
Cash Flows from Noncapital Financing Activities:	
Federal Sources	753,825
State Sources	<u>27,160</u>
Net Cash Provided by Noncapital Financing Activities	<u>780,985</u>
Net Increase in Cash and Cash Equivalents	30,209
Cash and Cash Equivalents, July 1	<u>460,849</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 491,058</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (783,945)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	17,493
Food Distribution Program	57,498
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	12,112
(Increase)/Decrease in Interfund Receivable	5,365
Increase/(Decrease) in Deferred Revenue	(19,055)
(Decrease) in Accounts Payable	<u>(40,244)</u>
Net Cash Used for Operating Activities	<u><u>\$ (750,776)</u></u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$46,179 and \$57,498 for the fiscal year ended June 30, 2021.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM DEBT

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
YEAR ENDED JUNE 30, 2021

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance July 1, 2020	Retired or Matured	Balance June 30, 2021
			Date	Amount				
School Refunding Bonds	5/5/2016	\$ 8,230,000	08/15/21	\$ 940,000	3.00%	\$ 6,440,000	\$ 920,000	\$ 5,520,000
			08/15/22	935,000	3.00%			
			08/15/23	930,000	4.00%			
			08/15/24	920,000	4.00%			
			08/15/25	905,000	4.00%			
			08/15/26	890,000	4.00%			
						<u>\$ 6,440,000</u>	<u>\$ 920,000</u>	<u>\$ 5,520,000</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,133,648		\$ 1,133,648	\$ 1,133,648	
Interest Earned				7,056	\$ 7,056
Total Revenues	1,133,648		1,133,648	1,140,704	7,056
EXPENDITURES:					
Regular Debt Service:					
Interest	225,200		225,200	225,200	
Redemption of Principal	920,000		920,000	920,000	
Total Regular Debt Service	1,145,200		1,145,200	1,145,200	
Total Expenditures	1,145,200		1,145,200	1,145,200	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(11,552)		(11,552)	(4,496)	7,056
Fund Balance, July 1	13,156		13,156	13,156	
Fund Balance, June 30	\$ 1,604	\$ - 0 -	\$ 1,604	\$ 8,660	\$ 7,056
Recapitulation:					
Restricted for Subsequent Year's Expenditures				\$ 8,660	

STATISTICAL SECTION
(UNAUDITED)

This part of the School's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School's overall financial health.

Contents

	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the School's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the School's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the School's current levels of outstanding debt and the School's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information These schedules contain information about the School's operations and resources to help the reader understand how the School's financial information relates to the services the School provides and the activities it performs.	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020*	2021
Governmental Activities:										
Net Investment in Capital Assets	\$ 33,431,896	\$ 37,276,905	\$ 39,229,572	\$ 41,256,679	\$ 41,590,276	\$ 41,173,589	\$ 34,273,749	\$ 34,948,373	\$ 37,511,287	\$ 37,937,445
Restricted	7,851,900	7,942,074	6,382,748	6,580,474	4,269,564	3,673,163	4,998,040	5,728,349	5,766,470	6,756,694
Unrestricted/(Deficit)	(2,362,302)	(3,011,346)	(1,619,769)	(16,393,974)	(15,700,663)	(17,161,753)	(17,799,090)	(17,964,185)	(17,161,523)	(15,907,445)
Total Governmental Activities Net Position	\$ 38,921,494	\$ 42,207,632	\$ 43,992,551	\$ 31,443,179	\$ 30,159,177	\$ 27,684,999	\$ 21,472,699	\$ 22,712,536	\$ 26,116,235	\$ 28,786,694
Business-Type Activities										
Investment in Capital Assets	\$ 178,992	\$ 181,741	\$ 170,989	\$ 157,893	\$ 131,215	\$ 246,616	\$ 151,129	\$ 137,928	\$ 124,915	\$ 107,422
Unrestricted	311,001	285,096	388,216	364,503	594,539	537,451	594,881	485,258	448,851	621,176
Total Business-Type Activities Net Position	\$ 489,993	\$ 466,837	\$ 559,205	\$ 522,396	\$ 725,755	\$ 784,067	\$ 746,010	\$ 623,186	\$ 573,766	\$ 728,598
District-Wide:										
Net Investment in Capital Assets	\$ 32,332,735	\$ 37,458,646	\$ 39,400,561	\$ 41,414,572	\$ 41,721,491	\$ 41,420,205	\$ 34,424,878	\$ 35,086,301	\$ 37,636,202	\$ 38,044,867
Restricted	4,729,241	7,942,074	6,382,748	6,580,474	4,269,564	3,673,163	4,998,040	5,728,349	5,766,470	6,756,694
Unrestricted/(Deficit)	(2,005,539)	(2,726,251)	(1,231,553)	(16,029,471)	(15,106,123)	(16,624,302)	(17,204,208)	(17,478,927)	(16,712,671)	(15,286,269)
Total District Net Position	\$ 35,056,438	\$ 42,674,469	\$ 44,551,756	\$ 31,965,575	\$ 30,884,932	\$ 28,469,065	\$ 22,218,709	\$ 23,335,723	\$ 26,690,001	\$ 29,515,292

* Restated

Source: North Plainfield Borough School District Financial Reports.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 22,001,294	\$ 22,746,578	\$ 23,392,368	\$ 27,613,948	\$ 31,347,922	\$ 33,059,309	\$ 34,855,692	\$ 33,123,223	\$ 32,136,478	\$ 37,353,050
Special Education	7,797,809	8,287,907	8,716,611	10,163,362	11,107,063	11,808,236	11,384,783	12,687,573	11,661,993	8,860,359
Other Special Instruction	3,895,580	3,754,440	3,799,922	4,684,044	4,661,565	5,788,444	5,169,455	5,854,669	6,660,691	3,257,635
Other Instruction										1,424,877
Support Services:										
Tuition										3,312,836
Student & Instruction Related Services	8,668,996	8,584,356	8,395,713	10,137,285	10,421,772	12,033,381	12,644,061	13,101,431	12,138,176	8,617,888
General Administrative Services	1,101,646	1,303,500	1,171,335	1,050,043	1,032,245	1,292,101	2,315,806	1,545,787	1,193,573	1,636,873
School Administrative Services	3,132,071	3,105,607	3,048,833	3,650,036	3,890,151	4,636,011	5,017,816	4,652,368	4,019,150	4,497,828
Central Services	502,026	503,941	376,761	436,775	533,058	599,572	534,292	501,279	495,570	508,257
Administrative Information Technology	13,735	16,181	46,667	14,677	125,927	1,551	1,551		15,463	173,950
Plant Operations And Maintenance	5,188,157	6,996,692	7,048,234	6,412,474	6,597,827	7,226,031	6,521,828	6,197,338	6,774,058	7,201,631
Pupil Transportation										1,520,666
Capital Outlay										742,543
Transfer to Charter School										2,099,058
Student Transportation Services	1,247,322	1,331,154	1,198,046	1,412,051	1,723,702	1,942,646	1,868,873	2,029,998	2,074,044	
Interest On Long-Term Debt	820,994	465,713	513,497	475,772	449,844	313,988	296,027	268,794	242,319	112,772
Unallocated Depreciation	1,073,559	1,238,157	1,398,406	1,451,477	1,502,293	1,531,405	1,469,516	1,429,056	1,471,819	
Total Governmental Activities Expenses	55,443,189	58,334,226	59,106,392	67,501,944	73,393,368	80,231,124	82,079,699	81,391,516	78,883,333	81,320,223
Business-type activities:										
Food Service	1,637,731	1,606,848	1,597,552	1,769,203	1,587,609	1,761,349	1,969,959	2,027,901	1,432,583	787,691
Total Business-Type Activities Expense	1,637,731	1,606,848	1,597,552	1,769,203	1,587,609	1,761,349	1,969,959	2,027,901	1,432,583	787,691
Total District Expenses	57,080,920	59,941,074	60,703,945	69,271,147	74,980,978	81,992,473	84,049,658	83,419,417	80,315,916	82,107,914
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Student and Instruction Related Services	9,363,389	10,544,090	7,890,685	13,096,158	16,104,635	21,241,263	24,313,650	23,172,573	17,951,148	141,335
Operating Grants and Contributions	9,363,389	10,544,090	7,890,685	13,096,158	16,104,635	21,241,263	24,313,650	23,172,573	17,951,148	50,796,901
Total Governmental Activities Program Revenues	18,726,778	21,088,180	15,781,370	26,192,316	32,209,270	42,482,526	48,627,300	46,345,146	35,902,296	192,132,236
Business-Type Activities:										
Charges For Services:										
Food Service	486,637	497,136	465,533	481,311	521,326	537,766	519,419	539,377	351,709	3,746
Operating Grants and Contributions	1,022,882	1,086,555	1,200,850	1,251,083	1,269,642	1,281,895	1,348,326	1,348,338	1,026,235	938,777
Total Business-Type Activities Program Revenues	1,509,520	1,583,692	1,666,383	1,732,395	1,790,968	1,819,661	1,867,745	1,887,716	1,377,944	942,523
Total District Program Revenues	10,872,909	12,127,782	9,557,068	14,828,552	17,895,603	23,060,924	26,181,394	25,060,289	19,329,091	51,880,759

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue Governmental Activities	\$(46,079,799)	\$(47,790,136)	\$(51,215,708)	\$(54,405,786)	\$(57,288,733)	\$(58,989,861)	\$(57,766,050)	\$(58,218,943)	\$(60,932,185)	\$(30,381,987)
Business-Type Activities	(128,211)	(23,156)	68,831	(36,809)	203,359	58,312	(102,214)	(140,185)	(54,639)	154,832
Total District-Wide Net Expense	\$(46,208,011)	\$(47,813,292)	\$(51,146,877)	\$(54,442,595)	\$(57,085,375)	\$(58,931,549)	\$(57,868,264)	\$(58,359,128)	\$(60,986,825)	\$(30,227,155)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	27,384,148	27,384,148	27,931,831	28,490,467	29,060,276	29,641,483	30,534,258	30,838,998	31,455,778	31,455,778
Taxes Levied for Debt Service	1,607,600	1,319,042	1,331,222	1,289,373	1,265,643	1,245,711	1,114,029	1,031,040	1,133,547	1,133,648
Federal and State Aid not Restricted	21,207,379	22,288,399	23,518,228	24,911,346	24,860,106	25,390,777	26,041,999	27,193,215	29,789,127	131,889
Federal and State Aid Restricted			114,172	786,026	611,015	64,315	177,776			
Miscellaneous Income	363,912	84,685	147,296	199,423	207,690	173,397	294,142	395,527	1,068,455	331,131
Transfers	84,859									
Cancel Accounts Receivable				(21,731)			(275,836)			
Disposal of Capital assets (net)							(6,332,618)			
Total Governmental Activities	50,647,897	51,076,274	53,042,749	55,654,905	56,004,731	56,515,683	51,553,751	59,458,780	63,446,907	33,052,446
Business-Type Activities:										
Interest and Miscellaneous Income	22		23,537				194,064	17,351	5,229	
Capital Contributions/(Disposals)	(84,859)						(129,907)			
Total Business-Type Activities	(84,837)		23,537				64,157	17,351	5,229	
Total District-Wide	50,563,060	51,076,274	53,066,286	55,654,905	56,004,731	56,515,683	51,617,908	59,476,131	63,452,136	33,052,446
Change in Net Position:										
Governmental Activities	4,568,098	3,286,138	1,827,042	1,249,119	(1,284,003)	(2,474,178)	(6,212,299)	1,239,837	2,514,722	2,670,459
Business-Type Activities	(213,049)	(23,156)	92,368	(36,809)	203,359	58,312	(38,057)	(122,834)	(49,410)	154,832
Total District	\$ 4,355,049	\$ 3,262,982	\$ 1,919,410	\$ 1,212,310	\$ (1,080,644)	\$ (2,415,866)	\$ (6,250,356)	\$ 1,117,003	\$ 2,465,312	\$ 2,825,291

Source: North Plainfield Borough School District Financial Reports.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020*	2021
General Fund:										
Restricted	\$4,975,617	\$4,589,186	\$4,759,071	\$4,115,809	\$3,067,589	\$2,482,107	\$4,819,862	\$5,728,349	\$5,086,228	\$6,046,098
Assigned				26,065	26,065	26,065	171,278			1,225,660
Total General Fund	\$4,975,617	\$4,589,186	\$4,759,071	\$4,141,875	\$3,093,654	\$2,508,172	\$4,991,140	\$5,728,349	\$5,086,228	\$7,271,758
All Other Governmental Funds:										
Committed	\$1,320,524	\$1,379,556	\$1,079,199	\$1,206,510	\$1,103,556	\$1,044,833				
Restricted	803,886	868,817	549,713	142,354	77,871	243,055	\$116,213	\$11,552	\$693,398	\$710,596
Unassigned/(Deficit)								(235,756)	(264,027)	(275,407)
Total All Other Governmental Funds	\$2,124,410	\$2,248,373	\$1,628,912	\$1,348,864	\$1,181,427	\$1,287,888	\$116,213	\$ (224,204)	\$429,371	\$435,189
Total Governmental Funds:										
Restricted	\$5,779,503	\$5,458,003	\$5,308,784	\$4,258,163	\$3,145,460	\$2,725,162	\$4,936,075	\$5,739,901	\$5,779,626	\$6,756,694
Committed	1,320,524	1,379,556	1,079,199	1,206,510	1,103,556	1,044,833				1,225,660
Assigned				26,065	26,065	26,065	171,278			
Unassigned/(Deficit)								(235,756)	(264,027)	(275,407)
Total Governmental Funds	\$7,100,027	\$6,837,558	\$6,387,983	\$5,490,739	\$4,275,081	\$3,796,060	\$5,107,352	\$5,504,145	\$5,515,599	\$7,706,947

* Restated

Source: North Plainfield Borough School District Financial Reports.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Tax Levy	\$28,991,748	\$28,703,190	\$29,263,053	\$29,779,840	\$30,325,919	\$30,887,194	\$31,648,287	\$31,870,038	\$32,589,325	\$32,589,426
Interest Earned on Capital Reserve Funds			329	356					831	305
Miscellaneous	378,277	110,752	160,008	181,922	147,710	155,140	399,612	293,448	991,879	472,379
State Sources	27,915,072	31,021,759	29,834,244	31,440,772	32,356,841	32,968,470	36,110,094	39,169,892	41,904,861	45,592,178
Federal Sources	2,641,331	1,784,663	1,662,615	1,929,657	1,888,742	2,088,380	1,760,291	2,110,983	1,819,693	2,314,091
Total Revenue	59,926,428	61,620,364	60,920,248	63,332,547	64,719,212	66,099,184	69,918,284	73,444,361	77,306,588	80,968,379
Expenditures:										
Instruction:										
Regular Instruction	14,711,554	15,958,180	16,930,118	17,618,390	17,710,626	17,907,402	18,347,526	18,331,013	19,626,662	22,866,572
Special Education Instruction	3,633,280	3,865,181	4,088,184	4,304,712	4,561,215	4,580,865	4,390,375	5,186,556	5,342,700	5,195,931
Other Special Instruction										1,773,354
Other Instruction	2,634,114	2,795,955	2,837,778	3,024,748	2,910,711	2,739,520	2,301,870	2,612,814	2,992,086	962,900
Support Services:										
Tuition	2,824,100	3,082,509	3,307,989	3,836,470	4,202,137	4,098,258	3,428,348	3,767,225	3,461,398	3,312,836
Student & Instruction Related Services	6,393,536	6,301,188	6,334,824	6,687,303	6,986,242	7,004,584	7,293,982	8,210,661	8,469,497	6,384,189
General Administrative Services	857,544	951,169	924,699	894,426	804,301	893,519	955,932	1,360,327	1,064,142	1,078,684
School Administrative Services	2,024,569	2,032,702	2,185,162	2,361,321	2,399,000	2,480,428	2,613,137	2,503,309	2,438,512	2,646,268
Central Services	320,578	330,956	335,968	340,349	346,179	388,086	400,123	418,677	433,070	381,637
Administrative Information Technology	13,735	16,181	20,302	19,013			1,551		15,463	22,500
Plant Operations And Maintenance	5,121,787	5,433,841	5,732,750	5,556,055	5,455,865	5,296,974	5,160,496	5,461,555	6,210,125	5,447,800
Pupil Transportation										1,784,842
Student Transportation Services	1,054,235	1,147,207	1,181,190	1,309,636	1,567,110	1,725,011	1,756,730	1,953,711	2,012,258	
Unallocated Benefits	13,158,954	13,879,024	12,882,749	13,606,085	15,760,609	16,875,697	17,843,287	19,211,430	19,642,302	22,627,075
Debt Service:										
Principal	1,030,000	770,000	800,000	800,000	815,000	870,000	805,000	865,000	885,000	920,000
Interest And Other Charges	583,369	555,169	526,406	489,731	450,655	270,377	309,612	278,525	252,275	225,200
Capital Outlay	1,824,113	4,565,595	2,998,993	3,114,978	1,647,010	754,249	1,885,804	1,774,488	3,656,162	1,048,185
Transfer to Charter Schools	335,165	197,977	282,713	244,844	318,211	693,235	837,385	1,112,278	1,682,457	2,099,058
Refunding Bond Costs					235,784					
Total Expenditures	56,520,633	61,882,833	61,369,824	64,208,061	66,170,654	66,578,205	68,331,156	73,047,568	78,184,110	78,777,031

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Excess/(Deficiency) Of Revenues										
Over/(Under) Expenditures	\$ 3,405,795	\$ (262,469)	\$ (449,576)	\$ (875,513)	\$ (1,451,442)	\$ (479,021)	\$ 1,587,129	\$ 396,792	\$ (877,522)	\$ 2,191,348
Other Financing Sources/(Uses):										
Refunding Bond Proceeds					8,230,000					
Bonds Refunded					(9,015,000)					
Transfers In	84,859									97,377
Transfers Out						1,020,784				(97,377)
Original Issue Premium				(21,731)			(275,836)			
Accounts Receivable Canceled	84,859			(21,731)	235,784		(275,836)			
Total Other Financing Sources/(Uses)	\$ 3,490,654	\$ (262,469)	\$ (449,576)	\$ (897,244)	\$ (1,215,658)	\$ (479,021)	\$ 1,311,292	\$ 396,792	\$ (877,522)	\$ 2,191,348
Net Change In Fund Balances										
	2.95%	2.31%	2.27%	2.11%	1.96%	1.73%	1.68%	1.60%	1.53%	1.47%
Debt Service As A Percentage Of Noncapital Expenditures										

Source: North Plainfield Borough School District Financial Reports

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition/ Transportation	Rentals- Use of Facilities	Prior Year Refunds	Other	Total
2012	\$ 11,494		\$ 4,738		\$ 97,577	\$ 113,809
2013	9,937	\$ 10,415	3,335		95,288	118,975
2014	8,339	58,547	7,058		59,777	133,721
2015	9,040	89,343	1,030		75,592	175,005
2016	7,502	87,353	3,028		42,831	140,715
2017	4,662	44,277	4,938		92,854	146,731
2018	15,439	61,080	890	\$ 196,309	118,017	391,735
2019	48,736	34,537	1,870	26,028	174,267	285,438
2020	69,141	117,470		90,826	682,777	960,213
2021	7,361			264,027	52,687	324,075

Source: North Plainfield Borough School District records.

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

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2012	\$ 6,147,300	\$ 1,279,108,200	\$ 271,910,950	\$ 4,088,200	\$ 143,321,400	\$ 1,704,576,050	\$ 1,369,144	\$ 1,705,945,194	\$ 1.69	\$ 1,733,539,176
2013	10,333,000	1,263,488,050	259,264,850	4,088,200	141,494,600	1,678,668,700	1,493,116	1,680,161,816	1.72	1,595,175,642
2014	9,111,700	1,208,703,900	238,015,050	4,088,200	139,466,800	1,599,385,650	1,465,085	1,600,850,735	1.85	1,525,892,589
2015	9,025,800	1,170,988,400	244,737,950	3,372,200	133,095,800	1,561,220,150	1,509,198	1,562,729,348	1.92	1,497,196,545
2016	* 9,536,600	1,136,956,500	239,733,650	3,372,200	132,558,200	1,522,157,150	1,523,482	1,523,680,632	2.01	1,530,468,311
2017	8,871,400	1,110,342,200	236,755,950	2,420,000	131,265,600	1,489,655,150	1,502,574	1,491,157,724	2.10	1,545,136,858
2018	8,940,400	1,103,754,700	237,146,350	1,120,000	212,032,900	1,562,994,350	1,426,277	1,564,420,627	2.03	1,585,062,848
2019	8,230,800	1,106,584,400	237,945,000	1,120,000	207,326,900	1,561,207,100	1,519,083	1,562,726,183	2.06	1,650,676,409
2020	7,648,200	1,109,502,900	232,276,800	1,120,000	203,776,700	1,554,324,600	1,310,719	1,555,635,319	2.17	1,815,776,148

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.

Reassessment occurs when ordered by the 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 of assessed valuation.

* A revaluation occurred in this year.

Source: Borough Tax Assessor.

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

Year Ended December 31,	North Plainfield Borough School District						Total Direct and Overlapping Tax Rate
	Direct Rate			Overlapping Rates			
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of North Plainfield	Somerset County		
2012	\$ 1.60	\$ 0.09	\$ 1.69	\$ 0.95	\$ 0.35	\$ 2.99	
2013	1.64	0.08	1.72	1.05	0.35	3.12	
2014	1.77	0.08	1.85	1.07	0.36	3.28	
2015	1.84	0.08	1.92	1.15	0.37	3.44	
2016	* 1.92	0.08	2.01	1.20	0.38	3.59	
2017	2.01	0.09	2.10	1.28	0.40	3.78	
2018	1.96	0.07	2.03	1.28	0.42	3.73	
2019	2.00	0.07	2.06	1.33	0.42	3.81	
2020	2.10	0.07	2.17	1.36	0.45	3.99	

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

a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

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

* A revaluation occurred in this year.

Source: Borough Tax Collector and School Business Administrator.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2020		2011		Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer					
SDK Greenbrook Gardens, LLC		\$ 62,000,000	3.97%	SDK Greenbrook Gardens, LLC	\$ 37,515,000	1.78%			
H&W Gardens		23,760,000	1.52%	H&W Gardens	15,065,100	0.71%			
Cypress Gardens Apts Inc.		23,540,000	1.51%	Cypress Gardens Apts Inc.	18,006,200	0.85%			
North Plainfield UE, LLC 203.01/1.01		21,100,000	1.35%	Vornado, Inc.	42,800,000	2.03%			
North Plainfield UE, LLC 203.01/1.02		20,000,000	1.28%	Global Motors	13,459,600	0.64%			
Fieldstone Northwood, LLC		16,080,000	1.03%	Levin Properties	8,737,700	0.41%			
Global Motors		10,850,000	0.69%	William P Vince Trust	15,146,200	0.72%			
Greenwood Garden Apartments		9,840,000	0.63%	Home Properties	11,700,000	0.55%			
PP Watchung Investors, LLC		9,750,000	0.62%	Wm Crystal Ridge	11,492,300	0.54%			
Levin Properties		9,460,000	0.61%	North Drive Arms	8,356,000	0.40%			
Total		\$ 206,380,000	13.21%	Total	\$ 182,278,100	8.64%			

Note: A revaluation occurred in 2016.

Source: Borough Tax Assessor.

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 28,991,748	\$ 28,991,748	100.00%	\$ - 0 -
2013	28,703,190	28,703,190	100.00%	- 0 -
2014	29,263,053	29,263,053	100.00%	- 0 -
2015	29,779,840	29,779,840	100.00%	- 0 -
2016	30,325,918	30,325,918	100.00%	- 0 -
2017	30,887,194	30,887,194	100.00%	- 0 -
2018	31,648,287	31,648,287	100.00%	- 0 -
2019	31,870,038	31,870,038	100.00%	- 0 -
2020	32,589,325	32,589,325	100.00%	- 0 -
2021	32,600,978	29,885,193	100.00%	2,715,785

- a. 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.

Source: North Plainfield Borough School District records including the Certificate & Report of School Taxes.

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases			
2012	\$ 13,795,000	\$ 193,814	\$ 13,988,814	0.90%	\$ 641
2013	13,025,000	112,212	13,137,212	0.80%	601
2014	12,225,000	27,402	12,252,402	0.72%	562
2015	11,425,000		11,425,000	0.63%	525
2016	9,825,000		9,825,000	0.51%	454
2017	8,995,000		8,995,000	0.45%	416
2018	8,190,000		8,190,000	0.38%	380
2019	7,325,000		7,325,000	0.32%	341
2020	6,440,000		6,440,000	0.27%	302
2021	5,520,000		5,520,000	0.24%	260

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

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

Source: North Plainfield Borough School District Financial Reports

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	\$ 13,795,000	\$ - 0 -	\$ 13,795,000	0.60%	\$ 632
2013	13,025,000	- 0 -	13,025,000	0.76%	596
2014	12,225,000	- 0 -	12,225,000	0.73%	561
2015	11,425,000	- 0 -	11,425,000	0.71%	525
2016	9,825,000	- 0 -	9,825,000	0.63%	454
2017	8,995,000	- 0 -	8,995,000	0.59%	416
2018	8,190,000	- 0 -	8,190,000	0.55%	380
2019	7,325,000	- 0 -	7,325,000	0.47%	341
2020	6,440,000	- 0 -	6,440,000	0.41%	302
2021	5,520,000	- 0 -	5,520,000	0.35%	260

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

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: North Plainfield Borough School District Financial Reports

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020
UNAUDITED

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable ^a</u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Debt Repaid With Property Taxes			
North Plainfield Borough	\$ 19,572,000	100.00%	\$ 19,572,000
Somerset County - General Obligation Debt	228,271,943	2.73%	6,231,824
Somerset County - Improvement Authority Debt	144,978,357	2.73%	3,957,909
Subtotal, Overlapping Debt			<u>29,761,733</u>
North Plainfield Borough School District Direct Debt			<u>5,520,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 35,281,733</u></u>

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 that is borne by the residents and businesses of Borough of North 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 unit.

- ^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of North Plainfield Borough's equalized property value that is within the Somerset County's boundaries and dividing it by Somerset County's total equalized property value.

Sources: Assessed value data used to estimate applicable percentages provided by the Morris County Board of Taxation; debt outstanding data provided by each governmental unit.

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 71,222,771	\$ 68,040,289	\$ 64,674,285	\$ 61,519,166	\$ 60,654,534	\$ 60,910,719	\$ 62,101,804	\$ 63,685,650	\$ 67,351,191	\$ 71,703,174
Total Net Debt Applicable to Limit	13,795,000	13,025,000	12,225,000	11,425,000	9,825,000	8,995,000	8,190,000	7,325,000	6,440,000	5,520,000
Legal Debt Margin	<u>\$ 57,427,771</u>	<u>\$ 55,015,289</u>	<u>\$ 52,449,285</u>	<u>\$ 50,094,166</u>	<u>\$ 50,829,534</u>	<u>\$ 51,915,719</u>	<u>\$ 53,911,804</u>	<u>\$ 56,360,650</u>	<u>\$ 60,911,191</u>	<u>\$ 66,183,174</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	19.37%	19.14%	18.90%	18.57%	16.20%	14.77%	13.19%	11.50%	9.56%	7.70%
<u>Legal Debt Margin Calculation for Fiscal Year 2021</u>										
Equalized Valuation Basis	North Plainfield Borough									
2020	<u>\$1,909,958,958</u>									
2019	<u>1,818,528,946</u>									
2018	<u>1,649,250,132</u>									
	<u>\$5,377,738,036</u>									
Average Equalized Valuation of Taxable Property	<u>\$1,792,579,345</u>									
Debt Limit (4% of average equalization value)	<u>\$ 71,703,174</u>									
Net Bonded School Debt as of June 30, 2021	<u>5,520,000</u>									
Legal Debt Margin	<u>\$ 66,183,174</u>									

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

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

Year	Population ^a	Somerset County Per Capita Personal Income ^c	Personal Income ^b	Unemployment Rate ^d
2012	21,841	\$ 75,156	\$ 1,641,482,196	10.10%
2013	21,807	78,451	1,710,780,957	7.40%
2014	21,750	83,429	1,814,580,750	5.90%
2015	21,654	88,447	1,915,231,338	5.30%
2016	21,608	92,514	1,999,042,512	4.60%
2017	21,536	99,189	2,136,134,304	4.40%
2018	21,488	105,161	2,259,699,568	3.90%
2019	21,349	109,916	2,346,596,684	3.60%
2020	21,246	109,916 *	2,335,275,336 ***	9.60%
2021	21,246 **	109,916 *	2,335,275,336 ***	N/A

* - Latest Somerset County per capita personal income available (2019) was used for calculation purposes.

** - Latest population data available (2020) was used for calculation purposes.

*** - Latest available population data (2020) and latest available Somerset County per capita personal income (2019) was used for calculation purposes.

N/A - Information Unavailable

Sources:

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income has been estimated based upon the municipal population and per capita personal income presented

c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

d Unemployment data provided by the NJ Dept of Labor and Workforce Development

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - COUNTY OF SOMERSET
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2020		2011			
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
AT&T	4,100	N/A	AT&T	3,000	N/A
Janssen Pharmaceuticals, Inc.	1,800	N/A	Verizon Wireless	930	N/A
The Chubb Corporation	1,800	N/A	Dendrite	700	N/A
Johnson and Johnson Pharmaceuticals	1,700	N/A	Fiddler's Elbow Country Club	210	N/A
Bloomberg	1,380	N/A	Trump National	400	N/A
Ethicon, Inc.	1,100	N/A	Falrion Technologies	200	N/A
E-Z Go	1,050	N/A	Hamilton Farms	175	N/A
Personal Products Company (J&J)	1,000	N/A	Kings	120	N/A
Orth Clinical Diagnostics	1,000	N/A	Bedminster Township Board of Education	100	N/A
Hooper Homes Inc.	900	N/A	Loral Skynet	80	N/A
Total	<u>15,830</u>			<u>5,915</u>	

N/A - Total amount of Employment is not available in order to do the percentage calculation

Source: Somerset County Treasurer's Office.

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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction:										
Regular	270.0	238.0	293.0	258.0	240.0	236.0	239.0	242.0	245.0	247.0
Special Education	71.0	54.0	70.0	59.0	76.0	76.0	76.0	78.0	80.0	67.0
Support Services:										
Student & Instruction Related Services	49.0	50.0	48.0	48.0	39.0	41.0	42.0	42.0	42.0	42.0
General Administrative Services	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0
School Administrative Services	18.0	20.0	24.0	24.0	24.0	22.0	22.0	22.0	22.0	22.0
Business Administrative Services	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	4.0	4.0
Plant Operations and Maintenance	39.0	38.0	43.0	39.0	38.0	37.0	37.0	37.0	37.0	37.0
Pupil Transportation	6.0	6.0	7.0	6.0	6.0	6.0	4.0	4.0	4.0	4.0
Total	462.0	415.0	494.0	443.0	433.0	427.0	429.0	434.0	440.0	429.0

Source: North Plainfield Borough School District Personnel records.

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle				
2012	3,316	\$ 53,083,151	\$ 16,008	1.19%	292	142	150	3,256	3,117	4.69%	95.73%
2013	3,322	55,992,069	16,855	5.29%	292	142	150	3,199	3,058	-1.75%	95.59%
2014	3,344	57,044,425	17,059	1.21%	293	145	148	3,255	3,117	1.75%	95.76%
2015	3,332	59,803,351	17,948	5.21%	317	146	171	3,287	3,141	0.98%	95.56%
2016	3,383	63,022,205	18,629	3.79%	316	146	170	3,292	3,141	0.15%	95.41%
2017	3,325	64,683,579	19,454	4.43%	314	152	162	3,181	3,036	-3.37%	95.44%
2018	3,371	65,354,691	19,387	-0.34%	315	153	162	3,221	3,076	1.26%	95.50%
2019	3,398	70,129,555	20,638	6.45%	320	154	166	3,244	3,092	0.71%	95.31%
2020	3,379	73,390,673	21,720	5.24%	315	155	160	3,315	3,208	2.19%	96.77%
2021	3,310	76,583,646	23,137	6.53%	320	176	149	3,310	3,054	-0.15%	92.27%

Note: Enrollment based on annual October district count.

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

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

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

d The cost per pupil calculated above is the sum of operating enrollment divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

Source: North Plainfield Borough School District records.

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

District Building	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
High School										
Square Feet	230,788	230,788	230,788	230,788	230,788	230,788	230,788	230,788	230,788	230,788
Capacity (students)	2,184	2,184	2,184	2,184	2,184	2,184	2,184	2,184	2,184	2,184
Enrollment	1,472	1,476	1,462	1,438	1,472	1,484	1,484	1,648	1,657	1,617
East End Elementary										
Square Feet	54,900	54,900	54,900	54,900	54,900	54,900	54,900	54,900	54,900	54,900
Capacity (students)	616	616	616	616	616	616	616	616	616	616
Enrollment	457	463	483	454	454	456	516	423	426	454
Stony Brook Elementary										
Square Feet	29,300	29,300	29,300	29,300	29,300	29,300	29,300	29,300	29,300	29,300
Capacity (students)	392	392	392	392	392	392	392	392	392	465
Enrollment	267	263	268	252	243	246	306	272	254	247
West End Elementary										
Square Feet	60,020	60,020	60,020	60,020	60,020	60,020	60,020	60,020	60,020	60,020
Capacity (students)	728	728	728	728	728	728	728	728	728	728
Enrollment	594	592	602	554	531	533	533	525	500	496
Harrison School										
Square Feet	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600
Capacity (students)	84	84	84	84	84	84	84	84	84	84
Enrollment	25	21	23	18	27	13	13	34	13	30
Somerset School										
Square Feet	87,589	87,589	87,589	87,589	87,589	87,589	87,589	87,589	87,589	87,589
Capacity (students)	672	672	672	672	672	672	672	672	672	672
Enrollment	458	459	440	515	517	519	519	496	505	448
Watchung School										
Square Feet	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700
Capacity (students)	18	18	18	18	18	18	18	18	18	18
Enrollment	18	18	18	18	18	18	18	18	18	18

Number of Schools at June 30, 2021:
Elementary/Middle/High School = 7

Source: North Plainfield Borough School District Facilities Office.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

Undistributed Expenditures - Required Maintenance For School Facilities

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>School Facilities*</u>										
High School	\$ 306,857	\$ 271,847	\$ 291,000	\$ 281,453	\$ 405,129	\$ 321,210	\$ 331,321	\$ 454,787	\$ 617,853	\$ 322,496
East End Elementary	152,654	120,529	189,000	134,708	110,515	141,300	127,800	172,090	238,382	124,426
Stony Brook Elementary	85,254	97,007	106,000	115,752	61,171	106,000	106,800	136,890	134,932	70,429
West End Elementary	135,000	121,448	189,000	141,023	160,458	151,300	132,000	176,500	183,359	95,706
Harrison School	58,785	60,841	89,000	63,801	38,244	90,000	104,250	134,212	143,720	75,016
Somerset School	123,698	124,263	135,000		147,086	140,193	134,500	165,975	172,532	90,055
Watching School	12,067	26,729	11,026	23,739	6,725	24,000	29,730	36,424	59,430	31,020
Total School Facilities	\$ 874,315	\$ 822,664	\$ 1,010,026	\$ 760,476	\$ 929,328	\$ 974,003	\$ 966,401	\$ 1,276,878	\$ 1,550,208	\$ 809,148

* School facilities as defined under EFCFA. (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: North Plainfield Borough School District records.

BOROUGH OF NORTH PLAINFIELD SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Diploma Joint Insurance Group		
Property - Blanket Building & Contents - fund limit	\$500,000,000	\$5,000
Comprehensive General Liability (Aggregate)	5,000,000	
Comprehensive Automobile Liability	5,000,000	1,000
Comprehensive Crime Coverage - Loss inside/outside	50,000	1,000
Comprehensive Crime Coverage - Employee Theft	500,000 per loss	1,000
Boiler and Machinery - Property Damage	100,000,000	
Student Accident Insurance - Life Ins. Co. - No. America	25,000	2,500
School Leader Professional Liability	5,000,000	15,000
Umbrella Liability - Diploma Joint Insurance Fund - Excess	5,000,000	
Allied World (Unshared Limit)	10,000,000	
Hudson (Unshared Limit)	10,000,000	
Evanston (Unshared Limit)	10,000,000	
Excess Umbrella Liability - Fireman's Fund (Shared Limit)	25,000,000	
Position Bond - Selective Ins. Co.	25,000	
Board Secretary	350,000	
Treasurer of School Monies		
Flood Insurance - Selective Insurance Company	500,000	5,000

Source: North Plainfield Borough School District records.

SINGLE AUDIT SECTION



200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973.298.8500

11 Lawrence Road
Newton, NJ 07860
973.383.6699

nisivoccia.com

Independent Member
BKR International

Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the 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 the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the North Plainfield Borough School District, in the County of Somerset (the "District") as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 13, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 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.

Our consideration of the 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.

The Honorable President and Members
of the Board of Education
North Plainfield Borough School District
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mount Arlington, New Jersey
December 13, 2021

Nisivoccia, LLP
NISIVOCCIA LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant



200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973.298.8500

11 Lawrence Road
Newton, NJ 07860
973.383.6699

nisivoccia.com

Independent Member
BKR International

Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the North Plainfield Borough School District's (the "District's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 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 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 District's compliance.

The Honorable President and Members
of the Board of Education
North Plainfield Borough School District
Page 2

Opinion on Each Major Federal and State Program

In our opinion, the 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 program for the fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the 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 the 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 NJOMB 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 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 or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey
December 13, 2021

Nisivoccia, LLP

NISIVOCCIA LLP

Kathryn L. Mantell

Kathryn L. Mantell

Licensed Public School Accountant #884

Certified Public Accountant

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2020			Balance at June 30, 2021			
			From	To		Budgetary (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	Cash Received	Budgetary Expenditures	Budgetary (Accounts Receivable)	Due to Grantor
U.S. Department of Agriculture -												
Passed-through State Department of Education:												
Child Nutrition Cluster:												
Food Distribution Program	10.555	N/A	7/1/20	6/30/21	\$ 46,179				\$ 46,179	\$ (43,056)		\$ 3,123
Food Distribution Program	10.555	N/A	7/1/19	6/30/20	132,040			\$ 14,442		(14,442)		
COVID-19 - Seamless Summer Option	10.555	N/A	7/1/20	6/30/21	853,931				736,690	(853,931)		\$(117,241)
COVID-19 - Seamless Summer Option	10.555	N/A	3/1/20	6/30/20	42,047			\$(17,135)	17,135			
Total Enterprise Fund						(17,135)	14,442		800,004	(911,429)	(117,241)	3,123
Total U.S. Department of Agriculture/Enterprise Fund						(17,135)	14,442		800,004	(911,429)	(117,241)	3,123
U.S. Department of Health and Human Services -												
Passed-through State Department of Human Services:												
General Fund:												
Medicaid Cluster:												
COVID 19 - Medicaid Assistance Program - Families First												
Coronavirus Response Act (FFCRA)	93.778	N/A	7/1/20	6/30/21	9,888				9,888	(9,888)		
Medical Assistance Program (SEMI)	93.778	N/A	7/1/20	6/30/21	122,001				122,001	(122,001)		
Total U.S. Department of Health and Human Services									131,889	(131,889)		
U.S. Department of Treasury -												
Passed-through State Department of Education:												
Special Revenue Fund:												
COVID 19 - Coronavirus Relief Fund	21.019	N/A	3/1/20	12/30/20	361,497				361,497	(298,361)		63,136
Total U.S. Department of Treasury									361,497	(298,361)		63,136
U.S. Department of Education -												
Passed-through State Department of Education:												
Education Stabilization Fund:												
COVID 19 - CARES Emergency Relief	84.425D	CARES367022	3/13/20	9/30/22	568,957	(47,952)			368,001	(481,580)	(161,531)	
COVID 19 - Digital Divide	84.425D	S425D213670	7/16/20	10/31/20	34,657				34,642	(34,631)		11
Education Stabilization Fund Total						(47,952)			402,643	(516,211)	(161,531)	11
Special Education Cluster:												
I.D.E.A. Part B, Basic Regular	84.027	IDEA-3670-21	7/1/20	9/30/21	925,265				682,443	(803,901)	(121,458)	
I.D.E.A. Part B, Basic Regular	84.027	IDEA-3670-20	7/1/19	9/30/20	868,380	(48,531)			48,531			
I.D.E.A. Part B, Preschool	84.173	IDEA-3670-21	7/1/20	9/30/21	20,229					(13,112)	(13,112)	
Special Education Cluster Total						(48,531)			730,974	(817,013)	(134,570)	

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2020			Balance at June 30, 2021			Amount Provided to Subrecipients	
			From	To		Budgetary (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	Cash Received	Budgetary Expenditures	Budgetary (Accounts Receivable)		Due to Grantor
U.S. Department of Education -													
Passed-through State Department of Education:													
Special Revenue Fund:													
Elementary and Secondary Education Act:													
Title I	84.010A	ESEA-3670-21	7/1/20	9/30/21	728,019				\$ 419,944	\$ (728,019)	\$ (308,075)		
Title I	84.010A	ESEA-3670-20	7/1/19	9/30/20	672,605	\$ (16,549)			16,549	(728,019)	(308,075)		
Total Title I						(16,549)			436,493	(13,366)	(2,846)		
Title I - SIA Part A	84.010A	ESEA-3670-21	7/1/20	9/30/21	17,685				10,520	(13,366)	(2,846)		
Title I - SIA Part A	84.010A	ESEA-3670-20	7/1/19	9/30/20	15,560				10,520	(127,207)	(56,388)		
Total Title I - SIA Part A									70,819	(127,207)	(56,388)		
Title IIA	84.367A	ESEA-3670-21	7/1/20	9/30/21	127,207				70,819	(127,207)	(56,388)		
Title IIA	84.367A	ESEA-3670-20	7/1/19	9/30/20	125,555				70,819	(127,207)	(56,388)		
Total Title II									70,819	(127,207)	(56,388)		
Title III	84.365A	ESEA-3670-21	7/1/20	9/30/21	109,676				29,344	(109,676)	(80,332)		
Title III	84.365A	ESEA-3670-20	7/1/19	9/30/20	99,097	(3,631)			3,631	(109,676)	(80,332)		
Total Title III						(3,631)			32,975	(109,676)	(80,332)		
Title III Immigrant	84.365A	ESEA-3670-21	7/1/20	9/30/21	40,840				6,475	(37,619)	(31,144)		
Title III Immigrant	84.365A	ESEA-3670-20	7/1/19	9/30/20	27,185	(3,069)			3,069	(37,619)	(31,144)		
Total Title III - Immigrant						(3,069)			9,544	(12,917)	(12,917)		
Title IV	84.365A	ESEA-3670-21	7/1/20	9/30/21	69,861	(13,859)			13,859	(12,917)	(12,917)		
Title IV	84.365A	ESEA-3670-20	7/1/19	9/30/20	43,586	(13,859)			13,859	(12,917)	(12,917)		
Total Title IV						(37,108)			574,210	(1,028,804)	(491,702)		
Elementary and Secondary Education Act Total													
Vocational Education:													
Perkins Secondary Application	84.048A	PERK367021	7/1/20	6/30/21	27,030				10,550	(25,727)	(15,177)		
Perkins Secondary Application	84.048A	PERK367020	7/1/19	6/30/20	29,187	(2,450)			2,450				
Vocational Education Cluster Total						(2,450)			13,000	(25,727)	(15,177)		
Total Special Revenue Fund						(136,041)			2,082,324	(2,686,116)	(802,980)	63,147	
Total U.S. Department of Education/Special Revenue Fund						(136,041)			2,082,324	(2,686,116)	(802,980)	63,147	
TOTAL FEDERAL AWARDS						\$ (153,176)	\$ - 0 -	\$ - 0 -	\$ 3,375,714	\$ (3,729,434)	\$ (920,221)	\$ 126,283	\$ - 0 -

N/A - Not Available/Applicable.

SEE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Project Number	Grant Period From To	Program or Award Amount	Balance at July 1, 2020			Balance at June 30, 2021			MEMO				
				Budgetary (Accounts Receivable)	Unearned Revenue	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	GAAP (Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
State Department of Education:														
General Fund:														
Equalization Aid	20-495-034-5120-078	7/1/19 6/30/20	\$ 25,926,838	\$ (2,548,540)		\$ 2,548,540	\$ 2,548,540					\$ 25,926,838		
Special Education Categorical Aid	20-495-034-5120-089	7/1/19 6/30/20	1,172,772	(218,440)		218,440	218,440					1,172,772		
Categorical Security Aid	20-495-034-5120-084	7/1/19 6/30/20	1,337,265	(131,575)		131,575	131,575					1,337,265		
Categorical Transportation Aid	20-495-034-5120-014	7/1/19 6/30/20	283,570	(30,978)		30,978	30,978					283,570		
Extraordinary Special Education Costs Aid	20-495-034-5120-044	7/1/19 6/30/20	400,947	(400,947)		400,947	400,947					400,947		
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19 6/30/20	2,002,915	(100,256)		100,256	100,256					2,002,915		
Equalization Aid	21-495-034-5120-078	7/1/20 6/30/21	27,425,606			27,425,606						27,425,606		
Special Education Categorical Aid	21-495-034-5120-089	7/1/20 6/30/21	2,219,988			2,219,988						2,219,988		
Categorical Security Aid	21-495-034-5120-084	7/1/20 6/30/21	1,337,265			1,337,265						1,337,265		
Categorical Transportation Aid	21-495-034-5120-014	7/1/20 6/30/21	314,548			314,548						314,548		
Extraordinary Special Education Costs Aid	21-495-034-5120-044	7/1/20 6/30/21	493,878			493,878						493,878		
Non-Public Transportation Aid	21-495-034-5120-014	7/1/20 6/30/21	21,750			21,750						21,750		
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20 6/30/21	2,124,978			2,124,978						2,124,978		
On-Behalf TPAF Post Retirement Contributions	21-495-034-5094-001	7/1/20 6/30/21	2,172,725			2,172,725						2,172,725		
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20 6/30/21	6,803,650			6,803,650						6,803,650		
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20 6/30/21	129,448			129,448						129,448		
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20 6/30/21	5,432			5,432						5,432		
Total General Fund State Aid				(3,430,736)		42,758,018			(43,049,268)		(622,028)		74,173,575	
Special Revenue Fund:														
NJ Nonpublic Aid:														
Textbook Aid (Chapter 194)	20-100-034-5120-064	7/1/19 6/30/20	6,062				\$ 4,041	\$ 4,041						
Textbook Aid (Chapter 194)	21-100-034-5120-064	7/1/20 6/30/21	6,292									\$ 700		
Nursing Services (Chapter 226)	20-100-034-5120-070	7/1/19 6/30/20	11,155				7,907	7,907				(5,592)		
Nursing Services (Chapter 226)	21-100-034-5120-070	7/1/20 6/30/21	10,506									(7,907)		
Technology Initiative	20-100-034-5120-373	7/1/19 6/30/20	4,140				561	561				(561)		
Security Aid	20-495-034-5120-509	7/1/19 6/30/20	10,650				1,802	1,802				(1,802)		
Security Aid	21-495-034-5120-509	7/1/20 6/30/21	18,025									(9,907)		
Auxiliary Services (Chapter 192):														
Compensatory Education	20-100-034-5120-067	7/1/19 6/30/20	5,678				4,215	4,215				(4,215)		
Compensatory Education	21-100-034-5120-067	7/1/20 6/30/21	3,048									(3,048)		
English as a Second Language	20-100-034-5120-067	7/1/19 6/30/20	414				414	414				(414)		
Handicapped Services (Chapter 193):														
Supplementary Instruction	20-100-034-5120-066	7/1/19 6/30/20	3,238				1,619	1,619				(1,619)		
Supplementary Instruction	21-100-034-5120-066	7/1/20 6/30/21	2,834									(2,671)		
Examination and Classification	20-100-034-5120-066	7/1/19 6/30/20	5,016				3,344	3,344				(3,344)		
Examination and Classification	21-100-034-5120-066	7/1/20 6/30/21	5,943									(4,271)		
Corrective Speech	20-100-034-5120-066	7/1/19 6/30/20	4,557				3,190	3,190				(3,190)		
Corrective Speech	21-100-034-5120-066	7/1/20 6/30/21	911									(456)		
State Department of Education:														
Preschool Education Aid	20-495-034-5062-086	7/1/19 6/30/20	2,640,225									(224,435)		
Preschool Education Aid	21-495-034-5062-086	7/1/20 6/30/21	2,683,158				2,407,751	2,407,751				(2,480,371)		
Total Special Revenue Fund				(266,174)		224,435		27,093	2,721,484		(275,407)		202,787	
												15,824	43,601	

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Project Number	Grant Period From To	Program or Award Amount	Balance at July 1, 2020			Repayment of Prior Years' Balances	Balance at June 30, 2021			MEMO Cumulative Total Expenditures
				Budgetary (Accounts Receivable)	Unearned Revenue	Due to Grantor		GAAP (Accounts Receivable)	Deferred Revenue	Due to Grantor	
Enterprise Fund:											
COVID-19 Seamless Summer Option	21-100-010-3350-002	7/1/20 6/30/21	\$ 27,347	\$ (4,914)	\$ 22,246	\$ (27,348)	\$ (5,102)	\$ (5,102)	\$ (5,102)	\$ (5,102)	
COVID-19 Seamless Summer Option	20-100-010-3350-002	7/1/19 6/30/20	18,485	4,914							
Total Enterprise fund				(4,914)	27,160	(27,348)	(5,102)	(5,102)		(5,102)	
Total State Awards Subject to Single Audit Determination				\$ (3,701,824)	\$ 45,506,662	\$ (45,813,157)	\$ (27,093)	\$ (902,537)	\$ 202,787	\$ 15,824	\$ (3,727,088)
Less: State Awards Not Subject to Single Audit Major Program Determination											
On-Behalf TPAF Pension System Contributions:											
On-Behalf TPAF Post Retirement Contributions	21-495-034-5094-001	7/1/20 6/30/21	(2,172,725)			2,172,725					
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20 6/30/21	(6,803,650)			6,803,650					
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20 6/30/21	(129,448)			129,448					
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20 6/30/21	(5,432)			5,432					
Subtotal - On-Behalf TPAF Pension System Contributions						9,111,255					
Total State Awards Subject to Single Audit Major Program Determination						\$ (36,701,902)					

SEE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, North Plainfield Borough School District under programs of the federal and state governments for the fiscal year ended June 30, 2021. The information in these schedules is presented in accordance with the 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's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception 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 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. 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 schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related 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 except for the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last 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 the GAAP basis does not. The Special Revenue Fund also does not recognize the June state aid payments in the current year on the GAAP basis.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$170,425) for the General Fund, and (\$527,120) for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenue are reported on the Board’s basic financial statements on a GAAP basis as follows:

	<u>Federal Sources</u>	<u>State Sources</u>	<u>Total</u>
General Fund	\$ 131,889	\$ 42,878,843	\$ 43,010,732
Special Revenue Fund	2,182,202	2,713,335	4,895,537
Proprietary Fund	911,429	27,348	938,777
Total Financial Assistance	\$ 3,225,520	\$ 45,619,526	\$ 48,845,046

NOTE 5. 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 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers’ share of social security contributions for TPAF members for the fiscal year ended June 30, 2021.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on the District's compliance on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

	<u>CFDA or State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
IDEA, Part B, Basic	84.027	7/1/20-9/30/21	\$ 925,265	\$ 803,901
IDEA, Part B, Preschool	84.173	7/1/20-9/30/21	20,229	13,112
Child Nutrition Cluster:				
COVID-19 - Seamless				
Summer Option	10.555	7/1/20-6/30/21	853,931	853,931
Food Distribution Program	10.555	7/1/20-6/30/21	46,179	43,056
Food Distribution Program	10.555	7/1/19-6/30/20	132,040	14,442
<u>State:</u>				
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	27,425,606	27,425,606
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	2,219,988	2,219,988
Categorical Security Aid	21-495-034-5120-084	7/1/20-6/30/21	1,337,265	1,337,265

- The threshold used for distinguishing between Type A and Type B federal and state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for federal and state programs.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Status of Prior Year Findings:

The District had no prior year audit findings.