

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

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022**

**Annual Comprehensive
Financial Report**

of the

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT

North Plainfield, New Jersey

For the Fiscal Year Ended June 30, 2022

Prepared by

**North Plainfield Board of Education
Finance Department**

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INTRODUCTORY SECTION
(UNAUDITED)

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October 22, 2022

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

Dear Board Members:

The annual comprehensive financial report of the North Plainfield Borough School District (the "District") for the fiscal year ended June 30, 2022, 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 annual comprehensive 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 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 2021-2022 fiscal year with an enrollment of 3,312 students, which is an increase of 2 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's total valuation increase slightly thereby leaving the tax rate slightly lower which left a slight decrease 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.

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 2021-22 school year, the Board of Education reaffirmed the following mission statement:

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

During the 2021-22 school year, the Board of Education reaffirmed the following vision statement:

We strive to meet our students where they are, and grow them to be successful as people when they leave our doors.

To coincide with the mission and vision statement, the Board of Education subsequently reaffirmed its district goals and the following action steps:

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.

- Incorporate and infuse resources throughout the curricula that provides all students with opportunities to see themselves
- Utilization of school-based data teams to review student assessment progress
- Providing ongoing professional development in understanding how to utilize data to drive instruction.
- I&RS - ensure staff are trained with strategies and interventions that increase tier 1 classroom supports

Safe & Efficient Schools

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

- Manage and oversee capital improvement projects and plan for 22-23 projects.
- Each school will have a crisis plan audit completed
- Each school will undergo a facility audit and employ efficiency measures to reduce our environmental footprint and increase healthy school environments
- Continue professional development and implementation of Trauma-Informed practices.
- Infuse SEL lessons into curriculum and school day experiences

Communication, Trust & Community Engagement

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

- Implement Blackboard to increase communication and assess usage
- Increasing pride in school gear
- Provide virtual, in-person and printed information that focus on school programs, procedures and curriculum stakeholders.
- Translate all materials and presentations in Spanish
- Increase promotion and communication of athletics with students, parents, and the community.
- Create a joint district-borough Equity Action Plan

Recruitment & Retention of High Quality Staff

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

- Expand outreach to NJ and out of state universities/colleges for preferred qualified candidates
- Increase support for new teacher mentors
- Expand supplementary mentor program supports for new to district but not required for certification
- Offer opportunity for Spanish conversational academies for current staff

Technology

Support our staff and students in a digital environment enabled by the effective use of technology with a focus on security.

- Development of a mobile app for parents, staff and students for instant communication and information.
- Student device contracts and consent forms available online in the Genesis parent/student portal.
- Layers of filtering in our intranet environment resulting in safe internet searching and browsing.
- Training for departments to update their websites frequently so the content is always current.
- Radius servers in place to ensure secure access to our network.

Curriculum

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 - 5th grade with plans of expanding into 6th grade. Our bilingual program also continues to broaden in grades 5-8. 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 2021-2022 school year, community involvement was specifically solicited and focused in various areas that require stakeholder input and participation:

- 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.
- North Plainfield Business Association- the NPSD actively participates and interacts with area employers to support the work of the student mentorship program.
- Somerset County Business Partnership- the SCBP actively participates and interacts with area employers to support the work of the student mentorship program.

- North Plainfield Public Library Board- serves to foster an active partnership dedicated to literacy and other areas, including robotics.
- Community Forum- a monthly meeting of municipal, school, service organization and clergy centered on meeting the needs of the community.
- Municipal Alliance- community stakeholders inclusive of the schools, that place and enact activities designed to prevent substance abuse.
- 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 2021-2022 school year, in addition to many special events, parental involvement is a key part of two critical committees;

- 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
- 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.
- 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 2021-2022 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 Long Range Facilities Plan submitted to the State for approval. We have updated the District's infrastructure such as full district ventilation system. 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 classrooms as well as the High School Wrestling gymnasium as well as completing an appraisal for roof improvements for future upgrades.

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 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, Office of School 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, 2022.

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.

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,

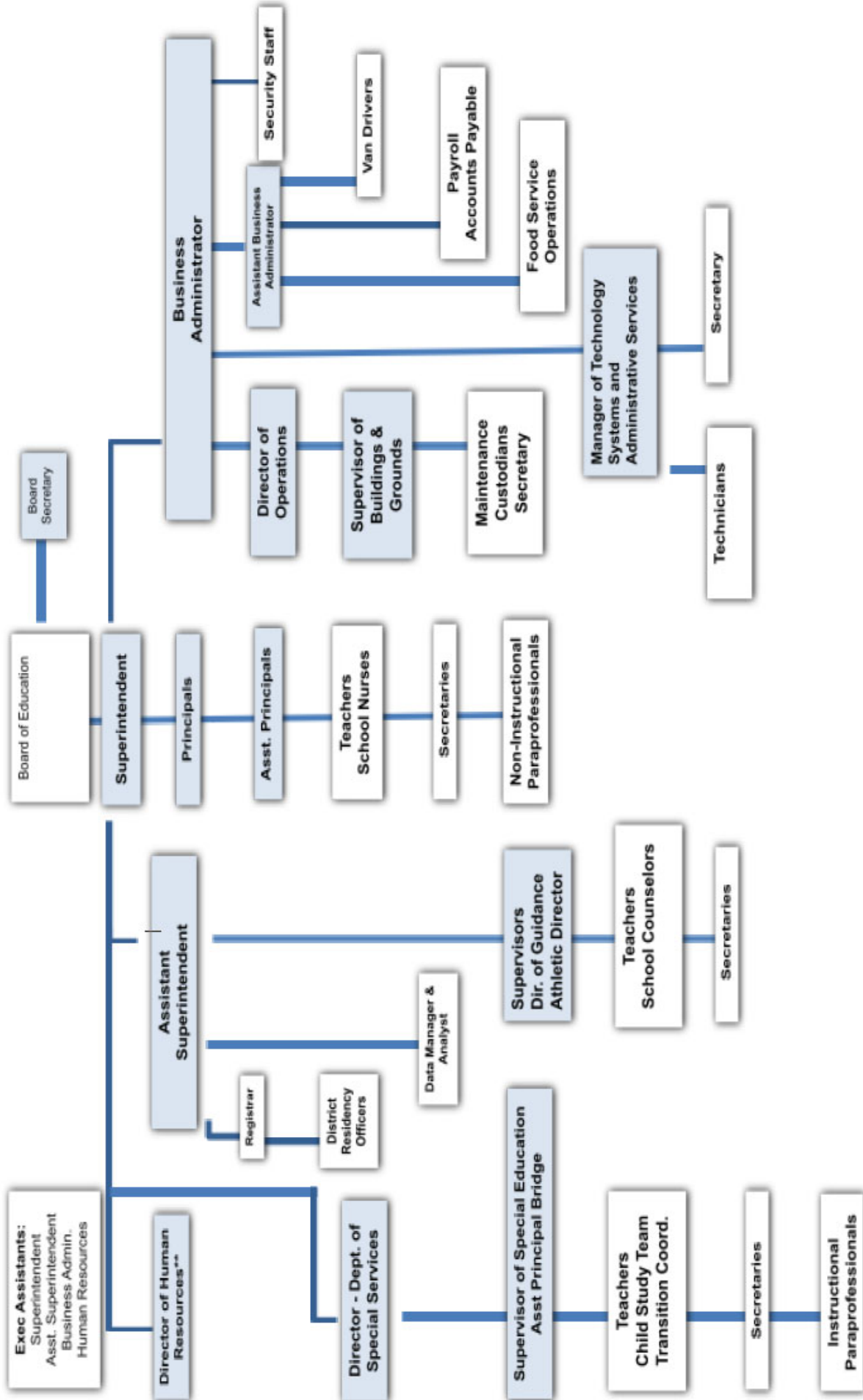


Michelle Aquino
Superintendent



Pamela Graziano
Business Administrator/Board Secretary

NORTH PLAINFIELD SCHOOL DISTRICT



**NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2022**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mark Kruszczyński, President	2022
Thomas Allen, Vice President	2022
Carlie Dougherty	2024
Isela Lopez	2024
Reginald McRae	2024
Amnet Ramos-Hernandez	2023
Willie Vick Jr.	2023

<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**

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Bonding Attorney

McManimon & Scotland
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Newark, NJ 07102

Audit Firm

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Mount Arlington, NJ 07856

Architect

Parette Somjen Architects
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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 Audit of the Financial Statements

Qualified Opinion

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2022, and the changes in financial position, and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Matter Giving Rise to Qualified Opinion

The District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 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 is the responsibility of management and, although not a part of the basic financial statements, are 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.

The Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios do not contain the June 30, 2021 OPEB information as the related GASB No. 75 report for SHBP has not been released by the State as of the date of this report. This required supplementary information is required to be presented to supplement the basic financial statements in accordance with accounting principles generally accepted in the United States of America. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary 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 supplementary information 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

The Honorable President and Members
of the Board of Education
North Plainfield Borough School District
Page 4

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2022 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 District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
October 22, 2022

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, 2022**

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, 2022. 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 North Plainfield Borough School District's Financial Report

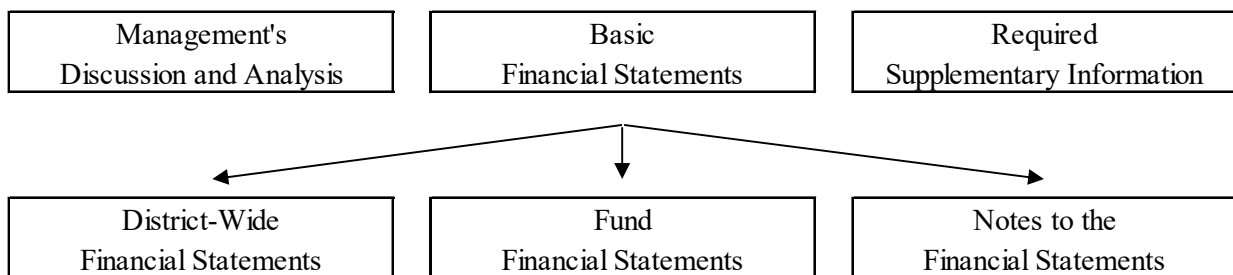


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

**NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, lease 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, 2022**

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, 2022**

- *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 \$8,223,248, or 29.41%. Net position from governmental activities increased \$7,879,117 while net position from business-type activities increased \$344,131. Net investment in capital assets increased \$1,861,701, restricted net position increased by \$1,916,134, and unrestricted net position increased \$4,445,413.

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2021/2022	2020/2021*	2021/2022	2020/2021	2021/2022	2020/2021*	2021/2022
Current and							
Other Assets	\$ 13,188,954	\$ 9,318,110	\$ 1,094,001	\$ 634,331	\$ 14,282,955	\$ 9,952,441	
Capital Assets, Net	42,781,055	41,903,368	151,435	107,421	42,932,490	42,010,789	
Total Assets	55,970,009	51,221,478	1,245,436	741,752	57,215,445	51,963,230	10.11%
Deferred Outflows of Resources	943,712	1,770,386			943,712	1,770,386	-46.69%
Other Liabilities	2,705,357	2,437,186	172,708	13,155	2,878,065	2,450,341	
Long-Term Liabilities	12,940,288	17,330,803			12,940,288	17,330,803	
Total Liabilities	15,645,645	19,767,989	172,708	13,155	15,818,353	19,781,144	-20.03%
Deferred Inflows of Resources	6,156,342	5,991,258			6,156,342	5,991,258	2.76%
Net Position:							
Net Investment in Capital Assets	38,201,055	36,383,368	151,435	107,421	38,352,490	36,490,789	
Restricted	8,672,828	6,756,694			8,672,828	6,756,694	
Unrestricted/(Deficit)	(11,762,149)	(15,907,445)	921,293	621,176	(10,840,856)	(15,286,269)	
Total Net Position	\$ 35,111,734	\$ 27,232,617	\$ 1,072,728	\$ 728,597	\$ 36,184,462	\$ 27,961,214	29.41%

* - Restated

**NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Changes in Net Position. The District's combined net position was \$36,184,462 on June 30, 2022, \$8,223,247 or 29.41% 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 and maintenance reserve. Unrestricted net position increased mainly due to an increase a decrease in the District's net PERS 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 2021/2022
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	
Revenue:							
Program Revenue:							
Charges for Services	\$ 230,316	\$ 141,335	\$ 178,149	\$ 3,746	\$ 408,465	\$ 145,081	
Grants and Contributions:							
Operating	22,929,197	23,520,637	2,508,874	938,777	25,438,071	24,459,414	
General Revenue:							
Property Taxes	32,593,078	32,589,426			32,593,078	32,589,426	
Federal and State Aid Not Restricted	34,386,104	27,408,153			34,386,104	27,408,153	
Other	292,049	331,131			292,049	331,131	
Total Revenue	<u>90,430,744</u>	<u>83,990,682</u>	<u>2,687,023</u>	<u>942,523</u>	<u>93,117,767</u>	<u>84,933,205</u>	9.64%
Expenses:							
Instruction	52,356,529	50,895,921			52,356,529	50,895,921	
Pupil and Instruction Services	12,229,381	11,930,724			12,229,381	11,930,724	
Administrative and Business	6,179,441	6,816,908			6,179,441	6,816,908	
Maintenance and Operations	6,799,920	7,201,631			6,799,920	7,201,631	
Transportation	2,056,683	1,520,666			2,056,683	1,520,666	
Other	2,929,673	2,954,373	2,342,893	787,691	5,272,566	3,742,064	
Total Expenses	<u>82,551,627</u>	<u>81,320,223</u>	<u>2,342,893</u>	<u>787,691</u>	<u>84,894,520</u>	<u>82,107,914</u>	3.39%
Change in Net Position	<u>\$ 7,879,117</u>	<u>\$ 2,670,459</u>	<u>\$ 344,130</u>	<u>\$ 154,832</u>	<u>\$ 8,223,247</u>	<u>\$ 2,825,291</u>	191.06%

**NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Governmental Activities

The financial position of the District has increased by \$8,223,247; 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	
	2021/2022	2020/2021	2021/2022	2020/2021
Instruction	\$ 52,356,529	\$ 50,895,921	\$ 33,190,995	\$ 30,114,976
Pupil and Instruction Services	12,229,381	11,930,724	11,273,819	11,776,144
Administrative and Business	6,179,441	6,816,908	5,210,726	5,815,406
Maintenance and Operations	6,799,920	7,201,631	5,103,423	5,811,662
Transportation	2,056,683	1,520,666	1,683,478	1,185,690
Other	2,929,673	2,954,373	2,929,673	2,954,373
	<u>\$ 82,551,627</u>	<u>\$ 81,320,223</u>	<u>\$ 59,392,114</u>	<u>\$ 57,658,251</u>

Business-Type Activities

Net position from the District's business-type activities, food service, increased by \$344,130. (Refer to Figure A-4). This was primarily due to an increase in subsidy reimbursements from the District's participation in the Seamless Summer Option Child Nutrition Program Grant 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, 2022**

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
	2021/2022	2020/2021*	2021/2022	2020/2021	2021/2022	2020/2021*	2021/2022
Site Improvements	\$ 164,078	\$ 97,984			\$ 164,078	97,984	
Buildings and Building Improvements	40,850,488	40,062,488			40,850,488	40,062,488	
Machinery and Equipment	1,766,489	1,742,896	\$ 151,435	\$ 107,422	1,917,924	1,850,318	
Total Capital Assets, Net of Depreciation	<u>\$42,781,055</u>	<u>\$41,903,368</u>	<u>\$ 151,435</u>	<u>\$ 107,422</u>	<u>\$42,932,490</u>	<u>\$42,010,790</u>	2.19%

* - Restated

The District's overall capital assets increased due to \$3,034,680 of additions offset by \$2,156,993 of annual depreciation. (More detailed information about the District's capital assets is presented in Note 7 to the financial statements.)

Long-term Liabilities

The District's Long-Term Liabilities decreased \$4,390,515, or 25.33%, – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 9 to the financial statements.)

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

	Total School District		Total Percentage Change
	2021/2022	2020/2021	2021/2022
Bonds Payable	\$ 4,580,000	\$ 5,520,000	
Bond Premium	510,392	612,471	
Net Pension Liability	7,399,038	10,667,936	
Compensated Absences Payable	450,858	530,396	
	<u>\$ 12,940,288</u>	<u>\$ 17,330,803</u>	-25.33%

**NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Long-term Liabilities

- The District paid down \$940,000 of bonds payable.
- The District's bond premium decreased by \$102,079 due to amortization.
- The District's net pension liability decreased by \$3,268,898.
- The District's liability for compensated absences decreased by a net amount of \$79,538.

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 \$7.4 million additional State Aid for the 2022-2023 School district budget. The District did receive ESSER II and ARP ESSER funding which they anticipated for 2022-23. 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 to be maintained at this level 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, 2022

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 6,705,260	\$ 886,430	\$ 7,591,690
Receivables from Federal Governments	306,098	180,937	487,035
Receivables from State Governments	647,030	3,475	650,505
Receivables from Local Governments	11,885	23,159	35,044
Other Accounts Receivable	20,504		20,504
Restricted Cash and Cash Equivalents	5,498,177		5,498,177
Capital Assets:			
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	42,781,055	151,435	42,932,490
Total Assets	55,970,009	1,245,436	57,215,445
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	943,712		943,712
Total Deferred Outflows of Resources	943,712		943,712
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	2,023,639	162,398	2,186,037
Accrued Interest Payable	68,700		68,700
Payable to Federal Government	15,958		15,958
Payable to State Government	18,961		18,961
Unearned Revenue	578,099	10,310	588,409
Noncurrent Liabilities:			
Due Within One Year	1,037,078		1,037,078
Due Beyond one Year	11,903,210		11,903,210
Total Liabilities	15,645,645	172,708	15,818,353
<u>DEFERRED INFLOW OF RESOURCES</u>			
Deferred Inflows Related to Pensions	6,156,342		6,156,342
Total Deferred Outflows of Resources	6,156,342		6,156,342
<u>NET POSITION</u>			
Net Investment in Capital Assets	38,201,055	151,435	38,352,490
Restricted for:			
Capital Projects	4,550,876		4,550,876
Debt Service	8,660		8,660
Maintenance Reserve Account	102,186		102,186
Unemployment Compensation	232,001		232,001
Student Activities	174,571		174,571
Scholarships	438,543		438,543
Excess Surplus	3,165,991		3,165,991
Unrestricted/(Deficit)	(11,762,149)	921,293	(10,840,856)
Total Net Position	\$ 35,111,734	\$ 1,072,728	\$ 36,184,462

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, 2022

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	\$ 37,020,173	\$ 33,470	\$ 12,677,115	\$ (24,309,588)		\$ (24,309,588)
Special Education	10,253,581		5,406,146	(4,847,435)		(4,847,435)
Other Special Instruction	3,586,223		908,277	(2,677,946)		(2,677,946)
Other Instruction	1,496,552		140,526	(1,356,026)		(1,356,026)
Support Services:						
Tuition	2,899,919			(2,899,919)		(2,899,919)
Student & Instruction Related Services	9,329,462	196,846	758,716	(8,373,900)		(8,373,900)
General Administrative Services	1,437,145		93,800	(1,343,345)		(1,343,345)
School Administrative Services	4,015,586		814,443	(3,201,143)		(3,201,143)
Central Services	713,326		60,472	(652,854)		(652,854)
Administration Information Technology	13,384			(13,384)		(13,384)
Plant Operations and Maintenance	6,799,920		1,696,497	(5,103,423)		(5,103,423)
Pupil Transportation	2,056,683		373,205	(1,683,478)		(1,683,478)
Transfer to Charter Schools	2,537,426			(2,537,426)		(2,537,426)
Interest on Long-Term Debt	84,646			(84,646)		(84,646)
Capital Outlay	307,601			(307,601)		(307,601)
Total Governmental Activities	82,551,627	230,316	22,929,197	(59,392,114)		(59,392,114)

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	\$ 2,342,893	\$ 178,149	\$ 2,508,874	\$	\$ 344,130	\$ 344,130
Total Business-Type Activities	2,342,893	178,149	2,508,874		344,130	344,130
Total Primary Government	\$ 84,894,520	\$ 408,465	\$ 25,438,071	\$ (59,392,114)	\$ 344,130	\$ (59,047,984)

General Revenues:

Taxes:						
Property Taxes, Levied for General Purposes, Net				31,455,778		31,455,778
Taxes Levied for Debt Service				1,137,300		1,137,300
Federal and State Aid not Restricted				34,386,104		34,386,104
Interest and Miscellaneous Revenue				116,025		116,025
Restricted Miscellaneous Revenue				176,024		176,024
Total General Revenues				67,271,231		67,271,231
Change in Net Position				7,879,117	344,130	8,223,247
Net Position - Beginning (Restated)				27,232,617	728,598	27,961,215
Net Position - Ending				\$ 35,111,734	\$ 1,072,728	\$ 36,184,462

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, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 6,537,751	\$ 158,849	\$ 8,660	\$ 6,705,260
Receivables from State Government	647,030			647,030
Receivables from Federal Government		306,098		306,098
Receivables from Other Governments	11,885			11,885
Other Accounts Receivable	20,504			20,504
Restricted Cash and Cash Equivalents	4,885,063	613,114		5,498,177
Total Assets	\$ 12,102,233	\$ 1,078,061	\$ 8,660	\$ 13,188,954
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 1,162,806	\$ 110,833		\$ 1,273,639
Payable to Federal Government		15,958		15,958
Payable to State Government		18,961		18,961
Unearned Revenue		578,099		578,099
Total Liabilities	1,162,806	723,851		1,886,657
Fund Balances:				
Restricted:				
Capital Reserve Account	4,550,876			4,550,876
Maintenance Reserve Account	102,186			102,186
Unemployment Compensation	232,001			232,001
Excess Surplus - 2023-2024	1,000,000			1,000,000
Excess Surplus - 2022-2023	2,165,991			2,165,991
Debt Service			\$ 8,660	8,660
Student Activities		174,571		174,571
Scholarships		438,543		438,543
Assigned:				
Other Purposes	557,163			557,163
Designated for Subsequent Year's Expenditures	2,331,210			2,331,210
Unassigned/(Deficit)		(258,904)		(258,904)
Total Fund Balances	10,939,427	354,210	8,660	11,302,297
Total Liabilities and Fund Balances	\$ 12,102,233	\$ 1,078,061	\$ 8,660	

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.	42,781,055
Interest on Long-Term Debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.	(68,700)
Bond issuance Premiums are reported as revenue in the governmental funds in the year the bonds are sold.	(510,392)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds	(7,399,038)
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	193,712
Deferred Inflows	(6,156,342)
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)	(5,030,858)
Net Position of Governmental Activities	\$ 35,111,734

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, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 31,455,778		\$ 1,137,300	\$ 32,593,078
Tuition	33,470			33,470
Interest Earned	5,112			5,112
Interest on Capital Reserve Funds	1,006			1,006
Restricted Miscellaneous	176,024	\$ 196,846		372,870
Unrestricted Miscellaneous	109,907	686		110,593
Total - Local Sources	31,781,297	197,532	1,137,300	33,116,129
State Sources	53,682,014	2,495,852		56,177,866
Federal Sources	101,142	3,603,284		3,704,426
Total Revenues	85,564,453	6,296,668	1,137,300	92,998,421
EXPENDITURES				
Current:				
Regular Instruction	18,706,058	5,102,108		23,808,166
Special Education Instruction	5,653,957	1,165,109		6,819,066
Other Special Instruction	2,171,231			2,171,231
Other Instruction	1,128,010			1,128,010
Support Services and Undistributed Costs:				
Tuition	2,899,919			2,899,919
Student & Instruction Related Services	6,464,318	285,668		6,749,986
General Administrative Services	1,083,096			1,083,096
School Administrative Services	2,582,751			2,582,751
Central Services	505,405			505,405
Plant Operations and Maintenance	5,510,083			5,510,083
Pupil Transportation	2,295,479			2,295,479
Allocated and Unallocated Benefits	27,202,529			27,202,529
Debt Service:				
Principal			940,000	940,000
Interest and Other Charges			197,300	197,300
Capital Outlay	2,972,624			2,972,624
Transfer of Funds to Charter Schools	2,537,426			2,537,426
Total Expenditures	81,712,886	6,552,885	1,137,300	89,403,071
Excess/(Deficit) of Revenues Over/(Under) Expenditures	3,851,567	(256,217)	- 0 -	3,595,350
OTHER FINANCING SOURCES/(USES):				
Transfers	(183,898)	183,898		
Total Other Financing Sources/(Uses)	(183,898)	183,898	- 0 -	- 0 -
Net Change in Fund Balances	3,667,669	(72,319)		3,595,350
Fund Balance—July 1	7,271,758	426,529	8,660	7,706,947
Fund Balance—June 30	<u>\$ 10,939,427</u>	<u>\$ 354,210</u>	<u>\$ 8,660</u>	<u>\$ 11,302,297</u>

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, 2022

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	3,595,350
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays related to capital assets 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 Asset Additions	\$	3,034,680
Depreciation		<u>(2,156,993)</u>
		877,687
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.		
		940,000
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.		
		102,079
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 (+).		
		10,575
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		3,268,898
Change in Deferred Outflows		(829,926)
Change in Deferred Inflows		(165,084)
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>79,538</u>
Change in Net Position of Governmental Activities (A-2)	\$	<u><u>7,879,117</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, 2022

	Business-type Activities - Enterprise Funds
	Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 886,430
Accounts Receivable:	
Federal	180,937
State	3,475
Inventory	23,159
Total Current Assets	1,094,001
Non-Current Assets:	
Capital Assets	444,067
Less: Accumulated Depreciation	(292,632)
Total Non-Current Assets	151,435
Total Assets	1,245,436
LIABILITIES:	
Current Liabilities:	
Accounts Payable - Vendors	162,398
Unearned Revenue - Prepaid Sales	6,061
Unearned Revenue - Donated Commodities	4,249
Total Current Liabilities	172,708
Total Liabilities	172,708
NET POSITION:	
Investment in Capital Assets	151,435
Unrestricted	921,293
Total Net Position	\$ 1,072,728

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, 2022

	<u>Business-type Activities - Enterprise Fund Food Service</u>
Operating Revenue:	
Charges for Services:	
Daily Sales - Non-Reimbursable Programs	\$ 178,149
Total Operating Revenue	<u>178,149</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	968,606
Cost of Sales - Non-Reimbursable Programs	68,778
Salaries, Benefits and Payroll Taxes	1,198,981
Supplies, Insurance and Other Costs	43,048
Management Fee	36,050
Depreciation	27,430
Total Operating Expenses	<u>2,342,893</u>
Operating Loss	<u>(2,164,744)</u>
Non-Operating Revenue:	
State Sources:	
COVID 19 - Seamless Summer Option	42,124
Federal Sources:	
COVID 19 - Seamless Summer Option	2,159,423
Food Distribution Program	116,327
COVID-19 - Emergency Program Cost Reimbursement	182,079
COVID-19 - P-EBT - Administrative Costs	3,063
Fresh Fruit and Vegetable Program	5,858
Total Non-Operating Revenue	<u>2,508,874</u>
Change in Net Position	344,130
Net Position - Beginning of Year	<u>728,598</u>
Net Position - End of Year	<u><u>\$ 1,072,728</u></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, 2022

	Business-type Activities - Enterprise Funds Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 178,149
Payments for Salaries	(1,198,981)
Payments to Suppliers	(905,794)
(Increase)/Decrease in Accounts Receivable	
Net Cash Used for Operating Activities	(1,926,626)
Cash Flows from Noncapital Financing Activities:	
Federal Sources	2,286,727
State Sources	43,751
Net Cash Provided by Noncapital Financing Activities	2,330,478
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(8,480)
Net Cash Used for Capital and Related Financing Activities	(8,480)
Net Increase in Cash and Cash Equivalents	395,372
Cash and Cash Equivalents, July 1	491,058
Cash and Cash Equivalents, June 30	\$ 886,430
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (2,164,744)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	27,430
Disposal of Fixed Assets (Net of Depreciation)	(62,963)
Food Distribution Program	116,327
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	(2,229)
Increase/(Decrease) in Unearned Revenue - Donated Commodities	(2,229)
(Decrease) in Accounts Payable	161,782
Net Cash Used for Operating Activities	\$ (1,926,626)

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$117,453 and \$116,327 for the fiscal year ended June 30, 2022.

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, 2022

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, 2022

(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, 2022
(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 or lease 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 or lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

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

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, 2022 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, 2022

(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	\$ 86,329,018	\$ 5,996,044
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		(23,175)
Cancellation of Prior Year Encumbrances		(24,546)
Prior Year Encumbrances		515,740
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	3,099,958	275,407
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(3,864,523)	(258,904)
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 85,564,453	\$ 6,480,566
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 81,712,886	\$ 6,084,866
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.		468,019
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 81,712,886	\$ 6,552,885

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, 2022
(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, 2022
(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, 2022.

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. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

M. 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.

N. 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, 2022.

O. 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.

P. 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.

Q. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

R. Fund Balance Appropriated:

General Fund: Of the \$10,939,427 General Fund fund balance at June 30, 2022, \$4,550,876 is restricted in the capital reserve account; \$102,186 is restricted in the maintenance reserve account; \$1,000,000 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2024; \$2,165,991 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2023; \$557,163 is assigned for encumbrances; \$232,001 is restricted for unemployment compensation; \$2,331,210 has been designated for subsequent year's expenditures and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2023 which is \$648,868 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, 2023; and \$-0- is the unassigned fund balance which is \$3,215,655 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, 2023.

Special Revenue Fund: Of the \$354,210 of fund balance in the Special Revenue Fund fund balance at June 30, 2022 of \$174,571 is restricted for student activities, \$438,543 is restricted for scholarships, and (\$258,904) 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, 2022 of \$8,660 is restricted.

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 above.

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.

U. Deficit Net Position/Fund Balance:

The District has a deficit in unrestricted net position of \$11,762,149 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 \$258,904 due to the last two state aid payments not being recognized on a GAAP basis as detailed in Note 1P. These deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

T. 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, 2022.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization 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.

U. 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, maintenance 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, 2022.

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, 2022 on the budgetary basis.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

V. 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.

W. 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.

X 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.

Y. 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, 2022

(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, 2022

(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, 2022
(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, 2022, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents					Total
		Capital Reserve	Maintenance Reserve	Unemployment Compensation	Student Activities	Scholarships	
Checking	\$ 7,591,690	\$ 4,550,876	\$ 102,186	\$ 232,001	\$ 174,571	\$ 438,543	\$ 13,089,867
	<u>\$ 7,591,690</u>	<u>\$ 4,550,876</u>	<u>\$ 102,186</u>	<u>\$ 232,001</u>	<u>\$ 174,571</u>	<u>\$ 438,543</u>	<u>\$ 13,089,867</u>

During the period ended June 30, 2022, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2022 was \$13,089,867 and the bank balance was \$14,338,471.

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, 2022
(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 LRFP.

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$ 1,877,097
Interest Earnings	1,006
Transfer by Board Resolution June 28, 2022	4,618,373
Withdrawal by Budget	<u>(1,945,600)</u>
Ending Balance, June 30, 2022	<u>\$ 4,550,876</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 LRFP. Withdrawals from the Capital Reserve Account are for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established in the amount of \$102,186 by Board resolution in June of 2022. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance.

These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes.

Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities.

If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Transfer by Board Resolution June 2022	\$ 102,186
Ending Balance, June 30, 2022	<u>\$ 102,186</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 6. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2022, the District transferred \$11,740 to the capital outlay accounts for equipment which did not require County Superintendent approval, and \$40,518 for facilities acquisitions and construction services for which the District had County Superintendent approval.

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	(Restated) Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets Being Depreciated:				
Site Improvements	\$ 211,509	\$ 75,675		\$ 287,184
Buildings and Building Improvements	67,591,937	2,665,819		70,257,756
Machinery and Equipment	2,848,342	293,186		3,141,528
Total Capital Assets Being Depreciated	70,651,788	3,034,680		73,686,468
Governmental Activities Capital Assets	70,651,788	3,034,680		73,686,468
Less Accumulated Depreciation for:				
Site Improvements	(113,525)	(9,581)		(123,106)
Buildings and Building Improvements	(27,529,449)	(1,877,819)		(29,407,268)
Machinery and Equipment	(1,105,446)	(269,593)		(1,375,039)
	(28,748,420)	(2,156,993)		(30,905,413)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 41,903,368	\$ 877,687	\$ - 0 -	\$ 42,781,055
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 527,772	\$ 8,480	\$ (92,185)	\$ 444,067
Less Accumulated Depreciation	(420,350)	(27,430)	155,148	(292,632)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 107,422	\$ (18,950)	\$ 62,963	\$ 151,435
Depreciation expense was charged to governmental functions as follows:				
Regular Instruction			\$ 1,855,971	
Special Education Instruction			13,384	
Student and Instructional Support Services			87,458	
General Administrative			44,970	
School Administrative			7,510	
Plant Operations and Maintenance			121,946	
Pupil Transportation			25,754	
			\$ 2,156,993	

NOTE 8. LEASE ASSETS

The District had no lease asset balances as of June 30, 2022.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2021</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2022</u>	<u>Due within</u> <u>One Year</u>
Serial Bonds Payable	\$ 5,520,000	\$ 940,000	\$ 4,580,000	\$ 935,000
Comensated				
Absences Payable	530,396	79,538	450,858	
Net Pension Liability	10,667,936	3,268,898	7,399,038	
Unamortized Bond				
Issuance Premium	612,471	102,079	510,392	102,078
	<u>\$ 17,330,803</u>	<u>\$ 4,390,515</u>	<u>\$ 12,940,288</u>	<u>\$ 1,037,078</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 \$408,314.

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, 2022 as follows:

<u>Purpose</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u>
2016 School Refunding Bonds	8/15/2026	3.00 - 4.00%	<u>\$ 4,580,000</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 9. 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
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>\$ 4,580,000</u>	<u>\$ 453,400</u>	<u>\$ 5,033,400</u>

C. Bonds Authorized But Not Issued:

As of June 30, 2022, 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 \$450,858. There is no current portion of the compensated absences liability at June 30, 2022. 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, 2022, no liability existed for compensated absences in the Food Service Fund.

E. Financed Purchases Payable:

As of June 30, 2022, the Board had no financed purchases payable.

F. Leases Payable:

As of June 30, 2022, the Board had no leases payable.

G. 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, 2022 is \$-0- and the long-term portion is \$7,399,038. See Note 10 for further information on the PERS.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS

A. Public Employees' Retirement System (PERS)

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).

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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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 \$787,274 for 2022.

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, 2022, the District's liability was \$7,399,038 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the District's proportion was 0.0625%, which was a decrease of 0.0029% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized an actual pension benefit in the amount of \$1,542,438. At June 30, 2022, 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, 2022

(Continued)

NOTE 10. 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	2017	5.48		\$ 312,686
	2018	5.63		586,218
	2019	5.21		517,146
	2020	5.16		1,218,056
	2021	5.13	\$ 38,534	
			<u>38,534</u>	<u>2,634,106</u>
Changes in Proportion	2017	5.48	38,486	
	2018	5.63		444,496
	2019	5.21		155,178
	2020	5.16		400,734
	2021	5.13		519,759
			<u>38,486</u>	<u>1,520,167</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		57,796
	2019	5.00		(18,649)
	2020	5.00		(420,295)
	2021	5.00		2,330,249
				<u>1,949,101</u>
Difference Between Expected and Actual Experience	2017	5.48	9,299	
	2018	5.63		22,323
	2019	5.21	39,531	
	2020	5.16	67,862	
	2021	5.13		30,645
			<u>116,692</u>	<u>52,968</u>
District Contribution Subsequent to the Measurement Date	2021	1.00	750,000	
			<u>\$ 943,712</u>	<u>\$ 6,156,342</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. 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 the pension benefit as follows:

Fiscal Year Ending June 30,	Total
2022	\$ (1,745,851)
2023	(1,246,533)
2024	(849,923)
2025	(638,890)
2026	248
	\$ (4,480,949)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2022

(Continued)

NOTE 10. 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, 2021) 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, 2021 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%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. 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, 2021. 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 100% 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 in determining 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, 2021 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, 2021		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 10,081,565	\$ 7,399,038	\$ 5,130,103

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, 2022
(Continued)

NOTE 10. 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:

Tier	Definition
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 2022, the State's pension contribution was more than the actuarial determined amount.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2022, the State of New Jersey contributed \$10,218,809 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$2,647,683.

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, 2022, the State's proportionate share of the net pension liability associated with the District was \$112,521,629. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the District's proportion was 0.2411%, which was a decrease of 0.0106% from its proportion measured as of June 30, 2020.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		112,521,629
Total	\$	112,521,629

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$2,647,683 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 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, 2022

(Continued)

NOTE 10. 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)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$153,774,925	
	2015	8.30	926,219,611	
	2016	8.30	3,000,278,784	
	2017	8.30		\$5,282,196,290
	2018	8.29		3,527,661,165
	2019	8.04		2,510,940,613
	2020	7.99	1,209,286,241	
	2021	7.93		12,903,483,645
			<u>5,289,559,561</u>	<u>24,224,281,713</u>
Difference Between Expected and Actual Experience	2014	8.50		1,464,605
	2015	8.30	57,204,429	
	2016	8.30		37,311,034
	2017	8.30	93,981,436	
	2018	8.29	618,845,893	
	2019	8.04		97,553,990
	2020	7.99		6,444,940
	2021	7.93	171,234,070	
			<u>941,265,828</u>	<u>142,774,569</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		96,030,373
	2019	5.00		(72,441,385)
	2020	5.00		(724,186,621)
	2020	5.00		3,554,633,811
				<u>2,854,036,178</u>
			<u>\$ 6,230,825,389</u>	<u>\$ 27,221,092,460</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, 2022
(Continued)

NOTE 10. 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)

Fiscal Year Ending June 30,	Total
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	(3,367,824,517)
	\$ (20,990,267,071)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2022

(Continued)

NOTE 10. 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, 2021) 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, 2021 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%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 10. 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, 2021 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, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 133,131,882	\$ 112,521,629	\$ 95,210,311

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 \$57,842 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$76,907 for the fiscal year ended June 30, 2022.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 11. 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 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 annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2019, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	149,304
Active Plan Members	216,804
Total	366,108

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 11. POST-RETIREMENT BENEFITS (Cont'd)

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

Total Non-employer OPEB Liability

The total non-employer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

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 - 4.45%	2.00 - 6.00%
	based on service years	based on service years
Thereafter	1.55 - 4.45%	3.00 - 7.00%
	based on service years	based on service years

The actuarial assumptions used in the June 30, 2019 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) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. 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-2020.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 11. 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 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. 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, 2019	\$ 91,674,938
Changes for Year:	
Service Cost	4,115,055
Interest on the Total OPEB Liability	3,309,076
Changes of Assumptions	27,175,772
Differences between Expected and Actual Experience	25,009,988
Gross Benefit Payments by the State	(2,590,021)
Contributions from Members	78,503
Net Changes	57,098,373
Balance at June 30, 2020	\$ 148,773,311

Sensitivity of the Total Non-employer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total non-employer OPEB Liability attributable to the District as of June 30, 2020 calculated using the discount rate as disclosed in this note, as well as what the total non-employer 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, 2022
(Continued)

NOTE 11. POST-RETIREMENT BENEFITS (Cont'd)

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

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

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
Total OPEB Liability Attributable to the District	\$ 179,353,905	\$ 148,773,311	\$ 124,862,231

Sensitivity of the Total Non-employer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total non-employer OPEB Liability attributable to the District as of June 30, 2020, calculated using the healthcare trend rate as disclosed in this note, as well as what the total non-employer 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, 2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 120,094,834	\$ 148,773,311	\$ 182,923,003

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

For the fiscal year ended June 30, 2022 the District recognized OPEB expense of \$7,424,661 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, 2020 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, 2022
(Continued)

NOTE 11. 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		\$ 9,028,816
	2018	9.51		7,947,062
	2019	9.29	\$ 1,071,179	
	2020	9.24	24,234,671	
			<u>25,305,850</u>	<u>16,975,878</u>
Differences Between Expected and Actual Experience	2018	9.51		7,512,446
	2019	9.29		12,607,842
	2020	9.24	22,587,665	
			<u>22,587,665</u>	<u>20,120,288</u>
Changes in Proportion	N/A	N/A	<u>368,148</u>	<u>927,718</u>
			<u>\$ 48,261,663</u>	<u>\$ 38,023,884</u>

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

Fiscal Year Ending June 30,	Total
2021	\$ (95,308)
2022	(95,307)
2023	(95,307)
2024	(95,307)
2025	(95,307)
Thereafter	<u>(10,320,813)</u>
	<u>\$ (10,797,349)</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 12. 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 Annual Comprehensive 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	\$ 176,024	\$ 123,033	\$ 232,001
2020-2021	90,598	120,323	179,010
2019-2020	78,990		208,735

Property and Liability

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

The District is a member of the Diploma Joint Insurance Fund (the “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 Annual Comprehensive Financial Report.

The 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 Fund are elected.

As a member of the Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund’s liabilities. The 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, 2022
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

The June 30, 2022 audit report for the Fund is not available as of the date of this report. Selected, summarized financial information for the Group 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 the Fund are available at the 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 13. 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 14. INTERFUND BALANCES AND TRANSFERS

The District had no interfund balances as of June 30, 2022.

NOTE 15. 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

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 16. 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 17. 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.

Encumbrances:

The following encumbrance balances existed as of June 30, 2022:

	Governmental Funds		
	General Fund	Special Revenue Fund	Total Governmental Funds
Encumbrances	\$ 557,163	\$ 23,175	\$ 580,338

On the District's Governmental Funds Balance Sheet as of June 30, 2022, \$557,163 is assigned for year-end encumbrances in the General Fund. Also, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$23,175 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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 18. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2022:

	<u>Governmental Funds</u>		<u>Total Governmental Funds</u>	<u>District Contribution Subsequent to Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Proprietary Fund Food Service Fund</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>				
Vendors	\$ 333,018	\$ 110,833	\$ 443,851		\$ 443,851	\$ 162,398
Payroll Deductions and Withholdings	108,310		108,310		108,310	
Accrued Salaries and Wages	721,478		721,478		721,478	
State of New Jersey				\$ 750,000	750,000	
	<u>\$ 1,162,806</u>	<u>\$ 110,833</u>	<u>\$ 1,273,639</u>	<u>\$ 750,000</u>	<u>\$ 2,023,639</u>	<u>\$ 162,398</u>

NOTE 19. PRIOR YEAR ADJUSTMENTS

During the year ended June 30, 2022 the District had a capital inventory appraisal of their capital assets which resulted in a restatement of the capital assets and depreciation of capital assets in the Governmental Activities. The ending balances as of June 30, 2021 were restated due to the capital inventory appraisal as follows:

	<u>Balance June 30, 2021 as Previously Reported</u>	<u>Retroactive Adjustments</u>	<u>Balance June 30, 2021 as Restated</u>
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Statement of Net Activities - Governmental Activities:

Capital Assets:

Depreciable Site Improvements, Buildings and

Building Improvements and Machinery and Equipment	\$ 43,457,445	\$ (1,554,077)	\$ 41,903,368
Total Assets	\$ 52,775,555	\$ (1,554,077)	\$ 51,221,478
Net Investment in Capital Assets	\$ 37,937,445	\$ (1,554,077)	\$ 36,383,368
Total Net Position	\$ 28,786,694	\$ (1,554,077)	\$ 27,232,617

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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.0747439083%	0.0755492581%	0.0747307154%	0.0767462465%	0.0699392925%	0.06883242815%	0.0654178240%	0.0624575925%
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	\$ 7,399,038
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	\$ 4,613,197
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%	160.39%
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%	70.33%

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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 649,521	\$ 663,897	\$ 710,972	\$ 695,670	\$ 664,597	\$ 715,638	\$ 889,078	\$ 787,274
Contributions in relation to the contractually required contribution	(649,521)	(663,897)	(710,972)	(695,670)	(664,597)	(715,638)	(889,078)	(787,274)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
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	\$ 4,657,980
Contributions as a percentage of covered employee payroll	13.04%	14.45%	14.44%	15.01%	14.30%	15.78%	19.27%	16.90%

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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
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%	0.2340534323%
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	\$ 112,521,629
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	\$ 29,530,239
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%	381.04%
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%	35.25%

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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 6,714,740	\$ 9,268,995	\$ 14,360,508	\$ 11,327,151	\$ 9,397,694	\$ 9,111,539	\$ 9,871,188	\$ 2,647,683
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)	(10,218,809)
Contribution deficiency/(excess)	\$ 5,503,391	\$ 7,416,075	\$ 111,728,108	\$ 7,595,521	\$ 4,447,121	\$ 3,823,976	\$ 3,067,538	\$ (7,571,126)
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	\$ 30,304,927
Contributions as a percentage of covered employee payroll	27.51%	7.20%	9.95%	14.24%	19.27%	20.07%	23.04%	33.72%

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 FOUR FISCAL YEARS

	Fiscal Years Ending		
	2017	2018	2019
Total OPEB Liability			2020
Service Cost	\$ 5,474,264	\$ 4,530,304	\$ 4,115,055
Interest Cost	3,756,381	4,358,394	3,309,076
Changes in Assumptions	(15,723,187)	(11,591,159)	1,366,881
Differences between Expected and Actual Experience	(2,744,824)	(12,186,967)	(15,877,485)
Member Contributions	101,071	93,348	83,419
Gross Benefit Payments	(9,136,295)	(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%
			480%

* - Covered payroll for the fiscal years ending June 30, 2020, June 30, 2019, June 30, 2018 and June 30, 2017 are based on the payroll on the June 30, 2019, 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, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

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, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%, a change of -1.29%.

The mortality rates in the valuation as of June 30, 2020 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. 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-2020.

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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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 SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	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	
Tuition From Other LEAs Within the State				33,470	\$ 33,470
Unrestricted Miscellaneous Revenues	90,000		90,000	109,907	19,907
Interest Earned				5,112	5,112
Interest Earned on Capital Reserve Funds	1,000		1,000	1,006	6
Other Restricted Miscellaneous Revenues				176,024	176,024
Total Revenues from Local Sources	<u>31,546,778</u>		<u>31,546,778</u>	<u>31,781,297</u>	<u>234,519</u>
Revenues from State Sources:					
Categorical Transportation Aid	314,548		314,548	314,548	
Extraordinary Aid				510,268	510,268
Categorical Special Education Aid	2,219,988		2,219,988	2,219,988	
Equalization Aid	35,048,408		35,048,408	35,048,408	
Categorical Security Aid	1,337,265		1,337,265	1,337,265	
Non-Public Transportation Aid				29,000	29,000
TPAF Post Retirement Contributions (Non-Budgeted)				2,421,212	2,421,212
TPAF Pension Contributions (Non-Budgeted)				10,218,809	10,218,809
TPAF Non-Contributory Insurance (Non-Budgeted)				144,173	144,173
TPAF Long-Term Disability Insurance (Non-Budgeted)				5,190	5,190
Reimbursed TPAF Social Security Contributions				2,197,718	2,197,718
Total Revenues from State Sources	<u>38,920,209</u>		<u>38,920,209</u>	<u>54,446,579</u>	<u>15,526,370</u>
Revenues from Federal Sources:					
Medicaid Reimbursement	103,065		103,065	101,142	(1,923)
Total Revenues from Federal Sources	<u>103,065</u>		<u>103,065</u>	<u>101,142</u>	<u>(1,923)</u>
TOTAL REVENUE	<u>70,570,052</u>		<u>70,570,052</u>	<u>86,329,018</u>	<u>15,758,966</u>

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 710,186	91,158	\$ 91,158	\$ 44,589	\$ 46,569
Kindergarten - Salaries of Teachers	6,038,707	320,475	1,030,661	874,733	155,928
Grades 1-5 - Salaries of Teachers	5,191,456	(315,477)	5,723,230	5,431,544	291,686
Grades 6-8 - Salaries of Teachers	6,588,173	(262,550)	4,928,906	4,519,450	409,456
Grades 9-12 - Salaries of Teachers		(88,568)	6,499,605	6,099,954	399,651
Regular Programs - Home Instruction:					
Salaries of Teachers	40,000	23,771	63,771	52,152	11,619
Purchased Professional-Educational Services	38,000	(10,839)	27,161	17,971	9,190
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	183,096	109,189	292,285	276,027	16,258
Purchased Professional-Educational Services	47,000	(8,104)	38,896	13,820	25,076
Purchased Technical Services	504,242	(21,083)	483,159	253,987	229,172
Other Purchased Services (400-500 series)	13,820	62,627	76,447	74,698	1,749
General Supplies	955,088	41,298	996,386	933,032	63,354
Textbooks	99,686	(126)	99,560	91,298	8,262
Other Objects	39,665	16,200	55,865	22,803	33,062
Total Regular Programs - Instruction	<u>20,449,119</u>	<u>(42,029)</u>	<u>20,407,090</u>	<u>18,706,058</u>	<u>1,701,032</u>
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	419,880	(9,130)	410,750	312,792	97,958
Total Multiple Disabilities	<u>419,880</u>	<u>(9,130)</u>	<u>410,750</u>	<u>312,792</u>	<u>97,958</u>
Resource Room/Resource Center:					
Salaries of Teachers	4,532,598	(380,309)	4,152,289	4,037,519	114,770
Other Salaries for Instruction	1,010,385	331,596	1,341,981	1,240,375	101,606
Other Purchased Services (400-500 series)		1,917	1,917	1,917	
General Supplies	19,400		19,400	12,041	7,359
Total Resource Room/Resource Center	<u>5,562,383</u>	<u>(46,796)</u>	<u>5,515,587</u>	<u>5,291,852</u>	<u>223,735</u>

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 65,940		\$ 65,940	\$ 49,054	\$ 16,886
General Supplies	500		500	259	241
Total Preschool Disabilities - Full-Time	66,440		66,440	49,313	17,127
TOTAL SPECIAL EDUCATION - INSTRUCTION	6,048,703	\$ (55,926)	5,992,777	5,653,957	338,820
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,176,114	58,235	1,234,349	1,091,863	142,486
Total Basic Skills/Remedial - Instruction	1,176,114	58,235	1,234,349	1,091,863	142,486
Bilingual Education - Instruction:					
Salaries of Teachers	1,237,872		1,237,872	1,056,670	181,202
General Supplies	22,711		22,711	22,698	13
Total Bilingual Education - Instruction	1,260,583		1,260,583	1,079,368	181,215
School-Spon. Cocurricular & Extracurricular Activities - Instruction:					
Salaries	219,592	30,948	250,540	238,598	11,942
Purchased Services (300-500 series)	5,300	5,000	10,300	9,377	923
Supplies and Materials	92,879	(7,539)	85,340	81,949	3,391
Total School-Spon. Cocurricular & Extracurricular Activities - Instruction	317,771	28,409	346,180	329,924	16,256
School-Sponsored Athletics - Instruction:					
Salaries	525,834	(31,762)	494,072	419,604	74,468
Purchased Services (300-500 series)	159,500	43,483	202,983	169,716	33,267
Supplies and Materials	76,623	367	76,990	73,374	3,616
Other Objects		4,925	4,925	4,917	8
Total School-Sponsored Athletics - Instruction	761,957	17,013	778,970	667,611	111,359
Summer School - Instruction:					
Salaries of Teachers	122,806	(60,715)	62,091	57,091	5,000
Total Summer School	122,806	(60,715)	62,091	57,091	5,000

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Instructional/Alternative Education Program - Instruction:					
Salaries of Teachers	\$ 130,901	\$ (26,600)	\$ 104,301	\$ 72,106	\$ 32,195
Purchased Professional & Technical Services	14,000		14,000		14,000
General Supplies	23,200		23,200	1,278	21,922
Total Instructional Alternative Education Program	168,101	(26,600)	141,501	73,384	68,117
TOTAL INSTRUCTION	30,305,154	(81,613)	30,223,541	27,659,256	2,564,285
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	1,818,945	21,420	21,420	7,065	14,355
Tuition to Other LEAs Within the State-Special	31,050	(64,533)	1,754,412	1,708,230	46,182
Tuition to County Vocational School District-Regular	1,520,934	4,900	35,950	32,575	3,375
Tuition to Private School for the Handicapped Within State	44,372	(49,595)	1,471,339	1,095,757	375,582
Tuition - State Facilities	51,792	(39,872)	4,500	4,500	
Tuition - Other			51,792	51,792	
Total Undistributed Expenditures - Instruction	3,467,093	(127,680)	3,339,413	2,899,919	439,494
Undistributed Expend. - Attendance & Social Work:					
Salaries	79,870	10,067	89,937	81,135	8,802
Purchased Professional and Technical Services		6,500	6,500	6,475	25
Total Undistributed Expenditures - Attendance and Social Work	79,870	16,567	96,437	87,610	8,827
Undistributed Expenditures - Health Services:					
Salaries	671,724	(27,009)	644,715	644,715	
Purchased Professional and Technical Services	94,500	75,726	170,226	148,944	21,282
Supplies and Materials	10,506	(2,701)	7,805	7,805	
Other Objects	10,000	(3,223)	6,777	6,777	
Total Undist. Expenditures - Health Services	786,730	42,793	829,523	808,241	21,282
Undistributed Expenditures - Speech, OT, PT, Related Services:					
Salaries	649,234	(20,030)	629,204	591,142	38,062
Purchased Professional - Educational Services	65,000	(2,966)	62,034	38,074	23,960
Supplies and Materials	5,000	(2,200)	2,800	2,071	729
Total Undistributed Expenditures - Speech, OT, PT, Related Services	719,234	(25,196)	694,038	631,287	62,751

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures-Other Support Services Students-Extraordinary Services:					
Salaries	\$ 140,000	\$ 8,005	\$ 8,005	\$ 7,998	\$ 7
Purchased Professional - Educational Services	1,500	(2,206)	137,794	113,037	24,757
Supplies and Materials	141,500	5,799	147,299	121,035	1,500
Total Undistributed Expenditures - Other Support Services Students - Extraordinary Services					26,264
Undistributed Expenditures-Guidance:					
Salaries of Other Professional Staff	1,056,164	12,734	1,068,898	1,012,867	56,031
Salaries of Secretarial and Clerical Assistants	97,720	(15,435)	82,285	82,285	
Other Purchased Services (400-500 series)	29,700	(2,816)	26,884	24,138	2,746
Supplies and Materials	6,000		6,000	2,783	3,217
Other Objects	1,000		1,000	400	600
Total Undistributed Expenditures - Guidance	1,190,584	(5,517)	1,185,067	1,122,473	62,594
Undistributed Expenditures-Child Study Team:					
Salaries of Other Professional Staff	1,396,175	44,478	1,440,653	1,440,638	15
Salaries of Secretarial and Clerical Assistants	176,740	150	176,890	176,890	
Purchased Professional - Educational Services	114,500	(11,120)	103,380	66,238	37,142
Other Purchased Services (400-500 series)	3,600	(1,900)	1,700	88	1,612
Supplies and Materials	63,892		63,892	49,786	14,106
Other Objects	5,000		5,000	200	4,800
Total Undistributed Expenditures - Child Study Team	1,759,907	31,608	1,791,515	1,733,840	57,675
Undistributed Expenditures-Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	843,134	(91,789)	751,345	751,345	
Salaries of Other Professional Staff	120,000	(13,283)	106,717	24,898	81,819
Salaries of Secretarial and Clerical Assistants	228,730	2,401	231,131	229,154	1,977
Other Salaries	32,000	5,260	37,260	37,260	
Supplies and Materials	17,500	(1,215)	16,285	15,830	455
Other Objects	1,442	(500)	942	442	500
Total Undistributed Expenditures-Improvement of Instruction Services	1,242,806	(99,126)	1,143,680	1,058,929	84,751

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures-Educational Media Services/School Library:					
Salaries	\$ 889,162	\$ (23,059)	\$ 866,103	\$ 769,146	\$ 96,957
Other Purchased Services (400-500 series)	90,315	(500)	89,815	58,746	31,069
Supplies and Materials	41,062	(130)	40,932	33,059	7,873
Total Undistributed Expenditures-Educational Media Services/School Library	<u>1,020,539</u>	<u>(23,689)</u>	<u>996,850</u>	<u>860,951</u>	<u>135,899</u>
Undistributed Expenditures-Instructional Staff Training Services:					
Salaries of Secretarial and Clerical Assistants	66,350	(65,435)	915	915	
Purchased Professional - Educational Service	50,000	(150)	49,850	17,200	32,650
Other Purchased Services (400-500 series)	10,000	10,000	20,000	7,601	12,399
Supplies and Materials	10,000	780	10,780	10,680	100
Other Objects	30,090	(9,000)	21,090	3,556	17,534
Total Undistributed Expenditures-Instructional Staff Training Services	<u>166,440</u>	<u>(63,805)</u>	<u>102,635</u>	<u>39,952</u>	<u>62,683</u>
Undistributed Expenditures-Support Services-General Administration:					
Salaries	666,086	52,587	718,673	718,673	
Legal Services	151,264	(2,473)	148,791	137,021	11,770
Audit Fees	30,000	15,000	45,000	45,000	
Other Purchased Professional Services	18,598	38,619	57,217	34,385	22,832
Communications / Telephone	72,215	(12,821)	59,394	54,832	4,562
BOE Other Purchased Services	10,000	(8,685)	1,315	1,315	
Other Purch. Services (400-500 series other than 530 & 585)	21,798	7,083	28,881	24,805	4,076
General Supplies	20,337	2,880	23,217	22,934	283
BOE In-house training/ Meeting Supplies	5,000	2,817	7,817	4,009	3,808
Miscellaneous Expenditures	9,250	12,339	21,589	19,873	1,716
BOE Membership Dues and Fees	20,103	146	20,249	20,249	
Total Undistributed Expenditures-Support Services-General Administration	<u>1,024,651</u>	<u>107,492</u>	<u>1,132,143</u>	<u>1,083,096</u>	<u>49,047</u>

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures-Support Services-School Administration:					
Salaries of Principals/Assistant Principals/Program Director	\$ 1,762,749	\$ (35,546)	\$ 1,727,203	\$ 1,678,089	\$ 49,114
Salaries of Other Professional Staff	265,516	130,498	396,014	328,101	67,913
Salaries of Secretarial and Clerical Assistants	447,427	123,561	570,988	476,717	94,271
Other Purchased Services (400-500 series)	2,327	30,251	32,578	27,173	5,405
Supplies and Materials	77,090	(11,335)	65,755	49,015	16,740
Other Objects	20,192	3,872	24,064	23,656	408
Total Undistributed Expenditures-Support Services-School Administration	<u>2,575,301</u>	<u>241,301</u>	<u>2,816,602</u>	<u>2,582,751</u>	<u>233,851</u>
Undistributed Expenditures - Central Services:					
Salaries	468,106	(1,400)	466,706	463,326	3,380
Purchased Professional Services	10,000	10,000	20,000	15,237	4,763
Purchased Technical Services		22,760	22,760	8,902	13,858
Miscellaneous Purchased Services (400-500 series other than 594)	1,000	3,590	4,590	2,374	2,216
Supplies and Materials	5,500	7,450	12,950	11,432	1,518
Other Objects	2,630	1,600	4,230	4,134	96
Total Undistributed Expenditures - Central Services	<u>487,236</u>	<u>44,000</u>	<u>531,236</u>	<u>505,405</u>	<u>25,831</u>
Undistributed Expenditures-Required Maintenance for School Facilities:					
Salaries	427,500	5,675	433,175	418,868	14,307
Cleaning, Repair, and Maintenance Services	598,298	(166,686)	431,612	226,347	205,265
Lead Testing of Drinking Water	5,000		5,000	4,900	100
General Supplies	103,197	43,556	146,753	112,390	34,363
Total Undistributed Expenditures- Required Maintenance for School Facilities	<u>1,133,995</u>	<u>(117,455)</u>	<u>1,016,540</u>	<u>762,505</u>	<u>254,035</u>

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures-Custodial Services:					
Salaries	\$ 2,018,153	\$ 6,767	\$ 2,024,920	\$ 1,979,786	\$ 45,134
Salaries of Non-Instructional Aides	473,000	(140,051)	332,949	145,697	187,252
Purchased Professional and Technical Services	46,800	39,168	85,968	34,875	51,093
Cleaning, Repair, and Maintenance Services	475,621	28,626	504,247	421,493	82,754
Other Purchased Property Services	50,293	18,471	68,764	63,718	5,046
Insurance	618,000	68,853	686,853	686,853	
General Supplies	206,836	3,508	210,344	189,316	21,028
Energy (Natural Gas)	125,000	48,441	173,441	139,651	33,790
Energy (Electricity)	724,000	(135,956)	588,044	559,717	28,327
Energy (Oil)	50,000	(50,000)			
Other Objects	1,000	1,248	2,248	2,245	3
Total Undistributed Expenditures-Custodial Services	4,788,703	(110,925)	4,677,778	4,223,351	454,427
Care and Upkeep of Grounds:					
Salaries	45,515	4,649	50,164	50,164	
Cleaning, Repair, and Maintenance Services	81,250	35,760	117,010	93,136	23,874
General Supplies	25,000	(604)	24,396	19,386	5,010
Total Care And Upkeep Of Grounds	151,765	39,805	191,570	162,686	28,884
Security:					
Salaries	117,313	51,395	168,708	160,814	7,894
Purchased Professional and Technical Services	360,667	(122,975)	237,692	171,763	65,929
General Supplies	31,820		31,820	28,964	2,856
Total Security	509,800	(71,580)	438,220	361,541	76,679
Total Undistributed Expenditures-Operations and Maintenance Of Plant Services	6,584,263	(260,155)	6,324,108	5,510,083	814,025

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures-Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School)-Special Education	\$ 154,151	\$ 79,740	\$ 233,891	\$ 227,914	\$ 5,977
Cleaning, Repair, and Maintenance Services	35,000	(2,570)	32,430	25,860	6,570
Contract. Services(Between Home & School)- Vendors	171,100	17,869	188,969	185,139	3,830
Contract. Services (Other than Between Home & School)-Vendors	295,192	(69,439)	225,753	217,207	8,546
Contract. Services (Special Education Students)-ESCs & CTSA's	1,683,009	97,711	1,780,720	1,624,462	156,258
Transportation Supplies	38,000	(14,167)	23,833	14,897	8,936
Total Undistributed Expenditures-Student Trans. Services	<u>2,376,452</u>	<u>109,144</u>	<u>2,485,596</u>	<u>2,295,479</u>	<u>190,117</u>
UNALLOCATED BENEFITS					
Group Insurance	2,872,886	(2,389,471)	483,415	464,903	18,512
Social Security Contributions	440,109	209,671	649,780	648,780	1,000
Other Retirement Contributions - PERS	764,748	22,526	787,274	787,274	
Unemployment Compensation	205,772	(74,160)	131,612	123,033	8,579
Workers Compensation	450,000	(50,227)	399,773	399,773	
Health Benefits	7,330,217	2,108,615	9,438,832	9,060,990	377,842
Tuition Reimbursement	75,000	30,000	105,000	99,413	5,587
Other Employee Benefits	438,925	194,499	633,424	631,261	2,163
TOTAL UNALLOCATED BENEFITS	<u>12,577,657</u>	<u>51,453</u>	<u>12,629,110</u>	<u>12,215,427</u>	<u>413,683</u>
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				2,421,212	(2,421,212)
TPAF Pension Contributions (Non-Budgeted)				10,218,809	(10,218,809)
TPAF Non-Contributory Insurance (Non-Budgeted)				144,173	(144,173)
TPAF Long-Term Disability Insurance (Non-Budgeted)				5,190	(5,190)
Reimbursed TPAF Social Security Contributions				2,197,718	(2,197,718)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				<u>14,987,102</u>	<u>(14,987,102)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>12,577,657</u>	<u>51,453</u>	<u>12,629,110</u>	<u>27,202,529</u>	<u>(14,573,419)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>36,200,263</u>	<u>44,989</u>	<u>36,245,252</u>	<u>48,543,580</u>	<u>(12,298,328)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>66,505,417</u>	<u>(36,624)</u>	<u>66,468,793</u>	<u>76,202,836</u>	<u>(9,734,043)</u>

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment:					
Grades 1-5	\$ 11,032		\$ 11,032	\$ 6,359	\$ 4,673
Undistributed:					
Undistributed Expenditures - Instruction	178,111	\$ (15,745)	162,366	31,078	131,288
Undistributed Expenditures- Support Services - Students - Regular	82,067	(82,067)			
Undistributed Expenditures - Administration Information Technology	175,000	23,643	198,643	188,745	9,898
Undistributed Expenditures - Required Maint for School Facilities	125,708	72,153	197,861	80,623	117,238
Undistributed Expenditures - Security	13,756	13,756	13,756	13,756	13,756
Total Equipment	<u>571,918</u>	<u>11,740</u>	<u>583,658</u>	<u>306,805</u>	<u>276,853</u>
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	100,000	378,627	478,627	376,423	102,204
Construction Services	5,528,620	(338,109)	5,190,511	2,092,760	3,097,751
Other Objects	196,636		196,636	196,636	
Total Facilities Acquisition and Construction Services	<u>5,825,256</u>	<u>40,518</u>	<u>5,865,774</u>	<u>2,665,819</u>	<u>3,199,955</u>
TOTAL CAPITAL OUTLAY	<u>6,397,174</u>	<u>52,258</u>	<u>6,449,432</u>	<u>2,972,624</u>	<u>3,476,808</u>
Transfer of Funds to Charter Schools	2,649,838	(58,072)	2,591,766	2,537,426	54,340
	<u>2,649,838</u>	<u>(58,072)</u>	<u>2,591,766</u>	<u>2,537,426</u>	<u>54,340</u>
TOTAL EXPENDITURES	<u>75,552,429</u>	<u>(42,438)</u>	<u>75,509,991</u>	<u>81,712,886</u>	<u>(6,202,895)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(4,982,377)	42,438	(4,939,939)	4,616,132	9,556,071
Other Financing Sources/(Uses):					
Transfer Out - Preschool Education Aid	(141,460)	(42,438)	(183,898)	(183,898)	
	<u>(141,460)</u>	<u>(42,438)</u>	<u>(183,898)</u>	<u>(183,898)</u>	

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess/(Deficit) of Revenues and Other Financing Sources					
Over/(Under) Expenditures and Other Financing Uses	\$ (5,123,837)		\$ (5,123,837)	\$ 4,432,234	\$ 9,556,071
Fund Balance, July 1	10,371,716		10,371,716	10,371,716	
Fund Balance, June 30	<u>\$ 5,247,879</u>	<u>\$ -0-</u>	<u>\$ 5,247,879</u>	<u>\$ 14,803,950</u>	<u>\$ 9,556,071</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:				\$ 1,000,000	
Excess Surplus - Restricted For 2023-2024				2,165,991	
Excess Surplus - Restricted For 2022-2023				4,550,876	
Capital Reserve				102,186	
Maintenance Reserve				232,001	
Unemployment Compensation					
Assigned Fund Balance:					
Year End Encumbrances				557,163	
Designated for Subsequent Year's Expenditures				2,980,078	
Unassigned Fund Balance				<u>3,215,655</u>	
				<u>14,803,950</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis			<u>(3,864,523)</u>		
Fund Balance per Governmental Funds (GAAP)				<u>\$ 10,939,427</u>	

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 199,738	\$ 199,738	\$ 197,532	\$ (2,206)
State Sources	\$ 2,813,425	248,332	3,061,757	2,468,523	(593,234)
Federal Sources	3,964,376	6,296,278	10,260,654	3,146,091	(7,114,563)
Total Revenues	6,777,801	6,744,348	13,522,149	5,812,146	(7,710,003)
Other Financing Sources:					
Transfer In - Board Contribution - General Fund	141,460	42,438	183,898	183,898	
Total Revenues and other Financing Sources	6,919,261	6,786,786	13,706,047	5,996,044	(7,710,003)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	996,777	1,638,214	2,634,991	928,479	1,706,512
Other Salaries for Instruction	158,342	(33,111)	125,231	89,265	35,966
Purchased Professional and Technical Services		20,206	20,206	13,799	6,407
Purchased Professional and Educational Services	15,000		15,000	15,000	
Other Purchased Professional Services		75,700	75,700	75,700	
Other Purchased Services	786,475	(530,115)	256,360	114,764	141,596
Tuition		1,029,084	1,029,084	1,029,084	
General Supplies	181,162	167,527	348,689	238,470	110,219
Total Instruction	2,137,756	2,367,505	4,505,261	2,504,561	2,000,700
Support Services:					
Salaries of Program Directors	558,059	106,627	664,686	361,065	303,621
Salaries of Other Professional Staff	282,950	(178,162)	104,788	86,368	18,420
Salaries of Community Parent Involvement Specialists	200,000	(120,140)	79,860	65,350	14,510
Salaries of Master Teachers	180,000	(99,860)	80,140	80,140	
Other Salaries	226,374	128,688	355,062	157,027	198,035
Personal Services - Employee Benefits	527,156	(17,559)	509,597	443,826	65,771
Purchased Professional and Technical Services	501,460	(287,279)	214,181	167,269	46,912
Purchased Professional and Educational Services	1,839,470	43,589	1,883,059	1,551,773	331,286
Other Purchased Professional Services	105,000	1,009,400	1,114,400	207,650	906,750
Other Purchased Services	173,036	(165,457)	7,579	7,579	
Supplies and Materials	178,000	226,915	404,915	166,590	238,325
Student Activities			199,463	199,463	
Scholarships			86,205	86,205	
Total Support Services	4,771,505	646,762	5,703,935	3,580,305	2,123,630
Facilities Acquisition and Construction Services:					
Instructional Equipment		1,796,670	1,796,670		1,796,670
Buildings	10,000	1,779,003	1,789,003		1,789,003
Total Facilities Acquisition and Construction Services	10,000	3,575,673	3,585,673		3,585,673
Total Expenditures	\$ 6,919,261	\$ 6,589,940	\$ 13,794,869	\$ 6,084,866	\$ 7,710,003
Deficit of Revenue Under Expenditures	\$ - 0 -	\$ 196,846	\$ (88,822)	\$ (88,822)	\$ - 0 -

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 86,329,018	\$ 5,996,044
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		(23,175)
Cancellation of Prior Year Encumbrances		(24,546)
Prior Year Encumbrances		515,740
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	3,099,958	275,407
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(3,864,523)	(258,904)
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 85,564,453	\$ 6,480,566
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 81,712,886	\$ 6,084,866
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.		468,019
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 81,712,886	\$ 6,552,885

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, 2022 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 PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Elementary and Secondary Education Act						I.D.E.A.			
	Title I	Title I - S/A	Title II A	Title III	Title III Immigrant	Title IV	I.D.E.A. Part B, Basic	I.D.E.A. Preschool	A.R.P. I.D.E.A. Part B, Basic	Preschool
REVENUES:										
Local Sources										
State Sources										
Federal Sources	\$ 674,786	\$ 14,619	\$ 107,470	\$ 98,202	\$ 25,823	\$ 87,721	\$ 1,064,108	\$ 40,676	\$ 44,597	\$ 15,728
Total Revenues	674,786	14,619	107,470	98,202	25,823	87,721	1,064,108	40,676	44,597	15,728
Other Financing Sources:										
Transfer In - Board Contribution - General Fund										
Total Revenues and other Financing Sources	674,786	14,619	107,470	98,202	25,823	87,721	1,064,108	40,676	44,597	15,728
EXPENDITURES:										
Instruction:										
Salaries of Teachers	324,644	5,550	27,260	31,970		150				
Other Salaries for Instruction										
Purchased Professional and Technical Services							75,700		44,597	
Purchased Professional and Educational Services										
Other Purchased Professional Services										
Other Purchased Services										
Tuition										
General Supplies	83,833	1,721	27,260	10,000	15,000	9,883		40,676		15,728
Total Instruction	408,477	7,271	27,260	41,970	15,000	10,033	1,064,108	40,676	44,597	15,728
Support Services:										
Salaries of Program Directors			24,346			3,400				
Salaries of Other Professional Staff										
Salaries of Community Parent Involvement Specialists										
Salaries of Master Teachers										
Other Salaries										
Personal Services - Employee Benefits	185,551		23,178	20,488						
Purchased Professional and Technical Services	80,000		32,686	35,300	10,823	8,460				
Purchased Professional and Educational Services										
Other Purchased Professional Services										
Other Purchased Services										
Supplies and Materials	758	7,348		444		6,580				
Student Activities						59,248				
Scholarship										
Total Support Services	266,309	7,348	80,210	56,232	10,823	77,688				
Total Expenditures	\$ 674,786	\$ 14,619	\$ 107,470	\$ 98,202	\$ 25,823	\$ 87,721	\$ 1,064,108	\$ 40,676	\$ 44,597	\$ 15,728

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Nonpublic Handicapped Services		Nonpublic Textbooks	Nonpublic Technology Initiative	Nonpublic Nursing	Nonpublic Security
	Examination and Classification	Supplementary Instruction				
REVENUES:						
Local Sources	\$ 7,011	\$ 2,478	\$ 1,116	\$ 2,394	\$ 1,972	\$ 9,274
State Sources						
Federal Sources						
Total Revenues	7,011	2,478	1,116	2,394	1,972	9,274
Other Financing Sources:						
Transfer In - Board Contribution - General Fund						
Total Revenues and other Financing Sources	7,011	2,478	1,116	2,394	1,972	9,274
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Other Salaries for Instruction						
Purchased Professional and Technical Services	7,011	2,478	1,116	2,394		
Purchased Professional and Educational Services						
Other Purchased Professional Services						
Other Purchased Services						
Tuition						
General Supplies				2,339		
Total Instruction	7,011	2,478	1,116	2,339		
Support Services:						
Salaries of Program Directors						
Salaries of Other Professional Staff						
Salaries of Community Parent Involvement Specialists						
Salaries of Master Teachers						
Other Salaries						
Personal Services - Employee Benefits						
Purchased Professional and Technical Services						
Purchased Professional and Educational Services						
Other Purchased Professional Services					1,972	
Other Purchased Services						
Supplies and Materials						
Student Activities						
Scholarship						9,274
Total Support Services					1,972	9,274
Total Expenditures	\$ 7,011	\$ 2,478	\$ 1,116	\$ 2,394	\$ 1,972	\$ 9,274

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Education Stabilization Aid						
	COVID-19 C.R.S.S.A.			COVID-19 A.R.P.			
	ESSER II	Learning Acceleration	Mental Health	ESSER III	Accelerated Learning Coach/ Educator Support	Evidence Based Summer Learning and Enrichment	Evidence Based Beyond the School Day
REVENUES:							
Local Sources							
State Sources							
Federal Sources	\$ 395,554	\$ 140,194	\$ 45,000	\$ 262,145	\$ 1,374	\$ 2,322	\$ 1,779
Total Revenues	395,554	140,194	45,000	262,145	1,374	2,322	1,779
Other Financing Sources:							
Transfer In - Board Contribution - General Fund							
Total Revenues and other Financing Sources	395,554	140,194	45,000	262,145	1,374	2,322	1,779
EXPENDITURES:							
Instruction:							
Salaries of Teachers		139,840		46,640			
Other Salaries for Instruction							
Purchased Professional and Technical Services							
Purchased Professional and Educational Services							
Other Purchased Professional Services	70,167						
Other Purchased Services							
Tuition							
General Supplies							
Total Instruction	70,167	139,840		46,640	1,374	2,322	1,779
Support Services:							
Salaries of Program Directors	193,481			28,478			
Salaries of Other Professional Staff							
Salaries of Community Parent Involvement Specialists							
Salaries of Master Teachers							
Other Salaries	67,586			8,265			
Personal Services - Employee Benefits	21,320						
Purchased Professional and Technical Services							
Purchased Professional and Educational Services			45,000	112,678			
Other Purchased Professional Services	43,000						
Other Purchased Services							
Supplies and Materials			354	66,084			
Student Activities							
Scholarship							
Total Support Services	325,387	354	45,000	215,505			
Total Expenditures	\$ 395,554	\$ 140,194	\$ 45,000	\$ 262,145	\$ 1,374	\$ 2,322	\$ 1,779

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Education Stabilization Fund	COVID-19 - CARES Emergency Relief	Perkins Secondary Application	Preschool Education Aid	Local Donations	Student Activities	Scholarships	Totals
REVENUES:								
Local Sources				\$ 2,441,939	\$ 686	\$ 196,846		\$ 197,532
State Sources		\$ 95,965	\$ 28,028					2,468,523
Federal Sources								3,146,091
Total Revenue		95,965	28,028	2,441,939	686	196,846		5,812,146
Other Financing Sources:				183,898				183,898
Transfer In - Board Contribution - General Fund				2,625,837	686	196,846		5,996,044
Total Revenues and other Financing Sources		95,965	28,028	2,625,837	686	196,846		5,996,044
EXPENDITURES:								
Instruction:								
Salaries of Teachers			14,450	337,568	407			928,479
Other Salaries for Instruction				89,265				89,265
Purchased Professional and Technical Services			800					13,799
Purchased Professional and Educational Services				15,000				15,000
Other Purchased Professional Services								75,700
Other Purchased Services								114,764
Tuition								1,029,084
General Supplies		29,141	10,646	54,704				238,470
Total Instruction		29,141	25,896	496,537	407			2,504,561
Support Services:								
Salaries of Program Directors				111,360				361,065
Salaries of Other Professional Staff				86,368				86,368
Salaries of Community Parent Involvement Specialists				65,350				65,350
Salaries of Master Teachers				80,140				80,140
Other Salaries				81,176				157,027
Personal Services - Employee Benefits			1,133	192,156				443,826
Purchased Professional and Technical Services								167,269
Purchased Professional and Educational Services								1,551,773
Other Purchased Professional Services		56,188		1,495,585				207,650
Other Purchased Services			999	5,000				7,579
Supplies and Materials		10,636		12,165	279	199,463		166,590
Student Activities								199,463
Scholarship							\$ 86,205	86,205
Total Support Services		66,824	2,132	2,129,300	279	199,463		3,580,305
Total Expenditures		95,965	28,028	2,625,837	686	199,463	\$ 86,205	6,084,866

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 376,541	\$ 337,568	\$ 38,973
Other Salaries for Instruction	125,231	89,265	35,966
Purchased Professional and Educational Services	15,000	15,000	
General Supplies	119,791	54,704	65,087
Total Instruction	<u>636,563</u>	<u>496,537</u>	<u>140,026</u>
Support Services:			
Salaries of Program Directors	111,360	111,360	
Salaries of Other Professional Staff	104,788	86,368	18,420
Salaries of Secretaries and Clerical Assistants	81,176	81,176	
Salaries of Community Parent Involvement Specialists	79,860	65,350	14,510
Salaries of Master Teachers	80,140	80,140	
Employee Benefits	192,156	192,156	
Purchased Professional Educational Services	1,496,374	1,495,585	789
Other Purchased Services	5,000	5,000	
Supplies and Materials	26,008	12,165	13,843
Total Support Services	<u>2,176,862</u>	<u>2,129,300</u>	<u>47,562</u>
Total Expenditures	<u>\$ 2,813,425</u>	<u>\$ 2,625,837</u>	<u>\$ 187,588</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2021-2022 Preschool Education Aid Allocation	\$ 2,441,939
Add: Actual Preschool Expansion Aid Carryover (June 30, 2021)	202,706
Add: Budgeted Transfer from General Fund	183,898
Total Preschool Education Aid Funds Available for 2021-2022 Budget	<u>2,828,543</u>
Less: 2021-2022 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(2,813,425)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2022	<u>15,118</u>
Add: June 30, 2022 Unexpended Preschool Education Aid	187,588
2021-2022 Carryover - Preschool Education Aid	<u>\$ 202,706</u>
2021-2022 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2022-2023	<u>\$ 202,706</u>

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 886,430
Accounts Receivable:	
Interfund	
Federal	180,937
State	3,475
Inventory	23,159
	<hr/>
Total Current Assets	1,094,001

Non-Current Assets:

Capital Assets	444,067
Less: Accumulated Depreciation	(292,632)
	<hr/>
Total Non-Current Assets	151,435

Total Assets	<hr/> <hr/> 1,245,436
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LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors	162,398
Unearned Revenue - Prepaid Sales	6,061
Unearned Revenue - Donated Commodities	4,249
	<hr/>
Total Current Liabilities	172,708

Total Liabilities	<hr/> <hr/> 172,708
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NET POSITION:

Investment in Capital Assets	151,435
Unrestricted	921,293
	<hr/>

Total Net Position	<hr/> <hr/> <hr/> \$ 1,072,728
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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, 2022

	<u>Business-Type Activities - Enterprise Fund</u>
Operating revenue	
Local Sources:	
Daily Sales - Non-Reimbursable Sales	\$ 178,149
Total Operating Revenue	<u>178,149</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	968,606
Cost of Sales - Non-Reimbursable Programs	68,778
Salaries, Benefits and Payroll Taxes	1,198,981
Supplies, Insurance and Other Costs	43,048
Management Fee	36,050
Depreciation	27,430
Total Operating Expenses	<u>2,342,893</u>
Operating (Loss)	<u>(2,164,744)</u>
Non-Operating Revenue	
State Sources:	
COVID 19 - Seamless Summer Option	42,124
Federal Sources:	
COVID 19 - Seamless Summer Option	2,159,423
Food Distribution Program	116,327
COVID-19 - Emergency Program Cost Reimbursement	182,079
COVID-19 - P-EBT - Administrative Costs	3,063
Fresh Fruit and Vegetable Program	5,858
Total Non-Operating Revenue	<u>2,508,874</u>
Change in Net Position	344,130
Net Position - Beginning of Year	<u>728,598</u>
Net Position - End of Year	<u>\$ 1,072,728</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 178,149
Payments for Salaries	(1,198,981)
Payments to Suppliers	<u>(905,794)</u>
Net Cash Used for Operating Activities	<u>(1,926,626)</u>
Cash Flows from Noncapital Financing Activities:	
Federal Sources	2,286,727
State Sources	<u>43,751</u>
Net Cash Provided by Noncapital Financing Activities	<u>2,330,478</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	<u>(8,480)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(8,480)</u>
Net Increase in Cash and Cash Equivalents	395,372
Cash and Cash Equivalents, July 1	<u>491,058</u>
Cash and Cash Equivalents, June 30	<u>\$ 886,430</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (2,164,744)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	27,430
Disposal of Fixed Assets (Net of Depreciation)	(62,963)
Food Distribution Program	116,327
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	(2,229)
Increase/(Decrease) in Unearned Revenue - Donated Commodities	(2,229)
Increase in Accounts Payable	<u>161,782</u>
Net Cash Used for Operating Activities	<u>\$ (1,926,626)</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 \$117,453 and \$116,327 for the fiscal year ended June 30, 2022.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM DEBT

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
YEAR ENDED JUNE 30, 2022

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Retired or Matured	Balance June 30, 2022
			Date	Amount			
School Refunding Bonds	5/5/2016	\$ 8,230,000	08/15/22	\$ 935,000	3.00%	\$ 940,000	\$ 4,580,000
			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%		
						\$ 5,520,000	\$ 4,580,000
						\$ 5,520,000	\$ 4,580,000

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,137,300		\$ 1,137,300	\$ 1,137,300	
Total Revenues	1,137,300		1,137,300	1,137,300	
EXPENDITURES:					
Regular Debt Service:					
Interest	197,300		197,300	197,300	
Redemption of Principal	940,000		940,000	940,000	
Total Regular Debt Service	1,137,300		1,137,300	1,137,300	
Total Expenditures	1,137,300		1,137,300	1,137,300	
Fund Balance, July 1	8,660		8,660	8,660	
Fund Balance, June 30	\$ 8,660	\$ - 0 -	\$ 8,660	\$ 8,660	\$ - 0 -
Recapitulation:					
Restricted for Subsequent Year's Expenditures			\$ 8,660	\$ 8,660	

STATISTICAL SECTION
(UNAUDITED)

This part of the School's annual comprehensive 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 annual comprehensive financial report for the relevant year.

NORTHPLAINFIELD BOROUGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021*	2022
Governmental Activities:										
Net Investment in Capital Assets	\$ 37,276,905	\$ 39,229,572	\$ 41,256,679	\$ 41,590,276	\$ 41,173,589	\$ 34,273,749	\$ 34,948,373	\$ 37,511,287	\$ 36,383,368	\$ 38,201,055
Restricted	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	8,672,828
Unrestricted/(Deficit)	(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)	(11,762,149)
Total Governmental Activities Net Position	\$ 42,207,632	\$ 43,992,551	\$ 31,443,179	\$ 30,159,177	\$ 27,684,999	\$ 21,472,699	\$ 22,712,536	\$ 26,116,235	\$ 27,232,617	\$ 35,111,734
Business-Type Activities										
Investment in Capital Assets	\$ 181,741	\$ 170,989	\$ 157,893	\$ 131,215	\$ 246,616	\$ 151,129	\$ 137,928	\$ 124,915	\$ 107,422	\$ 151,435
Unrestricted	285,096	388,216	364,503	594,539	537,451	594,881	485,258	448,851	621,176	921,293
Total Business-Type Activities Net Position	\$ 466,837	\$ 559,205	\$ 522,396	\$ 725,755	\$ 784,067	\$ 746,010	\$ 623,186	\$ 573,766	\$ 728,598	\$ 1,072,728
District-Wide:										
Net Investment in Capital Assets	\$ 37,458,646	\$ 39,400,561	\$ 41,414,572	\$ 41,721,491	\$ 41,420,205	\$ 34,424,878	\$ 35,086,301	\$ 37,636,202	\$ 36,490,790	\$ 38,352,490
Restricted	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	8,672,828
Unrestricted/(Deficit)	(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)	(10,840,856)
Total District Net Position	\$ 42,674,469	\$ 44,551,756	\$ 31,965,575	\$ 30,884,932	\$ 28,469,065	\$ 22,218,709	\$ 23,335,723	\$ 26,690,001	\$ 27,961,215	\$ 36,184,462

* Restated

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 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	\$ 37,020,173
Special Education	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	10,253,581
Other Special Instruction									3,257,635	3,586,223
Other Instruction	3,754,440	3,799,922	4,684,044	4,661,565	5,788,444	5,169,455	5,854,669	6,660,691	1,424,877	1,496,552
Support Services:										
Tuition										
Student & Instruction Related Services	8,584,356	8,395,713	10,137,285	10,421,772	12,033,381	12,644,061	13,101,431	12,138,176	3,312,836	2,899,919
General Administrative Services	1,303,500	1,171,335	1,050,043	1,032,245	1,292,101	2,315,806	1,545,787	1,193,573	8,617,888	9,329,462
School Administrative Services	3,105,607	3,048,833	3,650,036	3,890,151	4,636,011	5,017,816	4,652,368	4,019,150	1,636,873	1,437,145
Central Services	503,941	376,761	436,775	533,058	599,572	534,292	501,279	495,570	4,497,828	4,015,586
Administrative Information Technology	16,181	46,667	14,677	125,927	1,551	1,551		15,463	508,257	713,326
Plant Operations And Maintenance	6,996,692	7,048,234	6,412,474	6,597,827	7,226,031	6,521,828	6,197,338	6,774,058	173,950	13,384
Pupil Transportation									7,201,631	6,799,920
Capital Outlay									1,520,666	2,056,683
Transfer to Charter School									742,543	307,601
Student Transportation Services	1,331,154	1,198,046	1,412,051	1,723,702	1,942,646	1,868,873	2,029,998	2,074,044	2,099,058	2,537,426
Interest On Long-Term Debt	465,713	513,497	475,772	449,844	313,988	296,027	268,794	242,319		
Unallocated Depreciation	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	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	82,551,627
Business-type activities:										
Food Service	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	2,342,893
Total Business-Type Activities Expense	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	2,342,893
Total District Expenses	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	84,894,520
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Student and Instruction Related Services									141,335	230,316
Operating Grants and Contributions	10,544,090	7,890,685	13,096,158	16,104,635	21,241,263	24,313,650	23,172,573	17,951,148	23,520,637	22,929,197
Total Governmental Activities Program Revenues	10,544,090	7,890,685	13,096,158	16,104,635	21,241,263	24,313,650	23,172,573	17,951,148	23,661,972	23,159,513
Business-Type Activities:										
Charges For Services:										
Food Service	497,136	465,533	481,311	521,326	537,766	519,419	539,377	351,709	3,746	178,149
Operating Grants and Contributions	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	2,508,874
Total Business-Type Activities Program Revenues	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	2,687,023
Total District Program Revenues	12,127,782	9,557,068	14,828,552	17,895,603	23,060,924	26,181,394	25,060,289	19,329,091	24,604,495	25,846,536

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

Fiscal Year Ended June 30,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue Governmental Activities	\$ (47,900,136)	\$ (51,215,708)	\$ (54,405,786)	\$ (57,288,733)	\$ (58,989,861)	\$ (57,766,050)	\$ (58,218,943)	\$ (60,932,185)	\$ (57,658,251)	\$ (59,392,114)
Business-Type Activities	(23,156)	68,831	(36,809)	203,359	58,312	(102,214)	(140,185)	(54,639)	154,832	344,130
Total District-Wide Net Expense	(47,813,292)	(51,146,877)	(54,442,595)	(57,085,375)	(58,931,549)	(57,868,264)	(58,359,128)	(60,986,825)	(57,503,419)	(59,047,984)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	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	31,455,778
Taxes Levied for Debt Service	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	1,137,300
Federal and State Aid not Restricted	22,288,399	23,518,228	24,911,346	24,860,106	25,390,777	26,041,999	27,193,215	29,789,127	27,408,153	34,386,104
Federal and State Aid Restricted		114,172	786,026	611,015	64,315	177,776				
Miscellaneous Income	84,685	147,296	199,423	207,690	173,397	294,142	395,527	1,068,455	331,131	292,049
Cancel Accounts Receivable			(21,731)			(275,836)				
Disposal of Capital assets (net)						(6,332,618)				
Total Governmental Activities	51,076,274	53,042,749	55,654,905	56,004,731	56,515,683	51,553,751	59,458,780	63,446,907	60,328,710	67,271,231
Business-Type Activities:										
Interest and Miscellaneous Income		23,537				194,064	17,351	5,229		
Capital Contributions/(Disposals)						(129,907)				
Total Business-Type Activities		23,537				64,157	17,351	5,229		
Total District-Wide	51,076,274	53,066,286	55,654,905	56,004,731	56,515,683	51,617,908	59,476,131	63,452,136	60,328,710	67,271,231
Change in Net Position:										
Governmental Activities	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	7,879,117
Business-Type Activities	(23,156)	92,368	(36,809)	203,359	58,312	(38,057)	(122,834)	(49,410)	154,832	344,130
Total District	\$ 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	\$ 8,223,247

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)

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Restricted	\$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	\$ 8,051,054
Assigned		26,065	26,065	26,065	26,065	171,278			1,225,660	2,888,373
Total General Fund	\$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	\$10,939,427
All Other Governmental Funds:										
Committed	\$1,379,556	\$1,079,199	\$1,206,510	\$1,103,556	\$1,044,833					
Restricted	868,817	549,713	142,354	77,871	243,055	\$ 116,213	\$ 11,552	\$ 693,398	\$ 710,596	\$ 621,774
Unassigned/(Deficit)							(235,756)	(264,027)	(275,407)	(258,904)
Total All Other Governmental Funds	\$2,248,373	\$1,628,912	\$1,348,864	\$1,181,427	\$1,287,888	\$ 116,213	\$ (224,204)	\$ 429,371	\$ 435,189	\$ 362,870
Total Governmental Funds:										
Restricted	\$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	\$ 8,672,828
Committed	1,379,556	1,079,199	1,206,510	1,103,556	1,044,833				1,225,660	2,888,373
Assigned			26,065	26,065	26,065	171,278			(275,407)	(258,904)
Unassigned/(Deficit)							(235,756)	(264,027)	(275,407)	(258,904)
Total Governmental Funds	\$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	\$11,302,297

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Tax Levy	\$ 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	\$ 32,593,078
Interest Earned on Capital Reserve Funds		329	356					831	305	1,006
Tuition										33,470
Miscellaneous	110,752	160,008	181,922	147,710	155,140	399,612	293,448	991,879	472,379	488,575
State Sources	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	56,177,866
Federal Sources	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	3,704,426
Total Revenue	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	92,998,421
Expenditures:										
Instruction:										
Regular Instruction	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	23,808,166
Special Education Instruction	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	6,819,066
Other Special Instruction									1,773,354	2,171,231
Other Instruction	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	1,128,010
Support Services:										
Tuition	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	2,899,919
Student & Instruction Related Services	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	6,749,986
General Administrative Services	951,169	924,699	894,426	804,301	893,519	955,932	1,360,327	1,064,142	1,078,684	1,083,096
School Administrative Services	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	2,582,751
Central Services	330,956	335,968	340,349	346,179	388,086	400,123	418,677	433,070	381,637	505,405
Administrative Information Technology	16,181	20,302	19,013			1,551		15,463	22,500	
Plant Operations And Maintenance	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	5,510,083
Pupil Transportation									1,784,842	2,295,479
Student Transportation Services	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	13,879,024	12,882,749	13,606,085	15,760,609	16,875,697	17,843,287	19,211,430	19,642,302	22,627,075	27,202,529
Debt Service:										
Principal	770,000	800,000	800,000	815,000	870,000	805,000	865,000	885,000	920,000	940,000
Interest And Other Charges	555,169	526,406	489,731	450,655	270,377	309,612	278,525	252,275	225,200	197,300
Capital Outlay	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	2,972,624
Transfer to Charter Schools	197,977	282,713	244,844	318,211	693,235	837,385	1,112,278	1,682,457	2,099,058	2,537,426
Refunding Bond Costs				235,784						
Total Expenditures	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	89,403,071

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Excess/(Deficiency) Of Revenues Over/(Under) Expenditures	\$ (262,469)	\$ (449,576)	\$ (875,513)	\$ (1,451,442)	\$ (479,021)	\$ 1,587,129	\$ 396,792	\$ (877,522)	\$ 2,191,348	\$ 3,595,350
Other Financing Sources/(Uses):										
Refunding Bond Proceeds				8,230,000						
Bonds Refunded				(9,015,000)					97,377	183,898
Transfers In									(97,377)	(183,898)
Transfers Out				1,020,784						
Original Issue Premium			(21,731)			(275,836)				
Accounts Receivable Canceled			(21,731)	235,784		(275,836)				
Total Other Financing Sources/(Uses)	\$ (262,469)	\$ (449,576)	\$ (897,244)	\$ (1,215,658)	\$ (479,021)	\$ 1,311,292	\$ 396,792	\$ (877,522)	\$ 2,191,348	\$ 3,595,350
Net Change In Fund Balances										
Debt Service As A Percentage Of Noncapital Expenditures	2.31%	2.27%	2.11%	1.96%	1.73%	1.68%	1.60%	1.53%	1.47%	1.32%

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
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
2022	6,118	33,470	59,666		226,265	325,519

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
2021	7,813,200	1,111,917,400	231,599,400	1,120,000	180,737,608	1,533,187,608	1,253,203	1,534,440,811	2.20	1,889,487,077

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.

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	
2021	2.12	0.07	2.20	1.42	0.48	4.10	

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.

Source: North Plainfield Borough Tax Collector and School Business Administrator.

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

	2021		2012			
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer		Taxable Assessed Value
	SDK Greenbrook Gardens, LLC	\$ 62,000,000	3.97%	SDK Greenbrook Gardens, LLC	\$ 37,515,000	1.78%
	North Plainfield UE, LLC 203.01/1.01	21,100,000	1.35%	H&W Gardens	15,065,100	0.71%
	North Plainfield UE, LLC 203.01/1.02	20,000,000	1.28%	Cypress Gardens Apts Inc.	18,006,200	0.85%
	H&W Gardens Associates	15,820,272	1.01%	Vornado, Inc.	42,800,000	2.03%
	Northwood TIC Owner, LLC	15,750,000	1.01%	Global Motors	13,459,600	0.64%
	Cypress Garden Apartments Inc.	15,673,788	1.00%	Levin Properties	8,737,700	0.41%
	Global Motors Corporation	10,850,000	0.69%	William P Vince Trust	15,146,200	0.72%
	Crystal Ridge Owner 1, LLC	9,750,000	0.62%	Home Properties	11,700,000	0.55%
	VIP Properties	8,527,900	0.55%	Wm Crystal Ridge	11,492,300	0.54%
	North Drive Arms, LLC	8,510,000	0.54%	North Drive Arms	8,356,000	0.40%
Total		\$ 187,981,960	12.03%	Total	\$ 182,278,100	8.64%

Source: North Plainfield 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	
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	91.67%	2,715,785
2022	32,593,078	32,593,078	100.00%	- 0 -

- 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			Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Financed Purchases	Total District		
2013	\$ 13,025,000	\$ 112,212	\$ 13,137,212	0.80%	\$ 601
2014	12,225,000	27,402	12,252,402	0.71%	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	0.33%	341
2020	6,440,000		6,440,000	0.27%	302
2021	5,520,000		5,520,000	0.22%	245
2022	4,580,000		4,580,000	0.18%	204

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		
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%	245
2022	4,580,000	- 0 -	4,580,000	0.30%	204

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, 2021
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	\$ 20,323,400	100.00%	\$ 20,323,400
Somerset County - General Obligation Debt	268,745,720	2.96%	7,954,873
Somerset County - Improvement Authority Debt	166,348,672	2.96%	4,923,921
Subtotal, Overlapping Debt			<u>33,202,194</u>
North Plainfield Borough School District Direct Debt			<u>4,580,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 37,782,194</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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 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	\$ 76,760,673
Total Net Debt Applicable to Limit	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	4,580,000
Legal Debt Margin	\$ 55,015,289	\$ 52,449,285	\$ 50,094,166	\$ 50,829,534	\$ 51,915,719	\$ 53,911,804	\$ 56,360,650	\$ 60,911,191	\$ 66,183,174	\$ 72,180,673

Total Net Debt Applicable to the Limit As a Percentage of Debt Limit

	19.14%	18.90%	18.57%	16.20%	14.77%	13.19%	11.50%	9.56%	7.70%	5.97%
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Legal Debt Margin Calculation for Fiscal Year 2022

Equalized Valuation Basis	North Plainfield Borough
2021	\$ 2,028,562,593
2020	1,909,958,958
2019	1,818,528,946
	<u>\$ 5,757,050,497</u>

Average Equalized Valuation of Taxable Property

Debt Limit (4% of average equalization value)
 Net Bonded School Debt as of June 30, 2022

Legal Debt Margin	\$ 76,760,673
	<u>4,580,000</u>
	<u>\$ 72,180,673</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
2013	21,807	\$ 78,867	\$ 1,719,852,669	7.40%
2014	21,750	83,386	1,813,645,500	5.90%
2015	21,654	88,399	1,914,191,946	5.30%
2016	21,608	92,352	1,995,542,016	4.60%
2017	21,536	99,210	2,136,586,560	4.40%
2018	21,488	104,620	2,248,074,560	3.90%
2019	21,349	110,466	2,358,338,634	3.60%
2020	21,246	112,825	2,397,079,950	9.60%
2021	22,497	112,825 *	2,538,224,025 ***	6.00%
2022	22,497 **	112,825 *	2,538,224,025 ***	N/A

* - Latest Somerset County per capita personal income available (2020) was used for calculation purposes.

** - Latest population data available (2021) was used for calculation purposes.

*** - Latest available population data (2021) and latest available Somerset County per capita personal income (2020) 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

2021		2012		Percentage of Total Employment
Employer	Employees	Employer	Employees	Percentage of Total Employment
AT&T	4,100	AT&T	3,000	N/A
Janssen Pharmaceuticals, Inc.	1,800	Verizon Wireless	930	N/A
The Chubb Corporation	1,800	Dendrite	700	N/A
Johnson and Johnson Pharmaceuticals	1,700	Fiddler's Elbow Country Club	210	N/A
Bloomberg	1,380	Trump National	400	N/A
Ethicon, Inc.	1,100	Falrion Technologies	200	N/A
E-Z Go	1,050	Hamilton Farms	175	N/A
Personal Products Company (J&J)	1,000	Kings	120	N/A
Ortho Clinical Diagnostics	1,000	Bedminster Township Board of Education	100	N/A
Hooper Homes Inc.	900	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>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>	<u>2022</u>
Instruction:										
Regular	238.0	293.0	258.0	240.0	236.0	239.0	242.0	245.0	247.0	247.0
Special Education	54.0	70.0	59.0	76.0	76.0	76.0	78.0	80.0	67.0	67.0
Support Services:										
Student & Instruction Related Services	50.0	48.0	48.0	39.0	41.0	42.0	42.0	42.0	42.0	42.0
General Administrative Services	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
School Administrative Services	20.0	24.0	24.0	24.0	22.0	22.0	22.0	22.0	22.0	22.0
Business Administrative Services	4.0	4.0	4.0	4.0	3.0	3.0	3.0	4.0	4.0	5.0
Plant Operations and Maintenance	38.0	43.0	39.0	38.0	37.0	37.0	37.0	37.0	37.0	38.0
Pupil Transportation	6.0	7.0	6.0	6.0	6.0	4.0	4.0	4.0	4.0	4.0
Total	415.0	494.0	443.0	433.0	427.0	429.0	434.0	440.0	429.0	431.0

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	Teaching Staff		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle/ High School				
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%
2022	3,323	85,293,147	25,668	10.94%	349	198	151	3,323	3,155	0.39%	94.94%

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
UNAUDITED

District Building	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	1,476	1,462	1,438	1,472	1,484	1,484	1,648	1,657	1,617	1,705
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	463	483	454	454	456	516	423	426	454	422
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	465	465
Enrollment	263	268	252	243	246	306	272	254	247	229
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	592	602	554	531	533	533	525	500	496	482
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	21	23	18	27	13	13	34	13	30	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	459	440	515	517	519	519	496	505	448	437
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, 2022:
 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
UNAUDITED

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>School Facilities*</u>										
High School	\$ 271,847	\$ 291,000	\$ 281,453	\$ 405,129	\$ 321,210	\$ 331,321	\$ 454,787	\$ 617,853	\$ 322,496	\$ 303,905
East End Elementary	120,529	189,000	134,708	110,515	141,300	127,800	172,090	238,382	124,426	117,254
Stony Brook Elementary	97,007	106,000	115,752	61,171	106,000	106,800	136,890	134,932	70,429	66,369
West End Elementary	121,448	189,000	141,023	160,458	151,300	132,000	176,500	183,359	95,706	90,189
Harrison School	60,841	89,000	63,801	38,244	90,000	104,250	134,212	143,720	75,016	70,692
Somerset School	124,263	135,000		147,086	140,193	134,500	165,975	172,532	90,055	84,864
Watching School	26,729	11,026	23,739	6,725	24,000	29,730	36,424	59,430	31,020	29,232
Total School Facilities	\$ 822,664	\$ 1,010,026	\$ 760,476	\$ 929,328	\$ 974,003	\$ 966,401	\$ 1,276,878	\$ 1,550,208	\$ 809,148	\$ 762,505

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

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2022
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	350,000	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.		
Business Administrator/Board Secretary	350,000	
Treasurer of School Monies	350,000	
Flood Insurance - Selective Insurance Company	500,000	5,000

Source: North Plainfield Borough School District records.

SINGLE AUDIT SECTION



Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ
973.298.8500
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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 22, 2022. That report included a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Report on 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.

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

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 or significant deficiencies may exist that were not identified.

Report on 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
October 22, 2022

Nisivoccia, LLP
NISIVOCCIA LLP

Kathryn L. Mantell

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



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BKR International

Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

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

Opinion on 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, 2022. 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.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

The Honorable President and Members
of the Board of Education
North Plainfield Borough School District
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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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.

The Honorable President and Members
of the Board of Education
North Plainfield Borough School District
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Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey
October 22, 2022

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, 2022

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Prior Year Encumbrance Cancelled	Repayment of Prior Years' Balances	Prior Year Receivable Cancelled	Balance at June 30, 2022		Amount Provided to Subrecipients
			From	To		Budgetary (Accounts Receivable)	Unearned Revenue						Due to Grantor	Unearned Revenue	
U.S. Department of Agriculture -															
Passed-through State Department of Education:															
Child Nutrition Cluster:															
Food Distribution Program	10.555	N/A	7/1/21	6/30/22	\$ 117,453		\$ 117,453	\$ (113,204)						\$ 4,249	
Food Distribution Program	10.555	N/A	7/1/20	6/30/21	46,179	\$ 3,123		(3,123)							
Fresh Fruit and Vegetables Program	10.582	N/A	7/1/21	6/30/22	5,858		5,858	(5,858)							
COVID-19 - Emergency Program Cost															
Reimbursement	10.555	N/A	7/1/21	6/30/22	182,078		182,079	(182,079)							
COVID-19 - Seamless Summer Option	10.555	N/A	7/1/21	6/30/22	2,159,423		1,978,486	(2,159,423)							
COVID-19 - Seamless Summer Option	10.555	N/A	7/1/20	6/30/21	853,931	\$ (117,241)	117,241							\$ (180,937)	
Total Child Nutrition Cluster						(117,241)	2,401,117	(2,463,687)						(180,937)	4,249
COVID 19 - Pandemic Electronic Benefit Transfer	10.649	N/A	7/1/21	6/30/22	3,063		3,063	(3,063)							
Total U.S. Department of Agriculture/Enterprise Fund						(117,241)	2,404,180	(2,466,750)						(180,937)	4,249
U.S. Department of Health and Human Services -															
Passed-through State Department of Human Services:															
General Fund:															
Medicaid Cluster:															
Medical Assistance Program (SEMI)	93.778	N/A	7/1/21	6/30/22	101,142		101,142	(101,142)							
Total U.S. Department of Health and Human Services							101,142	(101,142)							
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		\$ 63,136			\$ 15,958	\$ 63,136		\$ 15,958		
Total U.S. Department of Treasury							63,136			15,958	63,136		15,958		
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		199,944	(95,965)		8,588	11		(48,964)		
COVID 19 - Digital Divide	84.425D	S42SD213670	7/16/20	10/31/20	34,657										
COVID-19 - CRRSA - ESSER II	84.425D	N/A	3/13/20	9/30/23	2,184,556		395,554	(395,554)							
COVID-19 - CRRSA - Learning Acceleration	84.425D	N/A	3/13/20	9/30/23	140,194		140,194	(140,194)							
COVID-19 - CRRSA - Mental Health	84.425D	N/A	3/13/20	9/30/23	45,000		45,000	(45,000)							
COVID-19 - ARP - ESSER III	84.425U	N/A	3/13/20	9/30/24	4,909,648		217,102	(262,145)					(45,043)		
COVID-19 - ARP - Accelerated Learning Coach and Educator Support	84.425U	N/A	3/13/20	9/30/24	375,711		718	(1,374)					(656)		
COVID-19 - ARP - Evidence Based	84.425U	N/A	3/13/20	9/30/24	40,000		2,204	(3,322)					(118)		
Summer Learning and Enrichment							202	(1,779)					(1,577)		
COVID-19 - ARP - Evidence Based Comprehensive Beyond the School Day	84.425U	N/A	3/13/20	9/30/24	40,000		1,000,918	(944,333)		8,588	11		(96,358)		
Education Stabilization Fund Total						(161,531)									
Special Education Cluster:															
ID.E.A. Part B, Basic Regular	84.027	IDEA-367022	7/1/21	6/30/22	1,064,108		1,036,016	(1,064,108)					(28,092)		
ID.E.A. Part B, Basic Regular	84.027	IDEA-367021	7/1/20	9/30/21	868,380		121,458								
ID.E.A. Part B, Preschool	84.173	IDEA-367022	7/1/21	6/30/22	40,676		26,544	(40,676)					(14,132)		
ID.E.A. Part B, Preschool	84.173	IDEA-367021	7/1/20	9/30/21	20,229		13,112								
COVID-19 - ARP - IDEA Part B, Basic Regular	84.027X	N/A	3/13/20	9/30/22	186,193		30,257	(44,597)					(14,340)		
COVID-19 - ARP - IDEA Part B, Preschool	84.173X	N/A	3/13/20	9/30/22	15,792		1,227,387	(1,165,109)					(72,292)		
Special Education Cluster Total						(134,570)									

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2021		Cash Received	Budgetary Expenditures	Prior Year Encumbrance Cancelled	Repayment of Prior Years' Balances	Prior Year Receivable Cancelled	Balance at June 30, 2022		Amount Provided to Subrecipients
			From	To		Budgetary (Accounts Receivable)	Unearned Revenue						Due to Grantor	Unearned Revenue	
U.S. Department of Education -															
Passed-through State Department of Education -															
Special Revenue Fund:															
Elementary and Secondary Education Act:															
Title I															
Total Title I	84.010A	ESEA-3670-22	7/1/21	9/30/22	\$ 674,786	\$ (308,075)	\$ 561,819	\$ (674,786)	\$ (112,967)						
Title I - SIA Part A	84.010A	ESEA-3670-21	7/1/20	9/30/21	728,019	(308,075)	308,075	(674,786)	(112,967)						
Title I - SIA Part A	84.010A	ESEA-3670-22	7/1/21	9/30/22	14,619	(2,846)	869,894	(14,619)							
Title I - SIA Part A	84.010A	ESEA-3670-21	7/1/20	9/30/21	17,685	(2,846)	2,846	(14,619)							
Total Title I - SIA Part A							17,465	(14,619)							
Title IIA	84.367A	ESEA-3670-22	7/1/21	9/30/22	111,096	(56,388)	88,568	(107,470)	(18,902)						
Title IIA	84.367A	ESEA-3670-21	7/1/20	9/30/21	127,207	(56,388)	56,388	(107,470)	(18,902)						
Total Title II							144,956	(107,470)	(18,902)						
Title III	84.365A	ESEA-3670-22	7/1/21	9/30/22	126,600	(80,332)	80,332	(98,202)	(17,880)						
Title III	84.365A	ESEA-3670-21	7/1/20	9/30/21	109,676	(80,332)	80,332	(98,202)	(17,880)						
Total Title III							160,654	(98,202)	(17,880)						
Title III Immigrant	84.365A	ESEA-3670-22	7/1/21	9/30/22	25,826	(31,144)	25,636	(25,823)	(187)						
Title III Immigrant	84.365A	ESEA-3670-21	7/1/20	9/30/21	40,840	(31,144)	31,144	(25,823)	(187)						
Total Title III - Immigrant							56,780	(87,721)	(2,840)						
Title IV	84.365A	ESEA-3670-22	7/1/21	9/30/22	97,660	(14,394)	84,881	(87,721)	(2,840)						
Title IV	84.365A	ESEA-3670-21	7/1/20	9/30/21	69,861	(14,394)	14,394	(87,721)	(2,840)						
Total Title IV							99,275	(87,721)	(2,840)						
Elementary and Secondary Education Act Total							1,349,024	(1,008,621)	(152,776)						
Vocational Education:															
Perkins Secondary Application	84.048A	PERK367022	7/1/21	6/30/22	28,028	(15,177)	21,181	(28,028)	(6,847)						
Perkins Secondary Application	84.048A	PERK367021	7/1/20	6/30/21	27,030	(15,177)	13,269	(28,028)	(6,847)						
Vocational Education Cluster Total							34,450	(28,028)	(6,847)						
Total U.S. Department of Education/Special Revenue Fund							63,136	(3,146,091)	24,546	63,147	15,958				
TOTAL FEDERAL AWARDS							\$ 63,136	\$ (5,713,983)	\$ 24,546	\$ 63,147	\$ 15,958				
							\$ 3,134	\$ (5,713,983)	\$ 24,546	\$ 63,147	\$ 15,958				
							\$ 6,117,101	\$ (5,713,983)	\$ 24,546	\$ 63,147	\$ 15,958				
															\$ -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, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at July 1, 2021			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2022		MEMO	
		From	To		Budgetary (Accounts Receivable)	Unearned Revenue	Due to Grantor				GAAP (Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary (Accounts Receivable)
Enterprise Fund:														
COVID-19 Seamless Summer Option	22-100-010-3350-02	7/1/21	6/30/22	\$ 42,124			\$ 38,649	\$ (42,124)			\$ (3,475)		\$ (3,475)	\$ 42,124
COVID-19 Seamless Summer Option	21-100-010-3350-02	7/1/20	6/30/21	27,347	\$ (5,102)		5,102							27,347
Total Enterprise fund					(5,102)		43,751	(42,124)			(3,475)		(3,475)	69,471
Total State Awards Subject to Single Audit Determination					\$ (4,002,495)	\$ 427,141	\$ 15,824	\$ (56,957,226)	\$ (15,824)	\$ (15,824)	\$ (650,505)	\$ 574,192	\$ (4,773,932)	\$ 95,850,563
Less: State Awards Not Subject to Single Audit Major Program Determination														
On-Behalf TPAF Pension System Contributions:														
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001	7/1/21	6/30/22	\$ (2,421,212)				\$ 2,421,212						
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/21	6/30/22	(10,218,809)				10,218,809						
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/21	6/30/22	(144,173)				144,173						
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21	6/30/22	(5,190)				5,190						
Subtotal - On-Behalf TPAF Pension System Contributions								12,789,384						
Total State Awards Subject to Single Audit Major Program Determination								\$ (44,167,842)						

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, 2022

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, 2022. 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, 2022
(Continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$764,565) for the General Fund, and \$484,522 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	\$ 101,142	\$ 53,682,014	\$ 53,783,156
Special Revenue Fund	3,603,284	2,495,852	6,099,136
Proprietary Fund	2,466,750	42,124	2,508,874
Total Financial Assistance	\$ 6,171,176	\$ 56,219,990	\$ 62,391,166

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, 2022.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.
- 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* Required by the Uniform Guidance and NJ OMB 15-08.
- 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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

	<u>Assistance Listing/ 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	7/1/21-6/30/22	\$ 1,064,108	\$ 1,064,108
IDEA, Part B, Preschool	84.173	7/1/21-6/30/22	40,676	40,676
A.R.P.- IDEA, Part B, Basic	84.027X	3/13/20-9/30/22	186,193	44,597
A.R.P.- IDEA, Part B, Preschool	84.173X	3/13/20-9/30/22	15,792	15,728
Education Stabilization Fund:				
COVID-19 - CARES				
Emergency Relief	84.425D	3/13/20-9/30/22	568,957	95,965
COVID-19 - C.R.R.S.A.-				
Esser II	84.425D	3/13/20-9/30/23	2,184,556	395,553
Learning Acceleration	84.425D	3/13/20-9/30/23	140,194	140,194
Mental Health	84.425D	3/13/20-9/30/23	45,000	45,000
COVID-19 - A.R.P.-				
ESSER III	84.425U	3/13/20-9/30/24	4,909,648	262,145
Accelerated Learning and Educator Support	84.425U	3/13/20-9/30/24	375,711	1,374
Evidence Based Summer Learning and Enrichment	84.425U	3/13/20-9/30/24	40,000	2,322
Evidence Based Comprehensive Beyond the School Day	84.425U	3/13/20-9/30/24	40,000	1,780
<u>State:</u>				
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	35,048,408	35,048,408
Special Education Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	2,219,988	2,219,988
Categorical Security Aid	22-495-034-5120-084	7/1/21-6/30/22	1,337,265	1,337,265
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	2,197,718	2,197,718

- 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.

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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022

Status of Prior Year Findings:

The District had no prior year audit findings.