

**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, 2023**

**Annual Comprehensive
Financial Report**

of the

**NORTH PLAINFIELD BOROUGH
SCHOOL DISTRICT**

North Plainfield, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

**North Plainfield Board of Education
Finance Department**

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INTRODUCTORY SECTION
(UNAUDITED)

North Plainfield Board of Education
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November 17, 2023

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, 2023, 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 2022-2023 fiscal year with an enrollment of 3,609 students, which is an increase of 286 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 decrease slightly thereby leaving the tax rate slightly higher. However, average house prices increased slightly for the 2022-23 school year.

4) MAJOR INITIATIVES:

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

Educational Program

During the 2022-23 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 2022-23 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 23-24 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 2022-2023 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 2022-2023 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 was no longer able to offer free meals to all students but did continue the State and National School Breakfast and Lunch Programs. These programs provide both breakfast and lunch to over 80% of our students daily 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 years generated operating income. 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 our prekindergarten students receive breakfast and lunch both in the district and at our provider services locations. The District also offers the Fresh Fruit and Vegetables program at Stony Brook.

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 State Aid and ESSER funding. Additionally, the District has applied for ROD Grants for Roofing and HVAC Improvements. The District added Air Conditioning units in all elementary schools' classrooms.

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 is also 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 the 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, 2023.

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.

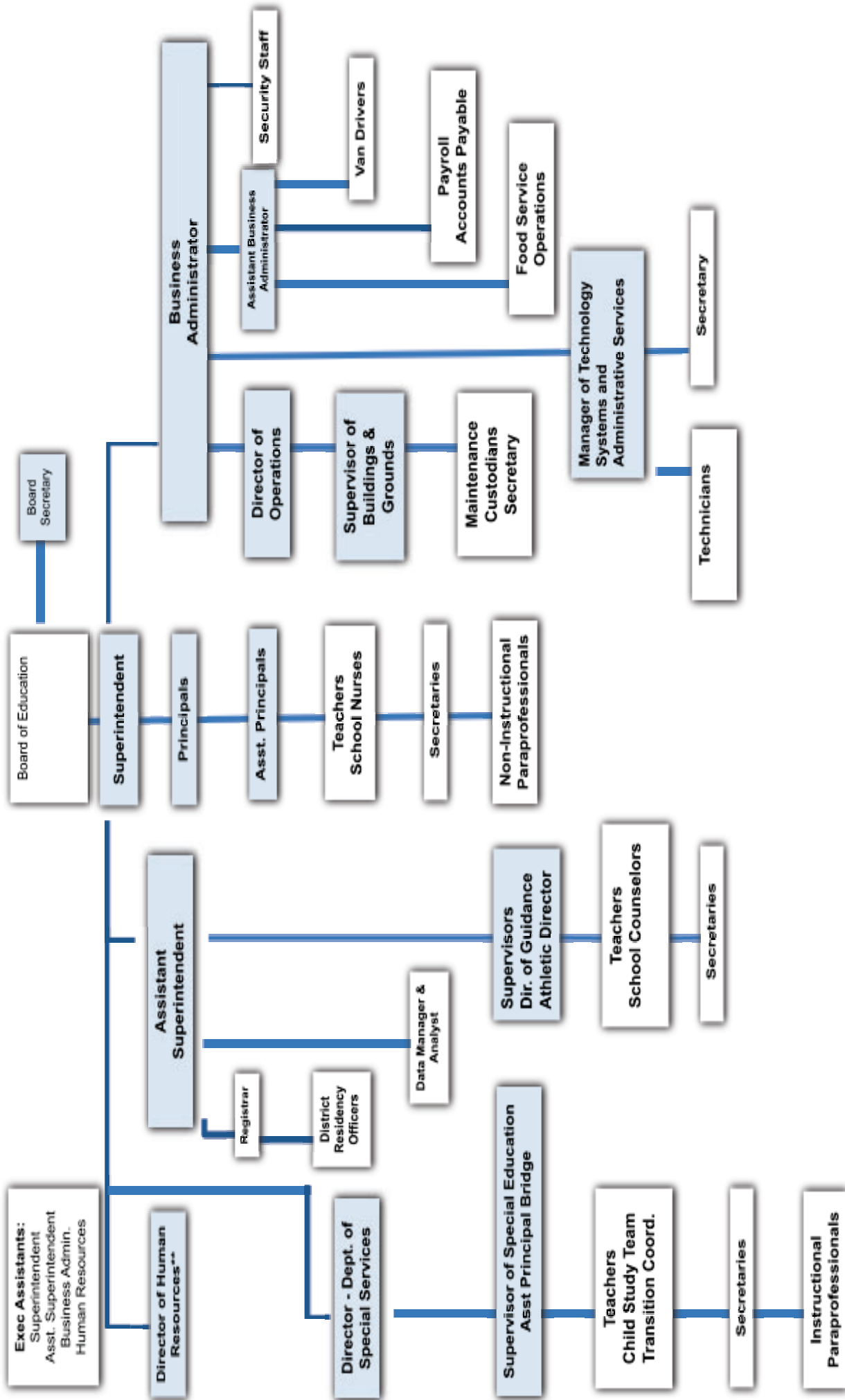
10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the North Plainfield School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of 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, 2023**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Mark Kruszczyński, President		2025
Annnet Ramos-Hernandez, Vice President		2023
Carlie Dougherty		2024
Isela Lopez		2024
Reginald McRae		2024
Thomas Jones Jr.		2025
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**

Attorney

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Bonding Attorney

McManimon & Scotland
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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

Opinions

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, 2023, 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, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 audit opinions.

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.

Auditor’s Responsibilities 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.

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.

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 November 17, 2023 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
November 17, 2023

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, 2023**

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, 2023. 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**

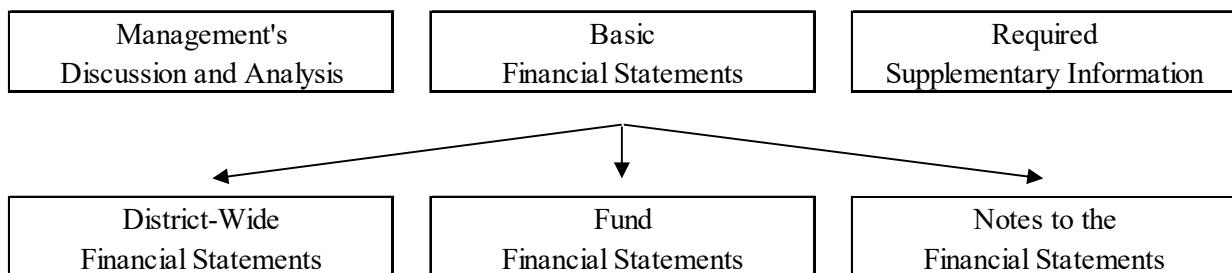


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

**NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, subscription assets or long-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 and payable	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, 2023**

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 liabilities) 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, 2023**

- *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 \$15,083,871, or 41.69%. Net position from governmental activities increased \$14,625,194 while net position from business-type activities increased \$458,677. Net investment in capital assets increased \$9,978,538, restricted net position increased by \$3,544,389, and unrestricted net position increased \$1,560,944.

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
Current and							
Other Assets	\$ 15,457,773	\$ 13,188,954	\$ 1,238,792	\$ 1,094,001	\$ 16,696,565	\$ 14,282,955	
Capital Assets, Net	51,661,657	42,781,055	314,371	151,435	51,976,028	42,932,490	
Total Assets	67,119,430	55,970,009	1,553,163	1,245,436	68,672,593	57,215,445	20.02%
Deferred Outflows of Resources	1,718,793	943,712			1,718,793	943,712	82.13%
Other Liabilities	2,372,309	2,705,357	21,758	172,708	2,394,067	2,878,065	
Long-Term Liabilities	14,280,241	12,940,288			14,280,241	12,940,288	
Total Liabilities	16,652,550	15,645,645	21,758	172,708	16,674,308	15,818,353	5.41%
Deferred Inflows of Resources	2,448,745	6,156,342			2,448,745	6,156,342	-60.22%
Net Position:							
Net Investment in Capital Assets	48,016,657	38,201,055	314,371	151,435	48,331,028	38,352,490	
Restricted	12,217,217	8,672,828			12,217,217	8,672,828	
Unrestricted/(Deficit)	(10,496,946)	(11,762,149)	1,217,034	921,293	(9,279,912)	(10,840,856)	
Total Net Position	\$ 49,736,928	\$ 35,111,734	\$ 1,531,405	\$ 1,072,728	\$ 51,268,333	\$ 36,184,462	41.69%

**NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Changes in Net Position. The District's *combined* net position was \$51,268,333 on June 30, 2023, \$15,083,871 or 41.69% 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 changes in deferred outflows and inflows related to pensions; offset by an increase in the net pension liability (See Figure A-3).

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
Revenue:							
Program Revenue:							
Charges for Services	\$ 272,762	\$ 230,316	\$ 485,632	\$ 178,149	\$ 758,394	\$ 408,465	
Grants and Contributions:							
Operating	21,963,154	22,929,197	2,201,126	2,508,874	24,164,280	25,438,071	
General Revenue:							
Property Taxes	32,555,278	32,593,078			32,555,278	32,593,078	
Federal and State Aid Not Restricted	42,164,654	34,386,104			42,164,654	34,386,104	
Other	506,958	292,049			506,958	292,049	
Total Revenue	97,462,806	90,430,744	2,686,758	2,687,023	100,149,564	93,117,767	7.55%
Expenses:							
Instruction	50,481,451	52,356,529			50,481,451	52,356,529	
Pupil and Instruction Services	12,771,191	12,229,381			12,771,191	12,229,381	
Administrative and Business	6,150,786	6,179,441			6,150,786	6,179,441	
Maintenance and Operations	7,994,708	6,799,920			7,994,708	6,799,920	
Transportation	2,982,740	2,056,683			2,982,740	2,056,683	
Other	2,456,736	2,929,673	2,228,081	2,342,893	4,684,817	5,272,566	
Total Expenses	82,837,612	82,551,627	2,228,081	2,342,893	85,065,693	84,894,520	0.20%
Change in Net Position	\$ 14,625,194	\$ 7,879,117	\$ 458,677	\$ 344,130	\$ 15,083,871	\$ 8,223,247	83.43%

**NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Governmental Activities

The financial position of the District has increased by \$15,083,871; 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.

Although state aid has increased 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**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022/2023</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>2021/2022</u>
Instruction	\$ 50,481,451	\$ 52,356,529	\$ 34,779,753	\$ 33,190,995
Pupil and Instruction Services	12,771,191	12,229,381	12,386,600	11,273,819
Administrative and Business	6,150,786	6,179,441	5,544,413	5,210,726
Maintenance and Operations	7,994,708	6,799,920	2,813,429	5,103,423
Transportation	2,982,740	2,056,683	2,620,765	1,683,478
Other	2,456,736	2,929,673	2,456,736	2,929,673
	<u>\$ 82,837,612</u>	<u>\$ 82,551,627</u>	<u>\$ 60,601,696</u>	<u>\$ 59,392,114</u>

Business-Type Activities

Net position from the District's business-type activities, food service, increased by \$458,677. (Refer to Figure A-4). This was primarily a result of an increase in operating revenue due to increased sales.

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, 2023**

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
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
Construction							
in Progress	\$ 4,699,213				\$ 4,699,213		
Site Improvements	211,175	\$ 164,078			211,175	\$ 164,078	
Buildings and Building							
Improvements	44,387,461	40,850,488			44,387,461	40,850,488	
Machinery and							
Equipment	2,363,808	1,766,489	\$ 314,371	\$ 151,435	2,678,179	1,917,924	
Total Capital Assets, Net of Depreciation	<u>\$ 51,661,657</u>	<u>\$ 42,781,055</u>	<u>\$ 314,371</u>	<u>\$ 151,435</u>	<u>\$ 51,976,028</u>	<u>\$ 42,932,490</u>	21.06%

The District's overall capital assets increased due to \$11,053,926 of additions offset by \$2,010,388 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 increased \$1,339,953, or 10.35%, – as shown in Figure A-7. (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
	2022/2023	2021/2022	2022/2023
Bonds Payable	\$ 3,645,000	\$ 4,580,000	
Bond Premium	408,314	510,392	
Net Pension Liability	9,763,665	7,399,038	
Compensated Absences Payable	463,262	450,858	
	<u>\$ 14,280,241</u>	<u>\$ 12,940,288</u>	10.35%

**NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Long-term Liabilities

- The District paid down \$935,000 of bonds payable.
- The District's bond premium decreased by \$102,078 due to amortization.
- The District's net pension liability increased by \$2,364,627.
- The District's liability for compensated absences increased by a net amount of \$12,404.

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

The North Plainfield School District is currently in good and stable financial condition. The District gained \$12 million additional State Aid for the 2023-2024 School district budget. The District did receive ESSER II and ARP ESSER funding which they anticipated for 2023-24. 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, 2023

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,924,697	\$ 853,895	\$ 2,778,592
Receivables from Federal Governments	2,407,886	324,764	2,732,650
Receivables from State Governments	653,602	13,807	667,409
Receivables from Local Governments	11,885		11,885
Other Accounts Receivable	1,146	20,230	21,376
Inventory		26,096	26,096
Restricted Cash and Cash Equivalents	10,458,557		10,458,557
Capital Assets:			
Construction in Progress	4,699,213		4,699,213
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	46,962,444	314,371	47,276,815
Total Assets	<u>67,119,430</u>	<u>1,553,163</u>	<u>68,672,593</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	1,718,793		1,718,793
Total Deferred Outflows of Resources	<u>1,718,793</u>		<u>1,718,793</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	1,858,809		1,858,809
Accrued Interest Payable	54,675		54,675
Payable to State Government	1,272		1,272
Unearned Revenue	457,553	21,758	479,311
Noncurrent Liabilities:			
Due Within One Year	1,032,079		1,032,079
Due Beyond one Year	13,248,162		13,248,162
Total Liabilities	<u>16,652,550</u>	<u>21,758</u>	<u>16,674,308</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Deferred Inflows Related to Pensions	2,448,745		2,448,745
Total Deferred Outflows of Resources	<u>2,448,745</u>		<u>2,448,745</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	48,016,657	314,371	48,331,028
Restricted for:			
Capital Projects	9,420,165		9,420,165
Debt Service	8,660		8,660
Maintenance Reserve Account	104,506		104,506
Unemployment Compensation	297,330		297,330
Student Activities	209,121		209,121
Scholarships	427,435		427,435
Excess Surplus	1,750,000		1,750,000
Unrestricted/(Deficit)	(10,496,946)	1,217,034	(9,279,912)
Total Net Position	<u>\$ 49,736,928</u>	<u>\$ 1,531,405</u>	<u>\$ 51,268,333</u>

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, 2023

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	\$ 34,427,303	\$ 38,406	\$ 9,290,222	\$ (25,098,675)		\$ (25,098,675)
Special Education	10,544,101		5,288,550	(5,255,551)		(5,255,551)
Other Special Instruction	3,592,335		748,610	(2,843,725)		(2,843,725)
Other Instruction	1,917,712		335,910	(1,581,802)		(1,581,802)
Support Services:						
Tuition	3,557,567			(3,557,567)		(3,557,567)
Student & Instruction Related Services	9,213,624	234,356	150,235	(8,829,033)		(8,829,033)
General Administrative Services	1,395,425		19,010	(1,376,415)		(1,376,415)
School Administrative Services	4,059,593		575,664	(3,483,929)		(3,483,929)
Central Services	682,384		11,699	(670,685)		(670,685)
Administration Information Technology	13,384			(13,384)		(13,384)
Plant Operations and Maintenance	7,994,708		5,181,279	(2,813,429)		(2,813,429)
Pupil Transportation	2,982,740		361,975	(2,620,765)		(2,620,765)
Transfer to Charter Schools	2,211,703			(2,211,703)		(2,211,703)
Interest on Long-Term Liabilities	48,397			(48,397)		(48,397)
Capital Outlay	196,636			(196,636)		(196,636)
Total Governmental Activities	82,837,612	272,762	21,963,154	(60,601,696)		(60,601,696)

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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	\$ 2,228,081	\$ 485,632	\$ 2,201,126		\$ 458,677	\$ 458,677
Total Business-Type Activities	2,228,081	485,632	2,201,126		458,677	458,677
Total Primary Government	\$ 85,065,693	\$ 758,394	\$ 24,164,280	\$ (60,601,696)	458,677	(60,143,019)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				31,455,778		31,455,778
Taxes Levied for Debt Service				1,099,500		1,099,500
Federal and State Aid not Restricted				42,164,654		42,164,654
Interest and Unrestricted Miscellaneous Revenue				441,629		441,629
Restricted Miscellaneous Revenue				65,329		65,329
Total General Revenues				75,226,890		75,226,890
Change in Net Position				14,625,194	458,677	15,083,871
Net Position - Beginning				35,111,734	1,072,728	36,184,462
Net Position - Ending				\$ 49,736,928	\$ 1,531,405	\$ 51,268,333

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, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,916,037		\$ 8,660	\$ 1,924,697
Interfund Receivable	2,012,178			2,012,178
Receivables from State Government	652,147	\$ 1,455		653,602
Receivables from Federal Government		2,407,886		2,407,886
Receivables from Other Governments	11,885			11,885
Other Accounts Receivable	1,146			1,146
Restricted Cash and Cash Equivalents	9,822,001	636,556		10,458,557
Total Assets	\$ 14,415,394	\$ 3,045,897	\$ 8,660	\$ 17,469,951
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 793,846	\$ 192,437		\$ 986,283
Interfund Payable		2,012,178		2,012,178
Payable to State Government		1,272		1,272
Unearned Revenue		457,553		457,553
Total Liabilities	793,846	2,663,440		3,457,286
Fund Balances:				
Restricted:				
Capital Reserve Account	9,420,165			9,420,165
Maintenance Reserve Account	104,506			104,506
Unemployment Compensation	297,330			297,330
Excess Surplus - 2024-2025	750,000			750,000
Excess Surplus - 2023-2024	1,000,000			1,000,000
Debt Service			\$ 8,660	8,660
Student Activities		209,121		209,121
Scholarships		427,435		427,435
Assigned:				
Year End Encumbrances	2,049,547			2,049,547
Unassigned/(Deficit)		(254,099)		(254,099)
Total Fund Balances	13,621,548	382,457	8,660	14,012,665
Total Liabilities and Fund Balances	\$ 14,415,394	\$ 3,045,897	\$ 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.	51,661,657
Interest on Long-Term Liability is not accrued in the governmental funds, but rather is recognized as an expenditure when due.	(54,675)
Bond issuance Premiums are reported as revenue in the governmental funds in the year the bonds are sold.	(408,314)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds	(9,763,665)
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	846,267
Deferred Inflows	(2,448,745)
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.	(4,108,262)
Net Position of Governmental Activities	\$ 49,736,928

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, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 31,455,778		\$ 1,099,500	\$ 32,555,278
Tuition	38,406			38,406
Interest Earned on Maintenance Reserve Funds	2,320			2,320
Interest on Capital Reserve Funds	76,341			76,341
Restricted Miscellaneous	65,329	\$ 234,356		299,685
Unrestricted Miscellaneous	362,968	1,210		364,178
Total - Local Sources	32,001,142	235,566	1,099,500	33,336,208
State Sources	62,191,541	2,897,682		65,089,223
Federal Sources	351,732	4,969,254		5,320,986
Total Revenues	94,544,415	8,102,502	1,099,500	103,746,417
EXPENDITURES				
Current:				
Regular Instruction	19,481,587	3,233,929		22,715,516
Special Education Instruction	6,007,327	1,089,252		7,096,579
Other Special Instruction	2,286,995			2,286,995
Other Instruction	1,331,795			1,331,795
Support Services and Undistributed Costs:				
Tuition	3,557,567			3,557,567
Student & Instruction Related Services	6,850,713	210,914		7,061,627
General Administrative Services	1,084,913			1,084,913
School Administrative Services	2,749,570			2,749,570
Central Services	518,474			518,474
Plant Operations and Maintenance	6,577,213			6,577,213
Pupil Transportation	2,858,321			2,858,321
Allocated and Unallocated Benefits	28,659,189			28,659,189
Debt Service:				
Principal			935,000	935,000
Interest and Other Charges			164,500	164,500
Capital Outlay	7,461,747	3,765,340		11,227,087
Transfer of Funds to Charter Schools	2,211,703			2,211,703
Total Expenditures	91,637,114	8,299,435	1,099,500	101,036,049
Excess/(Deficit) of Revenues Over/(Under) Expenditures	2,907,301	(196,933)	- 0 -	2,710,368
OTHER FINANCING SOURCES/(USES):				
Transfers	(225,180)	225,180		
Total Other Financing Sources/(Uses)	(225,180)	225,180	- 0 -	- 0 -
Net Change in Fund Balances	2,682,121	28,247		2,710,368
Fund Balance—July 1	10,939,427	354,210	8,660	11,302,297
Fund Balance—June 30	\$ 13,621,548	\$ 382,457	\$ 8,660	\$ 14,012,665

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, 2023

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 2,710,368

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	\$ 10,866,646	
Depreciation	<u>(1,986,044)</u>	8,880,602

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. 935,000

The Governmental Funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. 102,078

In the Statement of Activities, interest on long-term liabilities 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 (+). 14,025

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	(2,364,627)
Change in Deferred Outflows	652,555
Change in Deferred Inflows	3,707,597

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 (+). (12,404)

Change in Net Position of Governmental Activities (A-2) \$ 14,625,194

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, 2023

	Business-type Activities - Enterprise Funds
	Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 853,895
Accounts Receivable:	
Federal	324,764
State	13,807
Other	20,230
Inventory	26,096
Total Current Assets	1,238,792
Non-Current Assets:	
Capital Assets	602,160
Less: Accumulated Depreciation	(287,789)
Total Non-Current Assets	314,371
Total Assets	1,553,163
LIABILITIES:	
Current Liabilities:	
Unearned Revenue - Prepaid Sales	10,431
Unearned Revenue - Donated Commodities	11,327
Total Current Liabilities	21,758
Total Liabilities	21,758
NET POSITION:	
Investment in Capital Assets	314,371
Unrestricted	1,217,034
Total Net Position	\$ 1,531,405

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, 2023

	Business-type Activities - Enterprise Fund Food Service
Operating Revenue:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 213,545
Daily Sales - Non-Reimbursable Programs	272,087
	485,632
Total Operating Revenue	485,632
Operating Expenses:	
Cost of Sales - Reimbursable Programs	1,089,593
Cost of Sales - Non-Reimbursable Programs	90,005
Salaries, Benefits and Payroll Taxes	844,703
Supplies, Insurance and Other Costs	49,430
Management Fee	38,675
Depreciation	24,344
Miscellaneous Expenses	91,331
	2,228,081
Total Operating Expenses	2,228,081
Operating Loss	(1,742,449)
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	50,212
State School Breakfast Program	5,967
Breakfast After the Bell	12,404
COVID 19 - Summer Food Service Program - State Supplement	733
Federal Sources:	
National School Lunch Program	1,357,638
School Breakfast Program	280,850
COVID 19 - Summer Food Service Program - Lunch	19,978
COVID 19 - Summer Food Service Program - Breakfast	7,361
Fresh Fruit and Vegetable Program	9,793
Child Care Food	37,791
Cash in Lieu of Commodities	3,020
COVID 19 - Supply Chain Assistance	176,239
Food Distribution Program	239,140
	2,201,126
Total Non-Operating Revenue	2,201,126
Change in Net Position	458,677
Net Position - Beginning of Year	1,072,728
Net Position - End of Year	\$ 1,531,405

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, 2023

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 485,632
Payments for Salaries	(844,703)
Payments to Suppliers	(1,294,011)
(Increase)/Decrease in Accounts Receivable	
Net Cash Used for Operating Activities	<u>(1,653,082)</u>
Cash Flows from Noncapital Financing Activities:	
Federal Sources	1,748,843
State Sources	58,984
Net Cash Provided by Noncapital Financing Activities	<u>1,807,827</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	<u>(187,280)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(187,280)</u>
Net Decrease in Cash and Cash Equivalents	(32,535)
Cash and Cash Equivalents, July 1	<u>886,430</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 853,895</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (1,742,449)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	24,344
Food Distribution Program	239,140
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	(2,937)
(Increase)/Decrease in Other Accounts Receivable	(20,230)
Increase/(Decrease) in Unearned Revenue	11,448
Increase/(Decrease) in Accounts Payable	(162,398)
Net Cash Used for Operating Activities	<u><u>\$ (1,653,082)</u></u>

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$246,218 and \$239,140 for the fiscal year ended June 30, 2023.

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, 2023

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, 2023

(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, 2023
(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 or subscription 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, lease asset or subscription 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, 2023

(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, 2023 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, 2023

(Continued)

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$95,293,378	\$ 11,048,542
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		(2,745,592)
Prior Year Encumbrances		19,927
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	3,864,523	258,904
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(4,613,486)</u>	<u>(254,099)</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$94,544,415</u>	<u>\$ 8,327,682</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$91,637,114	\$ 11,025,100
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		<u>(2,725,665)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$91,637,114</u>	<u>\$ 8,299,435</u>

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, 2023

(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, 2023
(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, 2023.

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 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, 2023
(Continued)

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

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. 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.

O. 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 \$757,107 as of June 30, 2023.

P. 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.

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.

R. Subscriptions Payable

In the district-wide financial statements, subscriptions payable are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

S. 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.

T. Fund Balance Appropriated:

General Fund: Of the \$13,621,548 General Fund fund balance at June 30, 2023, \$9,420,165 is restricted in the capital reserve account; \$104,506 is restricted in the maintenance reserve account; \$297,330 is restricted for unemployment compensation; \$750,000 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2025; \$1,000,000 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2024; \$2,049,547 is assigned for encumbrances which is \$2,553,227 less than the amount assigned on a Budgetary Basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2024; and \$-0- is the unassigned fund balance which is \$2,060,259 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, 2024.

Special Revenue Fund: Of the \$382,457 of fund balance in the Special Revenue Fund fund balance at June 30, 2023 of \$209,121 is restricted for student activities, \$427,435 is restricted for scholarships, and (\$254,099) 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, 2023 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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

U. Deficit Net Position/Fund Balance:

The District has a deficit in unrestricted net position of \$10,496,946 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 \$254,099 due to the last two state aid payments not being recognized on a GAAP basis as detailed in Note 1T. These deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

V. 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, 2023.

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

W. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by the 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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

W. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

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, 2023.

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 in the General Fund at June 30, 2023.

X. 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.

Y. 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.

Z. 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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

AA. 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.

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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Deposits: (Cont'd)

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.

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

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Investments: (Cont'd)

- (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
- (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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

As of June 30, 2023, 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	\$ 2,778,592	\$ 9,420,165	\$ 104,506	\$ 297,330	\$ 209,121	\$ 427,435	\$ 13,237,149
	\$ 2,778,592	\$ 9,420,165	\$ 104,506	\$ 297,330	\$ 209,121	\$ 427,435	\$ 13,237,149

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2023 was \$13,237,149 and the bank balance was \$16,071,693.

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.

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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 4,550,876
Interest Earnings	76,341
Budgeted Deposit	1,242,457
Deposit by Board Resolution - June 2023	4,738,759
Withdrawal by Board Resolution	(1,188,268)
Ending Balance, June 30, 2023	\$ 9,420,165

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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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.

Beginning Balance, July 1, 2022	\$ 102,186
Interest Earnings	<u>2,320</u>
Ending Balance, June 30, 2023	<u>\$ 104,506</u>

NOTE 6. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2023, the District transferred \$141,399 to the capital outlay accounts for equipment which did not require County Superintendent approval, and \$1,186,141 for facilities acquisitions and construction services for which the District obtained County Superintendent approval.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Construction in Progress		\$ 4,699,213		\$ 4,699,213
Total Capital Assets Not Being Depreciated		4,699,213		4,699,213
Capital Assets Being Depreciated:				
Site Improvements	\$ 287,184	61,391		348,575
Buildings and Building Improvements	70,257,756	5,188,135	\$ (23,156)	75,422,735
Machinery and Equipment	3,141,528	917,907	(239,910)	3,819,525
Total Capital Assets Being Depreciated	73,686,468	6,167,433	(263,066)	79,590,835
Governmental Activities Capital Assets	73,686,468	10,866,646	(263,066)	84,290,048
Less Accumulated Depreciation for:				
Site Improvements	(123,106)	(14,294)		(137,400)
Buildings and Building Improvements	(29,407,268)	(1,651,162)	23,156	(31,035,274)
Machinery and Equipment	(1,375,039)	(320,588)	239,910	(1,455,717)
	(30,905,413)	(1,986,044)	263,066	(32,628,391)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 42,781,055	\$ 8,880,602	\$ - 0 -	\$ 51,661,657
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 444,067	\$ 187,280	\$ (29,187)	\$ 602,160
Less Accumulated Depreciation	(292,632)	(24,344)	29,187	(287,789)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 151,435	\$ 162,936	\$ - 0 -	\$ 314,371

The District expended \$4,699,213 towards construction projects in progress during the year.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 1,645,061
Special Education Instruction	13,384
Student and Instructional Support Services	93,971
General Administrative	49,470
School Administrative	11,692
Plant Operations and Maintenance	146,712
Pupil Transportation	25,754
	<u>\$ 1,986,044</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. LEASE ASSETS

The District had no lease asset balances as of June 30, 2023.

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2022	Accrued	Retired	Balance 6/30/2023	Due within One Year
Serial Bonds Payable	\$ 4,580,000		\$ 935,000	\$ 3,645,000	\$ 930,000
Comensated					
Absences Payable	450,858	\$ 12,404		463,262	
Net Pension Liability	7,399,038	2,364,627		9,763,665	
Unamortized Bond					
Issuance Premium	510,392		102,078	408,314	102,079
	<u>\$ 12,940,288</u>	<u>\$ 2,377,031</u>	<u>\$ 1,037,078</u>	<u>\$ 14,280,241</u>	<u>\$ 1,032,079</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 \$102,079 and is separated from the long-term portion of \$306,235.

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, 2023 as follows:

Purpose	Final Maturity	Interest Rate	Amount
2016 School Refunding Bonds	8/15/2026	4.00%	<u>\$ 3,645,000</u>

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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>\$ 3,645,000</u>	<u>\$ 288,900</u>	<u>\$ 3,933,900</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

C. Bonds Authorized But Not Issued:

As of June 30, 2023, 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 portion of compensated absences is \$463,262. There is no current portion of the compensated absences liability at June 30, 2023. 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, 2023, no liability existed for compensated absences in the Food Service Fund.

E. Financed Purchases Payable:

As of June 30, 2023, the District had no financed purchases payable.

F. Leases Payable:

As of June 30, 2023, the District had no leases payable.

G. Subscriptions Payable:

As of June 30, 2023, the District had no subscriptions payable.

H. 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, 2023 is \$-0- and the long-term portion is \$9,763,665. See Note 10 for further information on the PERS.

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).

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS

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

Plan Description

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

Benefits Provided

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

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. 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. Funding for noncontributory group insurance benefits is based on actual claims paid.

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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

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 \$815,860 for the current fiscal year. During the Fiscal year ended June 30, 2023, the State of New Jersey Contributed \$20,543 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

At June 30, 2023, the District's liability was \$9,763,665 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.0647%, which was an increase of 0.0022% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized an actual pension benefit in the amount of \$1,158,999 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$20,543 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(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)

At June 30, 2023, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2018	5.63		\$ 234,699
	2019	5.21		293,296
	2020	5.16		862,447
	2021	5.13		71,565
	2022	5.04	\$ 30,251	
			<u>30,251</u>	<u>1,462,007</u>
Changes in Proportion	2018	5.63		171,800
	2019	5.21		84,963
	2020	5.16		273,920
	2021	5.13		393,911
	2022	5.04	341,437	
			<u>341,437</u>	<u>924,594</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	9,658	
	2020	5.00	290,243	
	2021	5.00	(1,810,349)	
	2022	5.00	1,914,557	
			<u>404,109</u>	
Difference Between Expected and Actual Experience	2018	5.63		8,938
	2019	5.21	22,420	
	2020	5.16	48,050	
	2021	5.13		24,057
	2022	5.04		29,149
			<u>70,470</u>	<u>62,144</u>
District Contribution Subsequent to the Measurement Date	2022	1.00	872,526	
			<u>\$ 1,718,793</u>	<u>\$ 2,448,745</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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
2023	\$ (837,517)
2024	(426,687)
2025	(208,087)
2026	453,967
2027	(997)
	\$ (1,019,321)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% 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, 2021 were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(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, 2022) 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, 2022 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%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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, 2022. 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, 2022 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, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 12,543,449	\$ 9,763,665	\$ 7,397,957

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, 2023
(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:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 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, 2023
(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 2023, the State of New Jersey contributed \$10,725,441 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$3,446,808.

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, 2023, the State's proportionate share of the net pension liability associated with the District was \$128,073,228. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.2482%, which was an increase of 0.0142% from its proportion measured as of June 30, 2021.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		<u>128,073,228</u>
Total	\$	<u>128,073,228</u>

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$3,446,808 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 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, 2023
(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	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			<u>3,013,097,864</u>	<u>19,441,140,477</u>
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.30		21,088,845.00
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
			<u>699,820,974</u>	<u>122,664,916</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			<u>1,172,371,073</u>	
			<u>\$ 4,885,289,911</u>	<u>\$ 19,563,805,393</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, 2023
(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
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	\$(14,678,515,482)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(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, 2022) 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, 2022 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%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2023
(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, 2022 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, 2022		
	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	\$ 150,168,581	\$ 128,073,228	\$ 109,460,669

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 writing 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 \$65,801 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$55,585 for the fiscal year ended June 30, 2023.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. POST-RETIREMENT BENEFITS

State Health Benefit Program Fund – Local Education Retired Employees Plan

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 Employees 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 paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. 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-notice-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2020, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	151,669
Active Plan Members	213,148
Total	364,817

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Total Non-employer OPEB Liability

The total non-employer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

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.

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. 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-2021. 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-2021 for current disabled retirees. Future disabled retirees were based on the Pub-2010 “Safety” (PFRS), “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. 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, 2021	\$ 132,127,439
Changes for Year:	
Service Cost	6,274,840
Interest on the Total OPEB Liability	2,998,981
Changes of Assumptions	(30,357,365)
Differences between Expected and Actual Experience	4,995,784
Gross Benefit Payments by the State	(2,970,580)
Contributions from Members	95,298
Net Changes	(18,963,042)
Balance at June 30, 2022	\$ 113,164,397

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, 2022 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, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB Liability Attributable to the District	\$ 133,012,845	\$ 113,164,397	\$ 97,256,858

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, 2022, 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, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 93,537,291	\$ 113,164,397	\$ 138,945,793

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

For the fiscal year ended June 30, 2023 the District recognized OPEB expense of \$3,851,660 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, 2022 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, 2023

(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (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		\$ 5,875,617
	2018	9.51		5,607,010
	2019	9.29	\$ 791,625	
	2020	9.24	18,690,618	
	2021	9.24	103,649	
	2022	9.13		<u>27,032,352</u>
			<u>19,585,892</u>	<u>38,514,979</u>
Differences Between Expected and Actual Experience	2018	9.51		5,300,369
	2019	9.29		9,317,472
	2020	9.24	17,420,391	
	2021	9.24		19,932,560
	2022	9.13	<u>2,783,945</u>	
			<u>20,204,336</u>	<u>34,550,401</u>
Changes in Proportion	N/A	N/A	<u>2,540,358</u>	<u>653,185</u>
			<u>\$ 42,330,586</u>	<u>\$ 73,718,565</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2023	\$ (5,624,321)
2024	(5,624,321)
2025	(5,624,321)
2026	(4,860,822)
2027	(2,779,483)
Thereafter	<u>(8,761,884)</u>
	<u>\$ (33,275,152)</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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 below table 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 in the General Fund for the current and previous two years.

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ 144,793	\$ 79,464	\$ 297,330
2021-2022	176,024	123,033	232,001
2020-2021	90,598	120,323	179,010

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, 2023
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

The June 30, 2023 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, 2022 is as follows:

Total Assets	\$ 22,628,660
Net Position	\$ 12,420,996
Total Revenue	\$ 11,001,211
Total Expenses	\$ 9,061,594
Change in Net Position	\$ 1,939,617
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 following interfund balances existed at June 30, 2023:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 2,012,178	
Special Revenue Fund		\$ 2,012,178
	\$ 2,012,178	\$ 2,012,178

The interfund between General Fund and Special Revenue Fund is due to the cash deficit in the Special Revenue Fund due to the timing of reimbursements for grants.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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, 2023:

	Governmental Funds		
	General Fund	Special Revenue Fund	Total Governmental Funds
Encumbrances	\$ 4,602,774	\$2,745,592	\$ 7,348,366

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 17. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances (Cont'd)

On the District's Governmental Funds Balance Sheet as of June 30, 2023, \$2,049,547 is assigned for year-end encumbrances in the General Fund which is \$2,553,227 less than the amount assigned on a budgetary basis due to the final state aid payments not being recognized on the GAAP basis. Also, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$2,745,592 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

NOTE 18. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2023:

	<u>Governmental Funds</u>		Total Governmental Funds	District Contribution Subsequent to Measurement Date	Total Governmental Activities
	<u>General Fund</u>	<u>Special Revenue Fund</u>			
Vendors		\$ 192,437	\$ 192,437		\$ 192,437
Payroll Deductions and Withholdings	\$ 36,739		36,739		36,739
Accrued Salaries and Wages	757,107		757,107		757,107
State of New Jersey				\$ 872,526	872,526
	<u>\$ 793,846</u>	<u>\$ 192,437</u>	<u>\$ 986,283</u>	<u>\$ 872,526</u>	<u>\$ 1,858,809</u>

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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.0747439083%	0.0755492581%	0.0747307154%	0.0767462465%	0.0699392925%	0.0683242815%	0.0654178240%	0.0624575925%	0.0646969811%
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	\$ 9,763,665
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	\$ 4,657,980
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%	209.61%
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%	62.91%

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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 649,521	\$ 663,897	\$ 710,972	\$ 695,670	\$ 664,597	\$ 715,638	\$ 889,078	\$ 787,274	\$ 815,860
Contributions in relation to the contractually required contribution	(649,521)	(663,897)	(710,972)	(695,670)	(664,597)	(715,638)	(889,078)	(787,274)	(815,860)
Contribution deficiency/(excess)	\$ -0-	\$ -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	\$ 5,000,005
Contributions as a percentage of covered employee payroll	13.04%	14.45%	14.44%	15.01%	14.30%	15.78%	19.27%	16.90%	16.32%

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
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%	0.2482307935%
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	\$ 128,073,228
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	\$ 30,304,927
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%	422.62%
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%	32.29%

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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	\$ 3,446,808
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)	(10,725,441)
Contribution deficiency/(excess)	\$ 5,503,391	\$ 7,416,075	\$ 11,728,108	\$ 7,595,521	\$ 4,447,121	\$ 3,823,976	\$ 3,067,538	\$ (7,571,126)	\$ (7,278,633)
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	\$ 30,377,339
Contributions as a percentage of covered employee payroll	27.51%	7.20%	9.95%	14.24%	19.27%	20.07%	23.04%	33.72%	35.31%

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 SIX FISCAL YEARS

	Fiscal Years Ending					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 5,474,264	\$ 4,530,304	\$ 3,900,767	\$ 4,115,055	\$ 7,371,261	\$ 6,274,840
Interest Cost	3,756,381	4,358,394	4,007,626	3,309,076	3,427,525	2,998,981
Change in Benefit Terms					(140,634)	
Changes in Assumptions	(15,723,187)	(11,591,159)	1,366,881	27,175,772	130,354	(30,357,365)
Differences between Expected and Actual Experience		(12,186,967)	(15,877,485)	25,009,988	(24,822,073)	4,995,784
Member Contributions	101071	93,348	83,419	78,503	87,625	95,298
Gross Benefit Payments	(2,744,824)	(2,700,915)	(2,814,147)	(2,590,021)	(2,699,930)	(2,970,580)
Net Change in Total OPEB Liability	(9,136,295)	(17,496,995)	(9,332,939)	57,098,373	(16,645,872)	(18,963,042)
Total OPEB Liability - Beginning	127,641,167	118,504,872	101,007,877	91,674,938	148,773,311	132,127,439
Total OPEB Liability - Ending	<u>\$ 118,504,872</u>	<u>\$ 101,007,877</u>	<u>\$ 91,674,938</u>	<u>\$ 148,773,311</u>	<u>\$ 132,127,439</u>	<u>\$ 113,164,397</u>
District's Covered Employee Payroll *	\$ 30,341,554	\$ 31,379,327	\$ 30,330,845	\$ 30,993,090	\$ 34,063,898	\$ 34,918,124
Total OPEB Liability as a Percentage of Covered Employee Payroll	391%	322%	302%	480%	388%	324%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2022 are based on the payroll on the June 30, 2016 - 2021 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, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT NOTES
TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE
FISCAL YEAR ENDED JUNE 30, 2023

(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, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% 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 rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	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	\$ 38,406
Tuition From Other LEAs Within the State				38,406	272,968
Unrestricted Miscellaneous Revenues	90,000		90,000	362,968	2,320
Interest Earned on Maintenance Reserve			1,000	76,341	75,341
Interest Earned on Capital Reserve Funds	1,000		1,000	65,329	65,329
Other Restricted Miscellaneous Revenues					
Total Revenues from Local Sources	31,546,778		31,546,778	32,001,142	454,364
Revenues from State Sources:					
Categorical Transportation Aid	314,548		314,548	314,548	
Extraordinary Aid				502,057	502,057
Categorical Special Education Aid	2,219,988		2,219,988	2,219,988	
Equalization Aid	42,561,812		42,561,812	42,561,812	
Categorical Security Aid	1,337,265		1,337,265	1,337,265	
Non-Public Transportation Aid				40,248	40,248
TPAF Post Retirement Contributions (Non-Budgeted)				2,856,638	2,856,638
TPAF Pension Contributions (Non-Budgeted)				10,725,441	10,725,441
TPAF Non-Contributory Insurance (Non-Budgeted)				148,803	148,803
TPAF Long-Term Disability Insurance (Non-Budgeted)				5,788	5,788
Reimbursed TPAF Social Security Contributions				2,227,916	2,227,916
Total Revenues from State Sources	46,433,613		46,433,613	62,940,504	16,506,891
Revenues from Federal Sources:					
Medicaid Reimbursement	112,317		112,317	171,896	59,579
FFCRA/SEMI CARES Act				13,457	13,457
School and Small Business Ventilation and Energy Efficiency Verification and Repair Program				87,622	87,622
FEMA Reimbursements				78,757	78,757
Total Revenues from Federal Sources	112,317		112,317	351,732	239,415
TOTAL REVENUE	78,092,708		78,092,708	95,293,378	17,200,670

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Local Contrib. - Trans to Special Rev- Inclusion	\$ 225,180	\$ (225,180)			
Kindergarten - Salaries of Teachers	944,177	(121,639)	\$ 822,538	\$ 819,786	\$ 2,752
Grades 1-5 - Salaries of Teachers	5,714,486	176,005	5,890,491	5,884,012	6,479
Grades 6-8 - Salaries of Teachers	4,822,757	(401,475)	4,421,282	4,405,695	15,587
Grades 9-12 - Salaries of Teachers	6,344,291	(298,968)	6,045,323	6,041,996	3,327
Regular Programs - Home Instruction:					
Salaries of Teachers	40,000	3,508	43,508	34,819	8,689
Purchased Professional-Educational Services	25,000	(6,014)	18,986	13,986	5,000
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	291,997	(15,840)	276,157	268,879	7,278
Purchased Professional-Educational Services	136,000	242,946	378,946	378,237	709
Purchased Technical Services	367,040	(125,779)	241,261	211,689	29,572
Other Purchased Services (400-500 series)	28,231	7,769	36,000	33,925	2,075
General Supplies	1,233,903	94,821	1,328,724	1,295,614	33,110
Textbooks	84,051	(64,477)	19,574	17,075	2,499
Other Objects	40,445	41,504	81,949	75,874	6,075
Total Regular Programs - Instruction	<u>20,297,558</u>	<u>(692,819)</u>	<u>19,604,739</u>	<u>19,481,587</u>	<u>123,152</u>
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	539,370	(17,000)	522,370	289,947	232,423
Multiple Disabilities	<u>539,370</u>	<u>(17,000)</u>	<u>522,370</u>	<u>289,947</u>	<u>232,423</u>

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	\$ 4,467,763	\$ (112,721)	\$ 4,355,042	\$ 4,061,647	\$ 293,395
Other Salaries for Instruction	1,519,022	68,609	1,587,631	1,486,204	101,427
Other Purchased Services (400-500 series)	2,156	1,908	4,064	4,064	
General Supplies	47,000	(4,908)	42,092	17,750	24,342
Total Resource Room/Resource Center	6,035,941	(47,112)	5,988,829	5,569,665	419,164
Preschool Disabilities - Full-Time:					
Salaries of Teachers	136,173	9,113	145,286	145,285	1
General Supplies	2,500		2,500	2,430	70
Total Preschool Disabilities - Full-Time	138,673	9,113	147,786	147,715	71
TOTAL SPECIAL EDUCATION - INSTRUCTION	6,713,984	(54,999)	6,658,985	6,007,327	651,658
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,189,428		1,189,428	1,124,940	64,488
Total Basic Skills/Remedial - Instruction	1,189,428		1,189,428	1,124,940	64,488
Bilingual Education - Instruction:					
Salaries of Teachers	1,398,687	(9,600)	1,389,087	1,137,918	251,169
General Supplies	17,500	6,685	24,185	24,137	48
Total Bilingual Education - Instruction	1,416,187	(2,915)	1,413,272	1,162,055	251,217
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	218,254	49,507	267,761	256,586	11,175
Purchased Services (300-500 series)	28,774	(1,436)	27,338	26,473	865
Supplies and Materials	84,716	4,633	89,349	77,184	12,165
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	331,744	52,704	384,448	360,243	24,205

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Instruction:					
Salaries	\$ 470,027	\$ 143,460	\$ 613,487	\$ 602,400	\$ 11,087
Purchased Services (300-500 series)	205,500	(106,709)	98,791	94,768	4,023
Supplies and Materials	90,274	10,695	100,969	97,984	2,985
Other Objects	16,000	176	16,176	16,176	
Total School-Sponsored Athletics - Instruction	781,801	47,622	829,423	811,328	18,095
Summer School - Instruction:					
Salaries of Teachers	145,000	(145,000)			
Other Salaries of Instruction	10,500	(10,500)			
Total Summer School - Instruction	155,500	(155,500)			
Total Summer School	155,500	(155,500)			
Instructional/Alternative Education Program - Instruction:					
Salaries of Teachers	125,446	32,804	158,250	156,384	1,866
Purchased Professional & Technical Services	14,000	(14,000)			
General Supplies	20,000	(16,160)	3,840	3,840	
Total Instructional/Alternative Education Program - Instruction	159,446	2,644	162,090	160,224	1,866
TOTAL INSTRUCTION	31,045,648	(803,263)	30,242,385	29,107,704	1,134,681
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	1,878,785	27,400	27,400	19,091	8,309
Tuition to Other LEAs Within the State-Special		12,114	1,890,899	1,798,606	92,293
Tuition to County Voc. School Dist.-Regular	35,000		35,000	32,775	2,225
Tuition to Priv. Sch. for the Handicap. W/I State	2,658,807	(691,147)	1,967,660	1,610,533	357,127
Tuition - State Facilities	44,770		44,770	44,770	
Tuition - Other		51,792	51,792	51,792	
Total Undistributed Expenditures - Instruction	4,617,362	(599,841)	4,017,521	3,557,567	459,954

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expend. - Attend. & Social Work:					
Salaries	\$ 135,937	\$ (21,787)	\$ 114,150	\$ 110,967	\$ 3,183
Purchased Professional and Technical Services	7,000	(2,766)	4,234	2,033	2,201
Supplies and Materials		573	573		573
Total Undist. Expend. - Attendance and Social Work	<u>142,937</u>	<u>(23,980)</u>	<u>118,957</u>	<u>113,000</u>	<u>5,957</u>
Undistributed Expenditures - Health Services:					
Salaries	630,193	(61,675)	568,518	568,500	18
Purchased Professional and Technical Services	60,000	184,866	244,866	233,196	11,670
Other Purchased Services (400-500 series)		17,835	17,835	17,835	
Supplies and Materials	12,000	(1,289)	10,711	9,841	870
Other Objects	9,500	(3,116)	6,384	6,238	146
Total Undist. Expenditures - Health Services	<u>711,693</u>	<u>136,621</u>	<u>848,314</u>	<u>835,610</u>	<u>12,704</u>
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	662,567	(57,468)	605,099	603,488	1,611
Purchased Professional - Educational Services	65,000	(11,491)	53,509	10,878	42,631
Supplies and Materials	5,000		5,000	4,881	119
Total Undist. Expend. - Speech, OT, PT, Related Svcs	<u>732,567</u>	<u>(68,959)</u>	<u>663,608</u>	<u>619,247</u>	<u>44,361</u>
Undist. Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Salaries	8,000		8,000	3,180	4,820
Purchased Professional - Educational Services	144,872		144,872	90,899	53,973
Supplies and Materials		1,000	1,000	618	382
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	<u>152,872</u>	<u>1,000</u>	<u>153,872</u>	<u>94,697</u>	<u>59,175</u>

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Guidance:					
Salaries of Other Professional Staff	\$ 1,045,904	\$ 77,835	\$ 1,123,739	\$ 1,123,621	\$ 118
Salaries of Secretarial and Clerical Assistants	105,646	18,871	124,517	124,516	1
Other Purchased Services (400-500 series)	9,600	3,195	12,795	10,905	1,890
Supplies and Materials	4,000		4,000	3,444	556
Other Objects	3,560	(3,525)	35	35	
Total Undist Expend. - Guidance	1,168,710	96,376	1,265,086	1,262,521	2,565
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	1,580,171	(115,641)	1,464,530	1,458,835	5,695
Salaries of Secretarial and Clerical Assistants	182,551	(3,639)	178,912	178,706	206
Purchased Professional - Educational Services	156,600	(14,171)	142,429	68,535	73,894
Other Purchased Prof. and Tech. Services		10,000	10,000		10,000
Other Purchased Services (400-500 series)	1,600	10,000	11,600	117	11,483
Supplies and Materials	65,000	(3,491)	61,509	36,542	24,967
Other Objects	1,500	491	1,991	1,991	
Total Undist Expend. - Child Study Team	1,987,422	(116,451)	1,870,971	1,744,726	126,245
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	716,932	79,770	796,702	796,702	
Salaries of Other Professional Staff	50,000	(1,206)	48,794	48,794	
Salaries of Secretarial and Clerical Assistants	236,050	(20,044)	216,006	216,006	
Other Salaries	52,950	(7,355)	45,595	44,010	1,585
Other Purchased Prof. and Tech. Services	20,000	(1,160)	18,840	16,534	2,306
Supplies and Materials	22,500	(573)	21,927	4,515	17,412
Other Objects	2,000		2,000	510	1,490
Total Undist. Expend.-Improv. of Inst. Serv.	1,100,432	49,432	1,149,864	1,127,071	22,793

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	\$ 827,642	\$ 2,677	\$ 830,319	\$ 827,051	\$ 3,268
Other Purchased Services (400-500 series)	66,500	15,000	81,500	65,653	15,847
Supplies and Materials	23,250		23,250	21,086	2,164
Total Undist Expend-Edu. Media Serv./Sch. Library	917,392	17,677	935,069	913,790	21,279
Undist.Expend.-Instructional Staff Training Services:					
Salaries of Secretarial and Clerical Assistants	94,318	146	146	146	
Purchased Professional - Educational Service	45,450	(146)	94,172	57,937	36,235
Other Purchased Services (400-500 series)	15,000	14,155	45,450	39,323	6,127
Supplies and Materials	24,408		29,155	20,932	8,223
Other Objects	179,176	14,155	24,408	21,713	2,695
Total Undist.Expend.-Instructional Staff Training Services	458,358	14,155	193,331	140,051	53,280
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	769,069	(708)	768,361	766,856	1,505
Legal Services	135,000	(18,010)	116,990	76,377	40,613
Audit Fees	50,000	5,000	55,000	55,000	
Other Purchased Professional Services	33,415	3,996	37,411	37,411	
Communications / Telephone	57,320	6,792	64,112	53,525	10,587
BOE Other Purchased Services	6,000	(1,004)	4,996	4,383	613
Other Purch. Serv. (400-500 series other than 530 & 585)	10,025	18,538	28,563	28,048	515
General Supplies	15,000	4,948	19,948	11,046	8,902
BOE In-house training/ Meeting Supplies	5,648		5,648	5,088	560
Judgments Against The School District		6,250	6,250	6,250	
Miscellaneous Expenditures	4,672	9,118	13,790	13,790	
BOE Membership Dues and Fees	27,000	139	27,139	27,139	
Total Undist. Expend.-Support Serv.-Gen. Admin.	1,113,149	35,059	1,148,208	1,084,913	63,295

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	\$ 1,622,898	\$ 42,762	\$ 1,665,660	\$ 1,665,660	
Salaries of Other Professional Staff	417,460	(102,388)	315,072	313,700	\$ 1,372
Salaries of Secretarial and Clerical Assistants	523,005	158,570	681,575	679,585	1,990
Purchased Professional and Technical Services	10,400	14,512	24,912	14,483	10,429
Other Purchased Services (400-500 series)	2,166	(651)	1,515	1,515	
Supplies and Materials	60,266	19,441	79,707	69,398	10,309
Other Objects	10,531	(176)	10,355	5,229	5,126
Total Undist. Expend.-Support Serv.-School Adm.	2,646,726	132,070	2,778,796	2,749,570	29,226
Undist. Expend. - Central Services:					
Salaries	480,862	(2,679)	478,183	471,942	6,241
Purchased Professional Services	24,643	(2,979)	21,664	16,575	5,089
Purchased Technical Services	13,857		13,857	12,021	1,836
Miscellaneous Purchased Services (400-500 series other than 594)	2,500	1,432	3,932	3,932	
Supplies and Materials	7,427	3,340	10,767	10,588	179
Other Objects	2,530	886	3,416	3,416	
Total Undist. Expend. - Central Services	531,819		531,819	518,474	13,345
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	446,077	(22,218)	423,859	405,034	18,825
Cleaning, Repair, and Maintenance Services	478,705	(78,874)	399,831	386,529	13,302
Lead Testing of Drinking Water	5,000	10,850	15,850	15,850	
General Supplies	127,980	(56)	127,924	123,779	4,145
Total Undist. Expend.- Required Maint. for School Facilities	1,057,762	(90,298)	967,464	931,192	36,272

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 2,047,091	\$ 11,193	\$ 2,058,284	\$ 2,058,284	\$ 1
Salaries of Non-Instructional Aides	391,204	38,574	429,778	429,777	2,226
Purchased Professional and Technical Services	97,050	(51,355)	45,695	43,469	3,195
Cleaning, Repair, and Maintenance Services	542,700	67,331	610,031	606,836	6,097
Other Purchased Property Services	65,000	45,037	110,037	103,940	
Insurance	839,000	40,254	879,254	879,254	
General Supplies	106,134	(1,221)	104,913	100,343	4,570
Energy (Natural Gas)	420,000	(226,413)	193,587	176,042	17,545
Energy (Electricity)	280,000	380,102	660,102	660,102	
Other Objects	5,000		5,000	2,595	2,405
Total Undist. Expend.-Custodial Services	4,793,179	303,502	5,096,681	5,060,642	36,039
Care and Upkeep of Grounds:					
Salaries	51,186	(814)	50,372	49,706	666
Cleaning, Repair, and Maintenance Services	80,000	60,391	140,391	121,884	18,507
General Supplies	25,000	(9,188)	15,812	13,769	2,043
Total Care And Upkeep Of Grounds	156,186	50,389	206,575	185,359	21,216
Security:					
Salaries	192,239	39,686	231,925	231,925	
Purchased Professional and Technical Services	138,150	22,805	160,955	160,954	1
General Supplies	16,570	(9,429)	7,141	7,141	
Other Objects	500		500	500	
Total Security	347,459	53,062	400,521	400,020	501
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	6,354,586	316,655	6,671,241	6,577,213	94,028

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Spl. Ed.	\$ 199,070	\$ 90,778	\$ 289,848	\$ 289,848	
Cleaning, Repair, and Maint. Services	37,500	(26,237)	11,263	11,262	\$ 1
Contract Serv.(Bet. Home & Sch.)-Vendors	172,000	22,555	194,555	194,555	
Contract Serv.(Oth. than Bet. Home & Sch.)-Vend.	214,000	12,236	226,236	226,236	
Contract Serv.(Spl. Ed. Students)-ESCs & CTSA's	1,715,425	512,993	2,228,418	2,095,841	132,577
Transportation Supplies	42,500	15,511	58,011	40,579	17,432
Total Undist. Expend.-Student Trans. Serv.	<u>2,380,495</u>	<u>627,836</u>	<u>3,008,331</u>	<u>2,858,321</u>	<u>150,010</u>
UNALLOCATED BENEFITS					
Group Insurance	577,436	(66,177)	511,259	511,066	193
Social Security Contributions	610,000	331,821	941,821	940,057	1,764
Other Retirement Contributions - PERS	750,000	65,860	815,860	815,860	
Other Retirement Contributions - Regular		65,801	65,801	65,801	
Unemployment Compensation	206,612	52,517	259,129	86,811	172,318
Workers Compensation	440,000	(44,916)	395,084	395,084	
Health Benefits	9,887,480	(473,668)	9,413,812	9,412,706	1,106
Tuition Reimbursement	100,000	(26,801)	73,199	73,148	51
Other Employee Benefits	122,500	271,670	394,170	394,070	100
TOTAL UNALLOCATED BENEFITS	<u>12,694,028</u>	<u>176,107</u>	<u>12,870,135</u>	<u>12,694,603</u>	<u>175,532</u>
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				2,856,638	(2,856,638)
TPAF Pension Contributions (Non-Budgeted)				10,725,441	(10,725,441)
TPAF Non-Contributory Insurance (Non-Budgeted)				148,803	(148,803)
TPAF Long-Term Disability Insurance (Non-Budgeted)				5,788	(5,788)
Reimbursed TPAF Social Security Contributions				2,227,916	(2,227,916)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				<u>15,964,586</u>	<u>(15,964,586)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>12,694,028</u>	<u>176,107</u>	<u>12,870,135</u>	<u>28,659,189</u>	<u>(15,789,054)</u>

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL UNDISTRIBUTED EXPENDITURES	\$ 37,431,366	\$ 793,757	\$ 38,225,123	\$ 52,855,960	\$ (14,630,837)
TOTAL GENERAL CURRENT EXPENSE	68,477,014	(9,506)	68,467,508	81,963,664	(13,496,156)
CAPITAL OUTLAY					
Equipment					
Grades 1-5	5,500	5,500	5,500	88,411	5,500
Grades 9-12	67,000	21,411	88,411	88,411	
Undistributed:					
Undistributed Expenditures - Instruction	421,933	33,496	455,429	450,220	5,209
Undistributed Expenditures - Admin. Info. Tech.	170,000	(34,035)	135,965	94,050	41,915
Undist. Expend. - Required Maint for School Fac.	370,424	(3,655)	366,769	305,168	61,601
Undist. Expend. - Custodial Services		33,854	33,854	33,854	
Undist. Expend. - Care and Upkeep of Grounds	84,510	84,510	84,510	44,298	40,212
School Buses - Special	77,000	318	77,318	77,318	
Total Equipment	1,106,357	141,399	1,247,756	1,093,319	154,437
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	485,110	(3,619)	481,491	289,070	192,421
Construction Services	9,265,000	1,189,760	10,454,760	5,882,722	4,572,038
Assessment for Debt Service on SDA Funding	196,636		196,636	196,636	
Total Facilities Acquisition and Const. Serv.	9,946,746	1,186,141	11,132,887	6,368,428	4,764,459
TOTAL CAPITAL OUTLAY	11,053,103	1,327,540	12,380,643	7,461,747	4,918,896
Transfer of Funds to Charter Schools	3,022,366	(214,327)	2,808,039	2,211,703	596,336
TOTAL EXPENDITURES	82,552,483	1,103,707	83,656,190	91,637,114	(7,980,924)

NORTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ (4,459,775)	\$ (1,103,707)	\$ (5,563,482)	\$ 3,656,264	\$ 9,219,746
Other Financing Sources/(Uses):					
Transfer to Special Revenue Fund - Pre-K Inclusion		(225,180)	(225,180)	(225,180)	
Total Other Financing Sources/(Uses)		(225,180)	(225,180)	(225,180)	
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(4,459,775)	(1,328,887)	(5,788,662)	3,431,084	9,219,746
Fund Balance, July 1	14,803,950		14,803,950	14,803,950	
Fund Balance, June 30	<u>\$ 10,344,175</u>	<u>\$ (1,328,887)</u>	<u>\$ 9,015,288</u>	<u>\$ 18,235,034</u>	<u>\$ 9,219,746</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:				\$ 750,000	
Excess Surplus - Restricted For 2024-2025				1,000,000	
Excess Surplus - Restricted For 2023-2024				9,420,165	
Capital Reserve				104,506	
Maintenance Reserve				297,330	
Unemployment Compensation				4,602,774	
Assigned Fund Balance:				2,060,259	
Year End Encumbrances				18,235,034	
Unassigned Fund Balance				(4,613,486)	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				\$ 13,621,548	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 13,621,548</u>	

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 143,000	\$ 93,561	\$ 236,561	\$ 235,566	\$ (995)
State Sources	2,760,227	468,864	3,229,091	2,933,848	(295,243)
Federal Sources	6,598,141	2,616,670	9,214,811	7,653,948	(1,560,863)
Total Revenues	9,501,368	3,179,095	12,680,463	10,823,362	(1,857,101)
Other Financing Sources:					
Transfer In - Board Contribution - General Fund	225,180		225,180	225,180	
Total Revenues and other Financing Sources	9,726,548	3,179,095	12,905,643	11,048,542	(1,857,101)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,565,542	583,026	2,148,568	1,391,196	757,372
Other Salaries for Instruction	104,975	(29,657)	75,318	74,569	749
Purchased Professional and Technical Services		32,662	32,662	29,006	3,656
Tuition	752,019	450,557	1,202,576	1,162,504	40,072
General Supplies	45,225	137,262	182,487	109,666	72,821
Total Instruction	2,467,761	1,173,850	3,641,611	2,766,941	874,670
Support Services:					
Salaries of Program Directors	113,000	(178)	112,822	112,822	
Salaries of Other Professional Staff	135,765	(2,408)	133,357	127,662	5,695
Salaries of Secretaries and Clerical Assistants	104,300	(35)	104,265	104,265	
Salaries of Community Parent Involvement Specialists	74,550	(7,355)	67,195	67,195	
Salaries of Master Teachers	124,200	(18,159)	106,041	106,040	1
Other Salaries	54,352	624,663	679,015	279,077	399,938
Personal Services - Employee Benefits	226,150	606,955	833,105	661,104	172,001
Purchased Professional and Technical Services	1,744,533	1,089,219	2,833,752	2,643,891	189,861
Other Purchased Services		22,522	22,522	18,396	4,126
Supplies and Materials	5,000	282,854	287,854	161,453	126,401
Student Activities	125,000	57,887	182,887	182,887	
Scholarships	18,000	10,027	28,027	28,027	
Total Support Services	2,724,850	2,665,992	5,390,842	4,492,819	898,023
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	4,533,937	(684,189)	3,849,748	3,765,340	84,408
Total Facilities Acquisition and Construction Services	4,533,937	(684,189)	3,849,748	3,765,340	84,408
Total Expenditures	\$ 9,726,548	\$ 3,155,653	\$ 12,882,201	\$ 11,025,100	\$ 1,857,101
Excess of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 23,442	\$ 23,442	\$ 23,442	\$ - 0 -

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 95,293,378	\$ 11,048,542
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		(2,745,592)
Prior Year Encumbrances		19,927
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	3,864,523	258,904
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(4,613,486)</u>	<u>(254,099)</u>
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 <u>\$ 94,544,415</u>	 <u>\$ 8,327,682</u>
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 91,637,114	\$ 11,025,100
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		<u>(2,725,665)</u>
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 91,637,114</u>	 <u>\$ 8,299,435</u>

Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2023 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, 2023

	Elementary and Secondary Education Act					I.D.E.A. I.D.E.A. Preschool	A.R.P. I.D.E.A. Part B, Basic
	Title I	Title I - SIA	Title IIA	Title III	Title IV		
REVENUES:							
Local Sources							
State Sources							
Federal Sources							
Total Revenues	\$ 581,162	\$ 25,560	\$ 112,168	\$ 160,241	\$ 57,296	\$ 25,457	\$ 137,476
	581,162	25,560	112,168	160,241	57,296	25,457	137,476
Other Financing Sources:							
Transfer In - Board Contribution - General Fund							
Total Revenues and other Financing Sources	581,162	25,560	112,168	160,241	57,296	25,457	137,476
EXPENDITURES:							
Instruction:							
Salaries of Teachers	284,078	12,605			14,294		
Other Salaries for Instruction							
Purchased Professional and Technical Services							
Tuition	25,936	7,848		13,755	966	25,457	137,476
General Supplies							
Total Instruction	310,014	20,453		13,755	15,260	25,457	137,476
Support Services:							
Salaries of Program Directors							
Salaries of Other Professional Staff							
Salaries of Secretaries and Clerical Assistants							
Salaries of Community Parent Involvement Specialists							
Salaries of Master Teachers							
Other Salaries	70,012		70,438		57,410		20,000
Personal Services - Employee Benefits	125,215		37,417		30,496		
Purchased Professional and Technical Services	72,719	4,700	2,600	58,580	5,235		
Cleaning, Repair and Maintenance Services							
Other Purchased Services	1,202		1,026		13,263		
Travel							
Supplies and Materials	2,000	407	687		3,538		
Student Activities							
Scholarship							
Total Support Services	271,148	5,107	112,168	146,486	42,036		
Facilities Acquisition and Construction Services:							
Non-Instructional Equipment							
Total Facilities Acquisition and Construction Services							
Total Expenditures	\$ 581,162	\$ 25,560	\$ 112,168	\$ 160,241	\$ 57,296	\$ 25,457	\$ 137,476

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonpublic Handicapped Services		Nonpublic Handicapped Services		Nonpublic Technology Initiative	Nonpublic Nursing	Nonpublic Security
	Compensatory Education	E.S.L.	Examination and Classification	Supplementary Instruction			
REVENUES:							
Local Sources	\$ 1,977	\$ 1,002	\$ 5,685	\$ 2,230	\$ 1,860	\$ 7,128	\$ 15,785
State Sources							
Federal Sources							
Total Revenues	<u>1,977</u>	<u>1,002</u>	<u>5,685</u>	<u>2,230</u>	<u>1,860</u>	<u>7,128</u>	<u>15,785</u>
Other Financing Sources:							
Transfer In - Board Contribution - General Fund							
Total Revenues and other Financing Sources	<u>1,977</u>	<u>1,002</u>	<u>5,685</u>	<u>2,230</u>	<u>1,860</u>	<u>7,128</u>	<u>15,785</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers							
Other Salaries for Instruction							
Purchased Professional and Technical Services	1,977	1,002	5,685	2,230	1,860		3,207
Tuition							
General Supplies						7,128	
Total Instruction	<u>1,977</u>	<u>1,002</u>	<u>5,685</u>	<u>2,230</u>	<u>1,860</u>	<u>7,128</u>	<u>3,207</u>
Support Services:							
Salaries of Program Directors							
Salaries of Other Professional Staff							
Salaries of Secretaries and Clerical Assistants							
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							12,068
Other Purchased Professional Services							
Other Purchased Services							
Supplies and Materials							
Student Activities							
Scholarship							15,785
Total Support Services							<u>15,785</u>
Facilities Acquisition and Construction Services:							
Non-Instructional Equipment							
Total Facilities Acquisition and Construction Services							
Total Expenditures	<u>\$ 1,977</u>	<u>\$ 1,002</u>	<u>\$ 5,685</u>	<u>\$ 2,230</u>	<u>\$ 1,860</u>	<u>\$ 7,128</u>	<u>\$ 15,785</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Education Stabilization Aid						
	COVID-19 C.R.S.S.A.	ESSER II	ESSER III	Accelerated Learning Coach/ Educator Support	Evidence Based Summer Learning and Enrichment	Evidence Based Beyond the School Day	Homeless Children and Youth II
REVENUES:							
Local Sources							
State Sources							
Federal Sources							
Total Revenues	\$ 73,252	\$ 1,789,003	\$ 3,645,223	\$ 88,759	\$ 3,451	\$ 772	\$ 7,675
Other Financing Sources:							
Transfer In - Board Contribution - General Fund							
Total Revenues and other Financing Sources	73,252	1,789,003	3,645,223	88,759	3,451	772	7,675
EXPENDITURES:							
Instruction:							
Salaries of Teachers			779,173		3,206		
Other Salaries for Instruction			4,141				
Purchased Professional and Technical Services							
Tuition	73,252						
General Supplies				240		542	494
Total Instruction	73,252		783,314	240	3,206	542	494
Support Services:							
Salaries of Program Directors							
Salaries of Other Professional Staff							
Salaries of Secretaries and Clerical Assistants							
Salaries of Community Parent Involvement Specialists							
Salaries of Master Teachers							
Other Salaries				58,217			3,000
Personal Services - Employee Benefits			52,404	4,453	245	230	
Purchased Professional and Technical Services			713,867	25,849			
Other Purchased Services							
Supplies and Materials							
Student Activities			119,301				4,181
Scholarship							
Total Support Services			885,572	88,519	245	230	7,181
Facilities Acquisition and Construction Services:							
Non-Instructional Equipment		1,789,003	1,976,337				
Total Facilities Acquisition and Construction Services		1,789,003	1,976,337				
Total Expenditures	\$ 73,252	\$ 1,789,003	\$ 3,645,223	\$ 88,759	\$ 3,451	\$ 772	\$ 7,675

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Climate Change Awareness Grant	Perkins Secondary Application	Preschool Education Aid	Local Donations	Student Activities	Scholarships	Totals
REVENUES:							
Local Sources	\$ 3,889		\$ 2,879,017	\$ 1,210	\$ 217,437	\$ 16,919	\$ 235,566
State Sources		\$ 20,134					2,933,848
Federal Sources							7,653,948
Total Revenue	3,889	20,134	2,879,017	1,210	217,437	16,919	10,823,362
Other Financing Sources:							
Transfer In - Board Contribution - General Fund			225,180				225,180
Total Revenues and other Financing Sources	3,889	20,134	3,104,197	1,210	217,437	16,919	11,048,542
EXPENDITURES:							
Instruction:							
Salaries of Teachers		14,450	283,390				1,391,196
Other Salaries for Instruction			70,428				74,569
Purchased Professional and Technical Services		250	12,795				29,006
Tuition							1,162,504
General Supplies	2,434	1,648	47,733	942			109,666
Total Instruction	2,434	16,348	414,346	942			2,766,941
Support Services:							
Salaries of Program Directors			112,822				112,822
Salaries of Other Professional Staff			127,662				127,662
Salaries of Secretaries and Clerical Assistants			104,265				104,265
Salaries of Community Parent Involvement Specialists			67,195				67,195
Salaries of Master Teachers			106,040				106,040
Other Salaries							279,077
Personal Services - Employee Benefits		1,106	409,538				661,104
Purchased Professional and Technical Services		1,230	1,747,043				2,643,891
Other Purchased Services		1,450					18,396
Supplies and Materials	1,455		15,286	268			161,453
Student Activities					182,887		182,887
Scholarship						28,027	28,027
Total Support Services	1,455	3,786	2,689,851	268	182,887	28,027	4,492,819
Facilities Acquisition and Construction Services:							
Non-Instructional Equipment							3,765,340
Total Facilities Acquisition and Construction Services							3,765,340
Total Expenditures	\$ 3,889	\$ 20,134	\$ 3,104,197	\$ 1,210	\$ 182,887	\$ 28,027	\$ 11,025,100

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 283,390	\$ 283,390	
Other Salaries for Instruction	71,177	70,428	\$ 749
Purchased Professional and Educational Services	12,795	12,795	
General Supplies	49,748	47,733	2,015
Total Instruction	<u>417,110</u>	<u>414,346</u>	<u>2,764</u>
Support Services:			
Salaries of Program Directors	112,822	112,822	
Salaries of Other Professional Staff	133,357	127,662	5,695
Salaries of Secretaries and Clerical Assistants	104,265	104,265	
Salaries of Community Parent Involvement Specialists	67,195	67,195	
Salaries of Master Teachers	106,041	106,040	1
Employee Benefits	409,538	409,538	
Purchased Professional Educational Services	1,806,350	1,747,043	59,307
Supplies and Materials	16,319	15,286	1,033
Total Support Services	<u>2,755,887</u>	<u>2,689,851</u>	<u>66,036</u>
Total Expenditures	<u>\$ 3,172,997</u>	<u>\$ 3,104,197</u>	<u>\$ 68,800</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2022-2023 Preschool Education Aid Allocation	\$ 2,557,440
Add: Actual Preschool Expansion Aid Carryover (June 30, 2022)	574,273
Add: Budgeted Transfer from General Fund	225,180
Total Preschool Education Aid Funds Available for 2022-2023 Budget	<u>3,356,893</u>
Less: 2022-2023 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(3,172,997)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	<u>183,896</u>
Add: June 30, 2023 Unexpended Preschool Education Aid	68,800
2022-2023 Carryover - Preschool Education Aid	\$ 252,696
Budgeted for Preschool Programs in 2023-2024	<u>\$ 187,589</u>

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 853,895
Accounts Receivable:	
Federal	324,764
State	13,807
Other	20,230
Inventory	26,096
	1,238,792
Total Current Assets	1,238,792

Non-Current Assets:

Capital Assets	602,160
Less: Accumulated Depreciation	(287,789)
	314,371
Total Non-Current Assets	314,371

Total Assets	1,553,163
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LIABILITIES:

Current Liabilities:

Unearned Revenue - Prepaid Sales	10,431
Unearnd Revenue - Donated Commodites	11,327
	21,758
Total Current Liabilities	21,758

Total Liabilities	21,758
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NET POSITION:

Investment in Capital Assets	314,371
Unrestricted	1,217,034
	1,531,405

Total Net Position	\$ 1,531,405
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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, 2023

	<u>Business-Type Activities - Enterprise Fund</u>
Operating revenue	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 213,545
Daily Sales - Non-Reimbursable Sales	272,087
Total Operating Revenue	<u>485,632</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	1,089,593
Cost of Sales - Non-Reimbursable Programs	90,005
Salaries, Benefits and Payroll Taxes	844,703
Supplies, Insurance and Other Costs	49,430
Management Fee	38,675
Depreciation	24,344
Miscellaneous Expenses	91,331
Total Operating Expenses	<u>2,228,081</u>
Operating (Loss)	<u>(1,742,449)</u>
Non-Operating Revenue	
State Sources:	
State School Lunch Program	50,212
State School Breakfast Program	5,967
Breakfast After the Bell	12,404
COVID 19 - Summer Food Service Program - State Supplement	733
Federal Sources:	
National School Lunch Program	1,357,638
School Breakfast Program	280,850
COVID 19 - Summer Food Service Program - Lunch	19,978
COVID 19 - Summer Food Service Program - Breakfast	7,361
Fresh Fruit and Vegetable Program	9,793
Child Care Food	37,791
Cash in Lieu of Commodities	3,020
COVID 19 - Supply Chain Assistance	176,239
Food Distribution Program	239,140
Total Non-Operating Revenue	<u>2,201,126</u>
Change in Net Position	458,677
Net Position - Beginning of Year	<u>1,072,728</u>
Net Position - End of Year	<u>\$ 1,531,405</u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 485,632
Payments for Salaries	(844,703)
Payments to Suppliers	<u>(1,294,011)</u>
Net Cash Used for Operating Activities	<u>(1,653,082)</u>
Cash Flows from Noncapital Financing Activities:	
Federal Sources	1,748,843
State Sources	<u>58,984</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,807,827</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	<u>(187,280)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(187,280)</u>
Net Decrease in Cash and Cash Equivalents	(32,535)
Cash and Cash Equivalents, July 1	<u>886,430</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 853,895</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (1,742,449)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	24,344
Food Distribution Program	239,140
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	(2,937)
(Increase)/Decrease in Other Accounts Receivable	(20,230)
Increase/(Decrease) in Unearned Revenue	11,448
Increase/(Decrease) in Accounts Payable	<u>(162,398)</u>
Net Cash Used for Operating Activities	<u><u>\$ (1,653,082)</u></u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$246,218 and \$239,140 for the fiscal year ended June 30, 2023.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF SERIAL BONDS
YEAR ENDED JUNE 30, 2023

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Retired or Matured	Balance June 30, 2023
			Date	Amount			
School Refunding Bonds	5/5/2016	\$ 8,230,000	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%		
						\$ 4,580,000	\$ 3,645,000
						\$ 4,580,000	\$ 3,645,000

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,099,500		\$ 1,099,500	\$ 1,099,500	
Total Revenues	1,099,500		1,099,500	1,099,500	
EXPENDITURES:					
Regular Debt Service:					
Interest	164,500		164,500	164,500	
Redemption of Principal	935,000		935,000	935,000	
Total Regular Debt Service	1,099,500		1,099,500	1,099,500	
Total Expenditures	1,099,500		1,099,500	1,099,500	
Fund Balance, July 1	8,660		8,660	8,660	
Fund Balance, June 30	\$ 8,660	\$ - 0 -	\$ 8,660	\$ 8,660	\$ - 0 -
Recapitulation:					
Restricted			\$ 8,660	\$ 8,660	

STATISTICAL SECTION
(UNAUDITED)

This part of the District’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 District’s overall financial health.

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District'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 District's current levels of outstanding debt and the District'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 District'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 District's operations and resources to help the reader understand how the District's financial information relates to the services the District 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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
Net Investment in Capital Assets	\$ 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	\$ 48,016,657
Restricted	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	12,217,217
Unrestricted/(Deficit)	(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)	(10,496,946)
Total Governmental Activities Net Position	\$ 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	\$ 49,736,928
Business-Type Activities										
Investment in Capital Assets	\$ 170,989	\$ 157,893	\$ 131,215	\$ 246,616	\$ 151,129	\$ 137,928	\$ 124,915	\$ 107,422	\$ 151,435	\$ 314,371
Unrestricted	388,216	364,503	594,539	537,451	594,881	485,258	448,851	621,176	921,293	1,217,034
Total Business-Type Activities Net Position	\$ 559,205	\$ 522,396	\$ 725,755	\$ 784,067	\$ 746,010	\$ 623,186	\$ 573,766	\$ 728,598	\$ 1,072,728	\$ 1,531,405
District-Wide:										
Net Investment in Capital Assets	\$ 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	\$ 48,331,028
Restricted	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	12,217,217
Unrestricted/(Deficit)	(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)	(9,279,912)
Total District Net Position	\$ 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	\$ 51,268,333

Source: North Plainfield Borough School District Financial Reports.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 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	\$ 34,427,303
Special Education	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	10,544,101
Other Special Instruction								3,257,635	3,586,223	3,592,335
Other Instruction	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	1,917,712
Support Services:										
Tuition								3,312,836	2,899,919	3,557,567
Student & Instruction Related Services	8,395,713	10,137,285	10,421,772	12,033,381	12,644,061	13,101,431	12,138,176	8,617,888	9,329,462	9,213,624
General Administrative Services	1,171,335	1,050,043	1,032,245	1,292,101	2,315,806	1,545,787	1,193,573	1,636,873	1,437,145	1,395,425
School Administrative Services	3,048,833	3,650,036	3,890,151	4,636,011	5,017,816	4,652,368	4,019,150	4,497,828	4,015,586	4,059,593
Central Services	376,761	436,775	533,058	599,572	534,292	501,279	495,570	508,257	713,326	682,384
Administrative Information Technology	46,667	14,677	125,927	1,551	1,551		15,463	173,950	13,384	13,384
Plant Operations And Maintenance	7,048,234	6,412,474	6,597,827	7,226,031	6,521,828	6,197,338	6,774,058	7,201,631	6,799,920	7,994,708
Pupil Transportation								1,520,666	2,056,683	2,982,740
Capital Outlay								742,543	307,601	196,636
Transfer to Charter School								2,099,058	2,537,426	2,211,703
Student Transportation Services	1,198,046	1,412,051	1,723,702	1,942,646	1,868,873	2,029,998	2,074,044			
Interest On Long-Term Liabilities	513,497	475,772	449,844	313,988	296,027	268,794	242,319	112,772	84,646	48,397
Unallocated Depreciation	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	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	82,837,612
Business-type activities:										
Food Service	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	2,228,081
Total Business-Type Activities Expense	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	2,228,081
Total District Expenses	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	85,065,693
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Regular Instruction								141,335	196,846	38,406
Student and Instruction Related Services								23,520,637	22,929,197	21,963,154
Operating Grants and Contributions	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	22,235,916
Total Governmental Activities Program Revenues	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	22,235,916
Business-Type Activities:										
Charges For Services:										
Food Service	465,533	481,311	521,326	537,766	519,419	539,377	351,709	3,746	178,149	485,632
Operating Grants and Contributions	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	2,201,126
Total Business Type Activities Program Revenues	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	2,686,758
Total District Program Revenues	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	24,922,674

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual basis of accounting)

Fiscal Year Ended June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue Governmental Activities	\$ (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)	\$ (60,601,696)
Business-Type Activities	68,831	(36,809)	203,359	58,312	(102,214)	(140,185)	(54,639)	154,832	344,130	458,677
Total District-Wide Net Expense	\$ (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)	\$ (60,143,019)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	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	31,455,778
Taxes Levied for Debt Service	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	1,099,500
Federal and State Aid not Restricted	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	42,164,654
Federal and State Aid Restricted	114,172	786,026	611,015	64,315	177,776					
Miscellaneous Income	147,296	199,423	207,690	173,397	294,142	395,527	1,068,455	331,131	292,049	506,958
Cancel Accounts Receivable		(21,731)			(275,836)					
Disposal of Capital assets (net)					(6,332,618)					
Total Governmental Activities	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	75,226,890
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	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	75,226,890
Change in Net Position:										
Governmental Activities	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	14,625,194
Business-Type Activities	92,368	(36,809)	203,359	58,312	(38,057)	(122,834)	(49,410)	154,832	344,130	458,677
Total District	\$ 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	\$ 15,083,871

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Restricted	\$ 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	\$ 11,572,001
Assigned		26,065	26,065	26,065	171,278			1,225,660	2,888,373	2,049,547
Total General Fund	\$ 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	\$ 13,621,548
All Other Governmental Funds:										
Committed	\$ 1,079,199	\$ 1,206,510	\$ 1,103,556	\$ 1,044,833						
Restricted	549,713	142,354	77,871	243,055	\$ 116,213	\$ 11,552	\$ 693,398	\$ 710,596	\$ 621,774	\$ 645,216
Unassigned/(Deficit)						(235,756)	(264,027)	(275,407)	(258,904)	(254,099)
Total All Other Governmental Funds	\$ 1,628,912	\$ 1,348,864	\$ 1,181,427	\$ 1,287,888	\$ 116,213	\$ (224,204)	\$ 429,371	\$ 435,189	\$ 362,870	\$ 391,117
Total Governmental Funds:										
Restricted	\$ 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	\$ 12,217,217
Committed	1,079,199	1,206,510	1,103,556	1,044,833						
Assigned		26,065	26,065	26,065	171,278			1,225,660	2,888,373	2,049,547
Unassigned/(Deficit)						(235,756)	(264,027)	(275,407)	(258,904)	(254,099)
Total Governmental Funds	\$ 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	\$ 14,012,665

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Tax Levy	\$ 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	\$ 32,555,278
Interest Earned on Capital Reserve Funds	329	356					831	305	1,006	76,341
Interest Earned on Maintenance Reserve Funds										2,320
Tuition										33,470
Miscellaneous	160,008	181,922	147,710	155,140	399,612	293,448	991,879	472,379	488,575	38,406
State Sources	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	663,863
Federal Sources	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	65,089,223
Total Revenue	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	103,746,417
Expenditures:										
Instruction:										
Regular Instruction	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	22,715,516
Special Education Instruction	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	7,096,579
Other Special Instruction								1,773,354	2,171,231	2,286,995
Other Instruction	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	1,331,795
Support Services:										
Tuition	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	3,557,567
Student & Instruction Related Services	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	7,061,627
General Administrative Services	924,699	894,426	804,301	893,519	955,932	1,360,327	1,064,142	1,078,684	1,083,096	1,084,913
School Administrative Services	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	2,749,570
Central Services	335,968	340,349	346,179	388,086	400,123	418,677	433,070	381,637	505,405	518,474
Administrative Information Technology	20,302	19,013		1,551			15,463	22,500		
Plant Operations And Maintenance	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	6,577,213
Pupil Transportation								1,784,842	2,295,479	2,858,321
Student Transportation Services	1,181,190	1,309,636	1,567,110	1,725,011	1,756,730	1,953,711	2,012,258			
Unallocated Benefits	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	28,659,189
Debt Service:										
Principal	800,000	800,000	815,000	870,000	805,000	865,000	885,000	920,000	940,000	935,000
Interest And Other Charges	526,406	489,731	450,655	270,377	309,612	278,525	252,275	225,200	197,300	164,500
Capital Outlay	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	11,227,087
Transfer to Charter Schools	282,713	244,844	318,211	693,235	837,385	1,112,278	1,682,457	2,099,058	2,537,426	2,211,703
Refunding Bond Costs			235,784							
Total Expenditures	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	101,036,049

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess/(Deficiency) Of Revenues Over/(Under) Expenditures	\$ (449,576)	\$ (875,513)	\$ (1,451,442)	\$ (479,021)	\$ 1,587,129	\$ 396,792	\$ (877,522)	\$ 2,191,348	\$ 3,595,350	\$ 2,710,368
Other Financing Sources/(Uses):										
Refunding Bond Proceeds			8,230,000							
Bonds Refunded			(9,015,000)							
Transfers In								97,377	183,898	225,180
Transfers Out			1,020,784					(97,377)	(183,898)	(225,180)
Original Issue Premium		(21,731)			(275,836)					
Accounts Receivable Canceled		(21,731)	235,784		(275,836)					
Total Other Financing Sources/(Uses)	\$ (449,576)	\$ (897,244)	\$ (1,215,658)	\$ (479,021)	\$ 1,311,292	\$ 396,792	\$ (877,522)	\$ 2,191,348	\$ 3,595,350	\$ 2,710,368
Net Change In Fund Balances										
Debt Service As A Percentage Of Noncapital Expenditures	2.27%	2.11%	1.96%	1.73%	1.68%	1.60%	1.53%	1.47%	1.32%	1.22%

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
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
2023	261,298	38,406	70,600		175,060	545,364

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)
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
2022	7,493,200	1,115,310,200	228,346,650	1,120,000	166,447,608	1,518,717,658	1,164,727	1,519,882,385	2.21	2,014,933,427

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.

Source: North Plainfield Borough Tax Assessor.

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

Year Ended December 31,	North Plainfield Borough School District						Total Direct and Overlapping Tax Rate
	Direct Rate			Overlapping Rates			
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of North Plainfield	Somerset County		
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	
2022	2.14	0.07	2.21	1.43	0.50	4.15	

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

	2022		2013		Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer					
SDK Greenbrook Gardens, LLC		\$ 62,000,000	4.08%	SDK Greenbrook Gardens, LLC	\$ 37,515,000	2.23%			
North Plainfield UE, LLC 203.01/1.01		21,100,000	1.39%	H&W Gardens	15,065,100	0.90%			
North Plainfield UE, LLC 203.01/1.02		20,000,000	1.32%	Cypress Gardens Apts Inc.	18,006,200	1.07%			
H&W Gardens Associates		15,820,272	1.04%	Vornado, Inc.	42,800,000	2.55%			
Northwood TIC Owner, LLC		15,750,000	1.04%	Global Motors	13,459,600	0.80%			
Cypress Garden Apartments Inc.		15,673,788	1.03%	Levin Properties	8,737,700	0.52%			
Global Motors Corporation		10,850,000	0.71%	William P Vince Trust	15,146,200	0.90%			
Crystal Ridge Owner 1, LLC		9,750,000	0.64%	Home Properties	11,700,000	0.70%			
VIP Properties		8,527,900	0.56%	Wm Crystal Ridge	11,492,300	0.68%			
North Drive Arms, LLC		8,510,000	0.56%	North Drive Arms	8,356,000	0.50%			
Total		\$ 187,981,960	12.37%	Total	\$ 182,278,100	10.85%			

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	
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 -
2023	32,555,278	32,555,278	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		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Financed Purchases			
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%	202
2023	3,645,000		3,645,000	0.14%	161

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		
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%	202
2023	3,645,000	- 0 -	3,645,000	0.24%	161

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, 2022
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
North Plainfield Borough	\$ 24,627,100	100.00%	\$ 24,627,100
Somerset County - General Obligation Debt	265,237,860	2.96%	7,851,041
Somerset County - Improvement Authority Debt	157,045,297	2.96%	4,648,541
Subtotal, Overlapping Debt			<u>37,126,681</u>
North Plainfield Borough School District Direct Debt			<u>3,645,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 40,771,681</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 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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 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	\$ 82,174,627
Total Net Debt Applicable to Limit	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	3,645,000
Legal Debt Margin	<u>\$ 52,449,285</u>	<u>\$ 50,094,166</u>	<u>\$ 50,829,534</u>	<u>\$ 51,915,719</u>	<u>\$ 53,911,804</u>	<u>\$ 56,360,650</u>	<u>\$ 60,911,191</u>	<u>\$ 66,183,174</u>	<u>\$ 72,180,673</u>	<u>\$ 78,529,627</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	18.90%	18.57%	16.20%	14.77%	13.19%	11.50%	9.56%	7.70%	5.97%	4.44%

Legal Debt Margin Calculation for Fiscal Year 2023	
Equalized Valuation Basis	North Plainfield Borough
2022	\$ 2,224,575,447
2021	2,028,562,593
2020	1,909,958,958
	<u>\$ 6,163,096,998</u>
Average Equalized Valuation of Taxable Property	\$ 2,054,365,666
Debt Limit (4% of average equalization value)	\$ 82,174,627
Net Bonded School Debt as of June 30, 2023	3,645,000
Legal Debt Margin	<u>\$ 78,529,627</u>

a Limit set by NISA 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
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	113,975	2,564,095,575	6.00%
2022	22,637	113,975 *	2,580,052,075 ***	3.60%
2023	22,637 **	113,975 *	2,580,052,075 ***	N/A

* - Latest Somerset County per capita personal income available (2021) was used for calculation purposes.

** - Latest population data available (2022) was used for calculation purposes.

*** - Latest available population data (2022) and latest available Somerset County per capita personal income (2021) 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

	2022		2013		Percentage of Total Employment
	Employer	Employees	Employer	Employees	
AT&T		4,100	AT&T	3,000	N/A
Janssen Pharmaceuticles, 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>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>	<u>2023</u>
Instruction:										
Regular	293.0	258.0	240.0	236.0	239.0	242.0	245.0	247.0	247.0	332.0
Special Education	70.0	59.0	76.0	76.0	76.0	78.0	80.0	67.0	67.0	61.0
Support Services:										
Student & Instruction Related Services	48.0	48.0	39.0	41.0	42.0	42.0	42.0	42.0	42.0	42.0
General Administrative Services	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
School Administrative Services	24.0	24.0	24.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0
Business Administrative Services	4.0	4.0	4.0	3.0	3.0	3.0	4.0	4.0	5.0	5.0
Plant Operations and Maintenance	43.0	39.0	38.0	37.0	37.0	37.0	37.0	37.0	38.0	38.0
Pupil Transportation	7.0	6.0	6.0	6.0	4.0	4.0	4.0	4.0	4.0	4.0
Total	494.0	443.0	433.0	427.0	429.0	434.0	440.0	429.0	431.0	510.0

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	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	3,344	\$ 57,044,425	\$ 17,059	1.21%	293	3,255	3,117	1.75%	95.76%
2015	3,332	59,803,351	17,948	5.21%	317	3,287	3,141	0.98%	95.56%
2016	3,383	63,022,205	18,629	3.79%	316	3,292	3,141	0.15%	95.41%
2017	3,325	64,683,579	19,454	4.43%	314	3,181	3,036	-3.37%	95.44%
2018	3,371	65,354,691	19,387	-0.34%	315	3,221	3,076	1.26%	95.50%
2019	3,398	70,129,555	20,638	6.45%	320	3,244	3,092	0.71%	95.31%
2020	3,379	73,390,673	21,720	5.24%	315	3,315	3,208	2.19%	96.77%
2021	3,310	76,583,646	23,137	6.53%	320	3,310	3,054	-0.15%	92.27%
2022	3,323	85,293,147	25,668	10.94%	349	3,323	3,155	0.39%	94.94%
2023	3,609	88,709,462	24,580	-4.24%	371	3,609	3,290	8.61%	91.16%

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	1,462	1,438	1,472	1,484	1,484	1,648	1,657	1,617	1,705	1,719
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	483	454	454	456	516	423	426	454	422	504
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	465	465	465
Enrollment	268	252	243	246	306	272	254	247	229	256
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	602	554	531	533	533	525	500	496	482	545
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	23	18	27	13	13	34	13	30	30	25
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	440	515	517	519	519	496	505	448	437	542
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, 2023:										
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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>School Facilities*</u>										
High School	\$ 291,000	\$ 281,453	\$ 405,129	\$ 321,210	\$ 331,321	\$ 454,787	\$ 617,853	\$ 322,496	\$ 303,905	\$ 371,137
East End Elementary	189,000	134,708	110,515	141,300	127,800	172,090	238,382	124,426	117,254	143,194
Stony Brook Elementary	106,000	115,752	61,171	106,000	106,800	136,890	134,932	70,429	66,369	81,052
West End Elementary	189,000	141,023	160,458	151,300	132,000	176,500	183,359	95,706	90,189	110,141
Harrison School	89,000	63,801	38,244	90,000	104,250	134,212	143,720	75,016	70,692	86,331
Somerset School	135,000		147,086	140,193	134,500	165,975	172,532	90,055	84,864	103,638
Watchung School	11,026	23,739	6,725	24,000	29,730	36,424	59,430	31,020	29,232	35,699
Total School Facilities	\$ 1,010,026	\$ 760,476	\$ 929,328	\$ 974,003	\$ 966,401	\$ 1,276,878	\$ 1,550,208	\$ 809,148	\$ 762,505	\$ 931,192

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

Source: North Plainfield Borough School District records.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
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	
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	400,000	
Treasurer of School Monies	350,000	
Flood Insurance - Selective Insurance Company	500,000	5,000
Student Accident Insurance - Life Ins. Co. - No. America	350,000	2,500

Source: North Plainfield Borough School District records.

SINGLE AUDIT SECTION



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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 "Office"), 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 (the "District"), in the County of Somerset, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 17, 2023.

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.

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.

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

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
November 17, 2023

Nisivoccia, LLP
NISIVOCCIA LLP

Kathryn L. Mantell

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



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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, 2023. 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.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

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
Page 2

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
Page 3

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
November 17, 2023

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, 2023

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, 2022		Cash Received	Budgetary Expenditures	Prior Year Encumbrance Cancelled	Repayment of Prior Years' Balances	Prior Year Receivable Cancelled	Balance at June 30, 2023	
			From	To		Budgetary (Accounts Receivable)	Unearned Revenue						Budgetary (Accounts Receivable)	Unearned Revenue
U.S. Department of Agriculture -														
Passed-through State Department of Education:														
Child Nutrition Cluster:														
Food Distribution Program	10.555	N/A	7/1/22	6/30/23	\$ 246,218	\$ (234,891)	\$ 246,218	\$ (234,891)					\$ 11,327	
Food Distribution Program	10.555	N/A	7/1/21	6/30/22	117,453	(4,249)	180,937	(4,249)						
COVID-19 - Seamless Summer Option	10.555	N/A	7/1/21	6/30/22	2,159,423	(180,937)								
COVID-19 - Summer Food Service Program - Lunch	10.559	N/A	7/1/22	6/30/23	19,978		19,978	(19,978)						
COVID-19 - Summer Food Service Program - Breakfast	10.559	N/A	7/1/22	6/30/23	7,361		7,361	(7,361)						
National School Lunch Program	10.555	N/A	7/1/22	6/30/23	1,357,638		1,091,628	(1,357,638)					\$ (266,010)	
School Breakfast Program	10.553	N/A	7/1/22	6/30/23	280,850		222,096	(280,850)					(58,754)	
Fresh Fruit and Vegetables Program	10.582	N/A	7/1/22	6/30/23	9,793		9,793	(9,793)						
COVID 19 - Supply Chain Assistance	10.555	N/A	7/1/22	6/30/23	176,239		176,239	(176,239)						
Total Child Nutrition Cluster						(180,937)	1,954,230	(2,090,999)					(324,764)	11,327
Child Care Food	10.588	N/A	7/1/22	6/30/23	37,791		37,791	(37,791)						
Cash in Lieu of Commodities	10.588	N/A	7/1/22	6/30/23	3,020		3,020	(3,020)						
Total U.S. Department of Agriculture/Enterprise Fund						(180,937)	1,995,061	(2,131,810)					(324,764)	11,327
U.S. Department of Health and Human Services -														
Passed-through State Department of Human Services:														
General Fund:														
Medical Cluster:														
Medical Assistance Program (SEMI)	93.778	N/A	7/1/22	6/30/23	171,896		171,896	(171,896)						
COVID 19 - FFCA/SEMI CARES Act	93.778	N/A	7/1/22	6/30/23	13,457		13,457	(13,457)						
Total U.S. Department of Health and Human Services/ Medicaid Cluster							185,353	(185,353)						
U.S. Department of Homeland Security -														
Passed-through State Department of Law and Public Safety:														
Disaster Grants - Public Assistance (FEMA):														
Hurricane IDA	97.036	N/A	4/26/21	9/4/21	78,757		78,757	(78,757) *						
Total U.S. Department of Homeland Security							78,757	(78,757)						
U.S. Department of Treasury -														
Passed-through State Department of Community Affairs:														
General Fund:														
School and Small Business Ventilation and Energy	21.027	N/A	9/8/22	6/30/24	87,622		87,622	(87,622)						
Efficiency Verification and Repair Program														
Special Revenue Fund:														
COVID 19 - Coronavirus Relief Fund	21.019	N/A	3/1/20	12/30/20	361,497		73,252	(73,252)			\$ 15,958			
COVID 19 - ASCERS	21.027	N/A	7/1/21	6/30/23	73,252									
Total U.S. Department of Treasury							15,958	(160,874)			15,958			
U.S. Department of Education -														
Passed-through State Department of Education:														
Education Stabilization Fund:														
COVID 19 - CARES Emergency Relief	84.425D	CARES67022	3/13/20	9/30/22	568,957	(48,964)	1,012	(1,789,003)			\$ 47,952		(1,590,553)	
COVID-19 - CRRSA - ESSER II	84.425D	S4250210027	3/13/20	9/30/23	2,184,556	(645,043)	198,450	(3,645,223)					(2,906,098)	
COVID-19 - ARP - ESSER III	84.425U	S4250210027	3/13/20	9/30/24	4,909,648	(656)	784,168	(88,759)					(30,542)	
COVID-19 - ARP - Accelerated Learning	84.425U	S4250210027	3/13/20	9/30/24	375,711	(118)	58,873	(3,451)					(2,656)	
Coach and Educator Support							913	(772)					(771)	
COVID-19 - ARP - Evidence Based	84.425U	S4250210027	3/13/20	9/30/24	40,000	(1,577)	1,501	(7,675)					(3,000)	
Summer Learning and Enrichment							4,675	(77)					(771)	
COVID-19 - ARP - Evidence Based	84.425U	S4250210027	3/13/20	9/30/24	40,000	(96,358)	1,049,592	(5,534,883)					(4,533,620)	
Comprehensive Beyond the School Day														
COVID-19 - ARP - Homeless Children and Youth II	84.425W	S425W210027	3/13/20	9/30/24	18,870									
Education Stabilization Fund Total														

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal CFDA Number	Grant or State Project Number	Federal Grantor/Pass Through Grantor/Program Title/Cluster Title	Grant Period		Program or Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Prior Year Encumbrance Cancelled	Repayment of Prior Years' Balances	Prior Year Receivable Canceled	Balance at June 30, 2023	
			From	To		Budgetary (Accounts Receivable)	Unearned Revenue						Budgetary (Accounts Receivable)	Unearned Revenue
Special Education Cluster:														
84.027	IDEA-3670-23	IDEA-3670-23	7/1/22	6/30/23	\$ 961,027	\$ (28,092)	\$ 758,241	\$ (926,319)					\$ (168,078)	
84.027	IDEA-3670-22	IDEA-3670-22	7/1/21	6/30/22	1,064,108		28,092							
84.173	IDEA-3670-23	IDEA-3670-23	7/1/22	6/30/23	25,457		25,457	(25,457)						
84.173	IDEA-3670-22	IDEA-3670-22	7/1/21	6/30/22	40,676		14,132	(14,132)						
84.027X	IDEA-3670-22	IDEA-3670-22	3/13/20	9/30/22	186,193		142,118	(137,476)	\$ 2,880				(6,818)	
84.173X	IDEA-3670-22	IDEA-3670-22	3/13/20	9/30/22	15,792		15,413	(15,728)	292				(23)	
		Special Education Cluster Total				(72,292)	983,433	(1,089,252)	3,172				(174,919)	
U.S. Department of Education - Passed-through State Department of Education:														
Special Revenue Fund:														
Elementary and Secondary Education Act:														
		Title I												
84.010A	ESEA-3670-23	ESEA-3670-23	7/1/22	9/30/23	\$ 690,034		340,904	(581,162)				\$ 5,860	(240,258)	
84.010A	ESEA-3670-22	ESEA-3670-22	7/1/21	9/30/22	674,786		107,107	(581,162)				5,860	(240,258)	
		Total Title I												
84.010A	ESEA-3670-23	ESEA-3670-23	7/1/22	9/30/23	33,400									
		Total Title I - SIA Part A												
		Total Title I												
84.367A	ESEA-3670-23	ESEA-3670-23	7/1/22	9/30/23	114,853		54,364	(110,688)						
84.367A	ESEA-3670-22	ESEA-3670-22	7/1/21	9/30/22	111,096		20,259	(25,560)					(5,301)	
		Total Title II												
84.365A	ESEA-3670-23	ESEA-3670-23	7/1/22	9/30/23	185,469		74,746	(112,168)					(56,324)	
84.365A	ESEA-3670-22	ESEA-3670-22	7/1/21	9/30/22	126,600		97,895	(160,241)					(62,346)	
		Total Title III												
84.365A	ESEA-3670-23	ESEA-3670-23	7/1/22	9/30/23	187		17,880	(17,880)						
84.365A	ESEA-3670-22	ESEA-3670-22	7/1/21	9/30/22	126,600		115,775	(160,241)					(62,346)	
		Total Title III												
84.365A	ESEA-3670-23	ESEA-3670-23	7/1/22	9/30/23	25,826		187	(187)						
		Total Title III - Immigrant												
84.424A	ESEA-3670-23	ESEA-3670-23	7/1/22	9/30/23	61,045		26,020	(52,389)					(26,369)	
84.424A	ESEA-3670-22	ESEA-3670-22	7/1/21	9/30/22	97,660		7,747	(4,907)					(26,369)	
		Total Title IV												
		Elementary and Secondary Education Act Total				(152,776)	692,745	(936,427)				5,860	(390,598)	
Vocational Education:														
84.048A	PERK367023	PERK367023	7/1/22	6/30/23	28,028		7,764	(20,134)					(12,370)	
84.048A	PERK367022	PERK367022	7/1/21	6/30/22	28,028		6,847	(6,847)						
		Vocational Education Total												
		Total U.S. Department of Education												
		Total Special Revenue Fund												
		TOTAL FEDERAL AWARDS				(509,210)	\$ 4,249	\$ 15,958	\$ 5,160,446	\$ 3,249	\$ 15,958	\$ 53,812	\$ (5,436,271)	\$ 11,327
														\$ -0-

* - Expended in a prior year.
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, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period From	Grant Period To	Program or Award Amount	Balance at July 1, 2022			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO	
					Budgetary (Accounts Receivable)	Unearned Revenue	Due to Grantor				GAAP (Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary (Accounts Receivable)
State Department of Education: General Fund:														
Equalization Aid	23-495-034-5120-078	7/1/22	6/30/23	\$ 42,561,812			\$ 38,333,014	\$ (42,561,812)					\$ (4,228,798)	\$ 42,561,812
Special Education Categorical Aid	23-495-034-5120-089	7/1/22	6/30/23	2,219,988			1,999,418	(2,219,988)					(220,570)	2,219,988
Categorical Security Aid	23-495-034-5120-084	7/1/22	6/30/23	1,337,265			1,204,399	(1,337,265)					(132,866)	1,337,265
Categorical Transportation Aid	23-495-034-5120-014	7/1/22	6/30/23	314,548			283,296	(314,548)					(31,252)	314,548
Extraordinary Special Education Costs Aid	23-495-034-5120-044	7/1/22	6/30/23	502,057				(502,057)					(502,057)	502,057
Non-Public Transportation Aid	23-495-034-5120-014	7/1/22	6/30/23	40,248				(40,248)					(40,248)	40,248
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22	6/30/23	2,227,916			2,118,074	(2,227,916)					(109,842)	2,227,916
Equalization Aid	22-495-034-5120-078	7/1/21	6/30/22	35,048,408	\$ (3,479,908)		3,479,908							35,048,408
Special Education Categorical Aid	22-495-034-5120-089	7/1/21	6/30/22	2,219,988	(220,528)		220,528							2,219,988
Categorical Security Aid	22-495-034-5120-084	7/1/21	6/30/22	1,337,265	(132,841)		132,841							1,337,265
Categorical Transportation Aid	22-495-034-5120-014	7/1/21	6/30/22	314,548	(31,246)		31,246							314,548
Extraordinary Special Education Costs Aid	22-495-034-5120-044	7/1/21	6/30/22	510,268	(510,268)		510,268							510,268
Categorical Security Aid	22-495-034-5120-014	7/1/21	6/30/22	29,000	(29,000)		29,000							29,000
Non-Public Transportation Aid	22-495-034-5120-014	7/1/21	6/30/22	2,197,718	(107,762)		107,762							2,197,718
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21	6/30/22	2,856,638			2,856,638	(2,856,638)						2,856,638
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22	6/30/23	10,725,441			10,725,441	(10,725,441)						10,725,441
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22	6/30/23	148,803			148,803	(148,803)						148,803
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22	6/30/23	5,788			5,788	(5,788)						5,788
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22	6/30/23											
Total General Fund State Aid					(4,511,553)		62,186,424	(62,940,504)			(652,147)		(5,265,633)	104,597,699
Special Revenue Fund:														
NJ Nonpublic Aid:														
Textbook Aid (Chapter 194)	23-100-034-5120-064	7/1/22	6/30/23	7,128			7,128	(7,128)						7,128
Textbook Aid (Chapter 194)	22-100-034-5120-064	7/1/21	6/30/22	5,762		\$ 3,423			\$ (3,423)					2,339
Nursing Services (Chapter 226)	23-100-034-5120-070	7/1/22	6/30/23	12,096			12,096	(12,068)				\$ 28		12,068
Nursing Services (Chapter 226)	22-100-034-5120-070	7/1/21	6/30/22	10,752		8,780			(8,780)					1,972
Technology Initiative	23-100-034-5120-373	7/1/22	6/30/23	3,234			3,234	(3,207)						3,207
Technology Initiative	22-100-034-5120-373	7/1/21	6/30/22	4,032		1,638			(1,638)					2,394
Security Aid	23-495-034-5120-509	7/1/22	6/30/23	15,785			15,785	(15,785)						15,785
Security Aid	22-495-034-5120-509	7/1/21	6/30/22	9,625		351			(351)					9,274
Auxiliary Services (Chapter 192):														
Compensatory Education	23-100-034-5120-067	7/1/22	6/30/23	1,977			1,977	(1,977)						1,977
Compensatory Education	22-100-034-5120-067	7/1/21	6/30/22	1,792		1,792			(1,792)					1,002
English as a Second Language	23-100-034-5120-067	7/1/22	6/30/23	1,002			1,002	(1,002)						1,002
English as a Second Language	22-100-034-5120-067	7/1/21	6/30/22	914		914			(914)					
Handicapped Services (Chapter 193):														
Supplementary Instruction	23-100-034-5120-066	7/1/22	6/30/23	2,230			2,230	(2,230)						2,230
Supplementary Instruction	22-100-034-5120-066	7/1/21	6/30/22	3,882		1,404			(1,404)					2,478
Examination and Classification	23-100-034-5120-066	7/1/22	6/30/23	6,065			6,065	(5,685)					380	5,685
Examination and Classification	22-100-034-5120-066	7/1/21	6/30/22	7,391		380			(380)					7,011
Corrective Speech	23-100-034-5120-066	7/1/22	6/30/23	2,697			2,697	(1,860)						1,860
Corrective Speech	22-100-034-5120-066	7/1/21	6/30/22	1,395		279			(279)					1,116
Preschool Education Aid	23-495-034-5062-086	7/1/22	6/30/23	2,557,440			2,303,341	(2,557,440)					(254,099)	2,557,440
Preschool Education Aid	22-495-034-5062-086	7/1/21	6/30/23	2,588,990			258,904	(118,790)						2,336,294
Preschool Education Aid	21-495-034-5062-086	7/1/20	6/30/23	2,683,158				(202,787)						2,683,158
Climate Change Awareness Grant	23-100-034-5063-359	7/1/22	6/30/23	6,660				(3,889)						2,683,158
School Development Authority - Emergent and Capital Maintenance Needs	N/A	7/1/22	6/30/23	163,704			163,704				163,704			
Total Special Revenue Fund					(258,904)	574,273	2,778,163	(2,933,848)	(18,961)		416,400	1,272	(257,988)	7,654,418

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Program or Award Amount	Balance at July 1, 2022			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO	
				Budgetary (Accounts Receivable)	Unearned Revenue	Due to Grantor				GAAP (Accounts Receivable)	Unearned Revenue		Due to Grantor
Enterprise Fund:													
COVID-19 Seamless Summer Option	23-495-010-3350-002	7/1/21	6/30/22	\$ 42,124	\$ (3,475)	\$	\$ 3,475					\$ 42,124	
COVID-19 Summer Food Service Program - State Supplement	23-495-010-3350-004	7/1/22	6/30/23	733			733					733	
State School Lunch Program	23-495-010-3350-001	7/1/22	6/30/23	50,212			40,296	(733)				50,212	
State School Breakfast Program	23-495-010-3350-002	7/1/22	6/30/23	5,967			4,635	(5,967)				5,967	
State Breakfast after the Bell	23-495-010-3350-005	7/1/22	6/30/23	12,404			9,845	(12,404)				12,404	
Total Enterprise fund				(3,475)			58,984	(69,316)				111,440	
Total State Awards Subject to Single Audit Determination				\$ (4,773,932)	\$ 574,273	\$ 18,961	\$ 65,023,571	\$ (65,943,668)	\$ (18,961)	\$ 41,640	\$ 1,272	\$ (5,537,428)	\$ 112,363,557
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Pension System Contributions:													
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22	6/30/23	\$ (2,856,638)				\$ 2,856,638					
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22	6/30/23	(10,725,441)				10,725,441					
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22	6/30/23	(148,803)				148,803					
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22	6/30/23	(5,788)				5,788					
Subtotal - On-Behalf TPAF Pension System Contributions								13,736,670					
Total State Awards Subject to Single Audit Major Program Determination								\$ (62,206,998)					

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, 2023

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, 2023. 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, 2023
(Continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$748,963) for the General Fund, and (\$2,720,860) 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:

	Federal Sources	State Sources	Total
General Fund	\$ 351,732	\$ 62,191,541	\$ 62,543,273
Special Revenue Fund	4,969,254	2,897,682	7,866,936
Proprietary Fund	2,131,810	69,316	2,201,126
Total Financial Assistance	\$ 7,452,796	\$ 65,158,539	\$ 72,611,335

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, 2023.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance 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, 2023

(Continued)

Summary of Auditors' Results: (Cont'd)

- 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>				
Education Stabilization Fund:				
COVID-19 - CRRSA - ESSER II	84.425D	3/13/20-9/30/23	\$ 2,184,556	\$ 1,789,003
COVID-19 - ARP - ESSER III	84.425U	3/13/20-9/30/24	4,909,648	3,645,223
Accelerated Learning Coach and Educator Support	84.425U	3/13/20-9/30/24	375,711	88,759
Evidence Based Summer Learning and Enrichment	84.425U	3/13/20-9/30/24	40,000	3,451
Evidence Based Comprehensive Beyond the School Day	84.425U	3/13/20-9/30/24	40,000	772
Homeless Children and Youth II	84.425W	3/13/20-9/30/24	18,870	7,675
<u>State:</u>				
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	42,561,812	42,561,812
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	2,219,988	2,219,988
Categorical Security Aid	23-495-034-5120-084	7/1/22-6/30/23	1,337,265	1,337,265
Preschool Education Aid	23-495-034-5062-086	7/1/22-6/30/23	2,557,440	2,557,440
Preschool Education Aid	22-495-034-5062-086	7/1/21-6/30/23	2,588,890	118,790
Preschool Education Aid	21-495-034-5062-086	7/1/20-6/30/23	2,683,158	202,787

- The threshold used for distinguishing between Type A and Type B federal programs was \$750,000.
- The threshold used for distinguishing between Type A and Type B state programs was \$1,566,210.
- The District was not 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.

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, 2023

Status of Prior Year Findings:

The District had no prior year audit findings.