

**Annual Comprehensive
Financial Report**

of the

Borough of South Plainfield Board of Education

County of Middlesex

South Plainfield, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

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

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INTRODUCTORY SECTION



SOUTH PLAINFIELD SCHOOL DISTRICT

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(908) 754-4620

Ms. Mary Malyska
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Dr. Noreen Tansey Lishak
Superintendent of Schools
NLishak@spboe.org

Mr. Alex Benanti
Business Administrator
Abenanti@spboe.org

December 14, 2023

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

Dear Board Members:

The South Plainfield School District (District) successfully submitted the annual comprehensive financial report (ACFR) for the fiscal year ending June 30, 2023. The report has been reviewed for both the accuracy of the data in its completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board) by the District Business Office personnel under the supervision of the District Business Administrator. To the best of our knowledge and belief, all fiscal information presented in this report is correct in all material respects and is stated in a manner designed to present a clear and concise financial position of the District and the results of operations of the various funds. All financial disclosures required to enable the reader to gain an understanding of the District's financial activities have been included.

The District has implemented Statement No. 34 of the Governmental Accounting Standards Board (GASB) entitled Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. The implementation of the standards issued in June of 1999, allowed for the execution of a new reporting model to be employed by the District. It is evident to the reader that two of the main basic financial statements created by this standard does not contain numerous columns for funds that were previously listed in governmental financial statements. Through consolidation, these two statements are now a single document containing the fund base financial information for the Borough of South Plainfield School District.

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

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory sections include this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, Management's Discussion and Analysis (MD&A), supplemental information, the combining of individual schedules as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", the audit requirement of Title 2 U.S. Code of Federal Regulations CFR Part 200, Uniform



Administrative Requirements, Cost Principles, and requirements for Federal Awards (Uniform Guidance), New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

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

The District ended the 2022/2023 fiscal year with an enrollment of 3,554 students, which represents an increase of 4.00% students from the previous year's enrollment. This change is primarily due to natural fluctuations in student enrollment year over year. The following details the changes in the student enrollment of the district over the last ten years.

Enrollment at Year-end

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-2023	3,554	4.00%
2021-2022	3,417	1.00%
2020-2021	3,385	0.77%
2019-2020	3,359	0.24%
2018-2020	3,351	-0.86%
2017-2018	3,380	-0.35%
2016-2017	3,392	-3.83%
2015-2016	3,527	-0.08%
2014-2015	3,530	1.79%
2013-2014	3,468	-2.69%



2. Economic Condition and Outlook: The Borough of South Plainfield thrives economically due to its strategic location as a convenient commuting hub to major employment centers, including New York City.

Reflecting the national economic prosperity, the borough currently boasts a population of 24,439, representing over 50 languages within a diverse economic and ethnic cross-section. As the borough's population expands, so does the educational landscape, with anticipated growth driven by upcoming housing developments, featuring single homes, townhouses, and a proposed apartment complex. Simultaneously, the local industry flourishes, introducing warehouses and retail spaces throughout the borough.

The community's strength is highlighted by robust youth athletic programs, contributing significantly to the borough's appeal for families. Ongoing improvements, such as the replacement of the turf field at the Police Athletic League (PAL) athletic complex, demonstrate a commitment to enhancing recreational facilities. The borough also supports a flourishing senior center, offering health screenings, educational classes, crafting, and meals, while diverse programs cater to residents of all ages, including youth summer camps, library programs, and various sports and entertainment activities.

Education remains a focal point for the district, with plans to expand the preschool program in September 2024, adding 120 seats in the newly renovated administration building. Renovated classroom spaces across district schools aim to reduce class sizes, ensuring optimal learning environments. South Plainfield High School's Class of 2023 witnessed diverse post-graduation paths, with 58% attending 4-year colleges, 33% pursuing 2-year institutions, and 4% entering trade schools, union apprenticeships, or the workforce.

In SY2023, the district met or exceeded the New Jersey Student Learning Assessments average in English Language Arts in grades 8 and 9 and in Mathematics in grades 4, 5, 7, 8, Algebra 1, and Algebra 2, and Geometry. Additionally, district students enrolled in advanced placement courses with 343 exams administered. In total, 73% of district students scored a 3 or higher. In addition to the districts high number of students enrolled in advanced placement courses, the district also had a total of ten students achieve the Seal of Biliteracy in 2023.

The district's commitment to continuous improvement extends to facilities, with completed referendum projects and new initiatives, including roof replacements, HVAC upgrades, cafeteria renovations, and the creation of a gaming room at South Plainfield High School. Ongoing capital projects address flooring, public announcement, and fire alarm systems, enhancing safety. Technological advancements, including device replacements, align with the district's evolving needs.

In the upcoming school year (SY23/24), the district plans further enhancements, expanding the preschool program, upgrading kitchen equipment at South Plainfield Middle School



and Grant School, and prioritizing safety measures with flooring abatement and system upgrades including the district public announcement system, PA, and fire alarm system.

Transportation improvements, including additional buses added to the current fleet as well as hiring qualified staff, underscore the district's commitment to student well-being both in and out of the district.

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

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

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

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

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

5. Accounting System and Reports: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB).



6. Debt Administration: On August 14, 2009, the Board of Education sold and issued \$9,765,000 Refunding School bonds resulting in a savings of \$341,112. As of June 30, 2022, the Refunding School bonds have all been paid. On March 28, 2017, the voters of the Borough of South Plainfield approved a \$28,094,000 (\$9,526,000 to be financed with debt service aid) bond referendum to finance a long list of needed capital projects. This list of projects can be provided by the school business administrator if needed. As of June 30, 2023, the outstanding principal balance was \$23,994,000 for this issue.
7. Cash Management: The investment policy of the District is guided in large part by state statute as detailed in the "Notes to Basic Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit its funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. Risk Management: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
9. Other Information

Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee, Clooney and Company, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08. The auditor's report of the ACFR is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
10. Acknowledgments: We would like to express our appreciation to the members of the Borough of South Plainfield School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our administrative office staff.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "N. Lishak", written over a horizontal line.

Dr. Noreen Lishak,
Superintendent of Schools

A handwritten signature in black ink, appearing to read "A. Benanti", written over a horizontal line.

Alex Benanti
Business Administrator/Board Secretary

**BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Pio Pennisi, President	2023
Thomas Cassio, Vice President	2025
Keith Both	2023
Doug Chapman	2025
John Farinella	2024
Jim Giannakis	2023
Sharon Miller	2024
Divon Pender	2024
William Seesselberg	2025
<u>Other Officials</u>	
Dr. Noreen Tansey Lishak, Superintendent	
Alex Benanti, Business Administrator/Board Secretary	
Glen Cullen, Treasurer	
Mark H. Zitomer, Esq., Schenck, Price, Smith & King, LLP Board Attorney	

**BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
JUNE 30, 2023**

Audit Firm

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

Official Depository

Investors Bank
101 Wood Avenue South
Iselin, New Jersey 08830

Attorney

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

FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the South Plainfield School District, in the County of Middlesex, State of New Jersey (the "District") as of and for the 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, 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 (the "Uniform Guidance") the audit requirements of State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." 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 and provisions 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.

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Emphasis of Matter

As discussed in Note 1 to the basic financial statements, for the year ended June 30, 2023, the District adopted Governmental Accounting Standards Board Statement Number 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

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 generally accepted auditing standards, the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards* 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 generally accepted auditing standards the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards*, 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.

SUPLEE, CLOONEY & COMPANY

- 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, budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibits M-1 and M-2 are presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 data such as the combining statements and individual fund financial statements, and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 combining and individual fund financial statements and the schedule of expenditures of federal awards and state financial assistance 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.

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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 December 14, 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 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

December 14, 2023

REQUIRED SUPPLEMENTARY INFORMATION – Part I

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023 UNAUDITED

The discussion and analysis of the Borough of South Plainfield School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34. – Basic Financial Statements-Management's Discussion and Analysis-for the State and Local Governments. Certain comparative information between the current fiscal year and the prior fiscal year is presented in the MD&A. In the fiscal year 2023, the District implemented GASB Statement No. 96 "*Subscription-Based Information Technology Arrangements*". The District determined that they have no material SBITAs as prescribed by the Statement.

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- The state continues to delay the final two state aid payments into the subsequent budget year. Therefore, the final two payments were not reflected on the GAAP basis financial statements for the 2022/2023 school year.
- Government-wide general revenues accounted for \$61,538,157.97 or 71.6% of all revenues. Program specific revenues in the form of charges for services and operating/capital grants and contributions accounted for \$24,442,153.83 or 28.4% of all revenues.
- The District had \$83,692,056.74 in government-wide expenses that were adequately provided for by general revenues consisting primarily of state aid and property taxes.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023 UNAUDITED

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

Table 1 provides a comparative summary of the District's net position at June 30, 2023 and 2022.

**Table 1
Net Position**

	Governmental Activities		Business-type Activities	
	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
Assets:				
Current and Other Assets	\$ 14,866,656.80	\$ 17,671,069.25	\$ 436,001.91	\$ 1,237,240.51
Capital Assets	54,042,825.49	43,795,142.00	423,101.00	527,098.00
Total Assets	<u>68,909,482.29</u>	<u>61,466,211.25</u>	<u>859,102.91</u>	<u>1,764,338.51</u>
Deferred Outflows of Resources:				
Related to Pensions	1,260,246.00	930,798.00	-	-
Liabilities:				
Other Liabilities	16,268,260.90	12,778,752.34	77,648.33	474,982.89
Long-Term Liabilities	30,591,531.50	26,116,628.12	-	-
Total Liabilities	<u>46,859,792.40</u>	<u>38,895,380.46</u>	<u>77,648.33</u>	<u>474,982.89</u>
Deferred Inflows of Resources:				
Related to Pensions	1,551,287.00	4,518,792.00	-	-
Net Position:				
Net Investment in Capital Assets	25,278,095.57	18,560,567.78	423,101.00	527,098.00
Restricted	2,485,428.37	8,239,895.37	-	-
Unrestricted (Deficit)	(6,004,875.05)	(7,817,626.36)	358,353.58	762,257.62
Total Net Position	<u>\$ 21,758,648.89</u>	<u>\$ 18,982,836.79</u>	<u>\$ 781,454.58</u>	<u>\$ 1,289,355.62</u>

The District's combined net position was \$22,540,103.47 on June 30, 2023. The District's investment in capital assets is shown net of any related debt used to acquire those assets. A significant portion of the District's Net Position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide regular and special education, transportation, maintenance and administration services.

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

Table 2 shows changes in net assets for fiscal years 2023 and 2022.

**Table 2
Changes in Net Position**

	Governmental Activities		Business-type Activities	
	FY 2023	FY 2022	FY 2023	FY 2022
Revenues				
Program Revenues:				
Charges for Services	\$ 152,495.15	\$ 102,037.70	\$ 1,607,418.63	\$ 955,976.90
Operating Grants & Contributions	21,675,006.61	20,343,968.44	1,007,233.44	2,155,186.59
General Revenues:				
Property Taxes	54,258,605.00	53,951,223.00		
Grants and Entitlements	6,936,522.64	6,192,097.47		
Other	329,179.49	241,056.69	13,850.84	3,381.76
Total Revenues	<u>83,351,808.89</u>	<u>80,830,383.30</u>	<u>2,628,502.91</u>	<u>3,114,545.25</u>
Program Expenses				
Instruction	48,939,636.55	48,208,183.99		
Support Services:				
Student and Instruction Related	10,418,966.82	10,721,022.50		
General Administration	1,487,857.66	1,566,786.76		
School Administration	5,469,484.13	4,881,379.57		
Central Services	2,115,105.65	2,606,330.00		
Maintenance of Facilities	6,717,415.16	6,443,543.59		
Student Transportation	4,925,713.15	3,996,547.65		
Business Type Activities			2,821,959.81	2,762,464.11
Other	795,917.81	776,353.11		
Total Expenses	<u>80,870,096.93</u>	<u>79,200,147.17</u>	<u>2,821,959.81</u>	<u>2,762,464.11</u>
Excess/(Deficiency) Before Special Items	<u>\$ 2,481,711.96</u>	<u>\$ 1,630,236.13</u>	<u>\$ (193,456.90)</u>	<u>\$ 352,081.14</u>
Special Items:				
Transfers	314,444.14		(314,444.14)	
Loss on disposal of assets	(20,344.00)	(26,388.00)		
Total Special Items	<u>294,100.14</u>	<u>(26,388.00)</u>	<u>(314,444.14)</u>	
Increase/(Decrease) in Net Position	<u>\$ 2,775,812.10</u>	<u>\$ 1,603,848.13</u>	<u>\$ (507,901.04)</u>	<u>\$ 352,081.14</u>

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

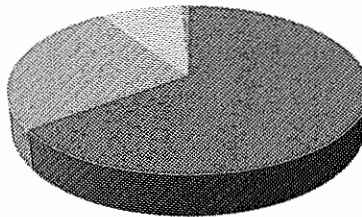
Government Activities

Property taxes made up 64.9 percent of revenues for governmental activities in the District. There was a \$307,382.00 increase in property taxes or .57 percent from the prior year. The District's total revenues for governmental activities were \$83,666,253.03 for the year ended June 30, 2023.

Instruction comprises 60.5 percent of district expenses. Support services make up 38.5 percent of the district expenses and other services and expenses make up 1.0 percent.

**Table 2-A
Revenues by Source- Governmental Activities For Fiscal Year 2023**

Revenue By Source - Governmental Activities

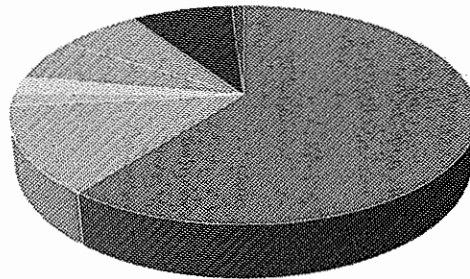


- Property Taxes 64.9%
- Operating Grants and Entitlements 25.9%
- Charges for Service .2%
- General Grants and Entitlements 8.2%
- Other .8%

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

**Table 2-B
Expenditure by Type – Governmental Activities for Fiscal Year 2023**
Expenditure by Type- Governmental Activities



■ Instruction 60.50%	* Student and Instruction Related 12.88%
⊛ General Administration 1.84%	⊛ Central Services 2.61%
⊛ Student Transportation 6.09%	* School Administration 6.76%
■ Maintenance and Facilities 8.32%	■ Other 1%

Business-Type Activities

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

- Business type expenses and transfers out exceeded revenues by \$507,901.04. There were transfers out from the Adult Education and Preschool Programs to the General Fund totaling \$314,444.14 in Fiscal Year 2023 to reflect the closing of these funds.
- Revenues consisted of \$1,607,418.63 in operating revenues from charges for services and \$1,021,084.28 in non-operating revenues which were mostly from State and Federal sources.

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

**Table 3
Net Cost of Services**

	<u>Total Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2023</u>	<u>Net Cost of Services 2022</u>
Governmental Activities:				
Instruction	\$48,939,636.55	48,208,183.99	\$35,069,425.44	\$33,505,328.30
Support Services:				
Student/Instruction Related	10,418,966.82	10,721,022.50	7,731,186.84	7,739,730.06
General Administration, School & Central Administration	9,072,447.44	9,054,496.33	7,857,971.01	7,355,140.37
Maintenance of Facilities	6,717,415.16	6,443,543.59	3,173,553.44	6,083,994.32
Student Transportation	4,925,713.15	3,996,547.65	4,414,540.63	3,293,594.87
Other	795,917.81	776,353.11	795,917.81	776,353.11
Total Governmental Activities	<u>80,870,096.93</u>	<u>79,200,147.17</u>	<u>59,042,595.17</u>	<u>58,754,141.03</u>
Business-Type Activities	<u>2,821,959.81</u>	<u>2,762,464.11</u>	<u>207,307.74</u>	<u>(348,699.38)</u>
Total Net Cost of Services	<u>\$83,692,056.74</u>	<u>\$81,962,611.28</u>	<u>\$59,249,902.91</u>	<u>\$58,405,441.65</u>

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

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

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

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

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

“Other” includes unallocated depreciation and interest on long term debt.

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$89,304,780.88 and expenditures were \$100,839,452.92

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules, which do not include the capital projects fund's activity, present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2023, and the amount and percentage of increase or decrease in relation to prior year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from FY 2022</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 56,061,100.42	62.78%	\$ 1,537,698.90	5.42%
State Sources	28,193,412.50	31.57%	2,399,992.88	9.47%
Federal Sources	5,050,267.96	5.66%	2,880,768.81	194.80%
Total	\$ 89,304,780.88	100.00%	\$ 6,818,460.59	12.35%

Local revenues increased mainly due to a property tax increase needed to fund the additional expenditures associated with the instructional program and increased operating costs. Federal and State sources increased due to more grant funding.

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2023, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from FY 2022</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 31,417,938.81	32.91%	\$ 2,392,000.84	7.07%
Support Services	54,644,833.62	57.24%	3,682,905.07	6.31%
Capital Outlay	7,021,716.48	7.35%	4,972,754.28	41.46%
Debt Service	2,388,077.00	2.50%	(465,461.75)	-24.21%
Total	\$ 95,472,565.91	100.00%	\$ 10,582,198.44	19.67%

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

General Fund Budgeting Highlights

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

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

- Additional staff requirements due to student need including enrollment of new students, amendments to IEP resulting in change of program or paraprofessional needs, or the need to add additional support based on identified student's needs.
- At times, program changes require the need for the purchase of additional educational supplies and equipment to run the program as intended for maximum student growth.
- Technology and platform additions and upgrades made be required based on unforeseen events that occur during the school year including student program, presentation, and security.
- Amendments and transfers are listed periodically in order to prevent budget overruns within budget fund accounts.

Capital Assets

At the end of the fiscal year 2023, the District had a net of \$54,465,926.49 invested in land, construction in progress, land improvements, building and building improvements, machinery and equipment, and vehicles. Table 4 shows fiscal year 2023 balances compared to fiscal year 2022.

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

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

	<u>2023</u>	<u>2022</u>
Governmental Activities Capital Assets, Net:		
Land	\$ 1,265,266.00	\$ 1,265,266.00
Construction in Progress	6,103,284.16	61,750.00
Land improvements	5,016,733.00	4,543,047.00
Building and Building Improvements	37,580,465.00	34,265,322.00
Machinery and Equipment	2,443,297.00	2,647,624.00
Vehicles	<u>1,633,780.33</u>	<u>1,012,133.00</u>
Total Governmental Activities Capital Assets, Net	<u>54,042,825.49</u>	<u>43,795,142.00</u>
 Business Type Activities Capital Assets, Net:		
Machinery and Equipment	<u>423,101.00</u>	<u>527,098.00</u>
Total Business Type Activities Capital Assets, Net	<u>423,101.00</u>	<u>527,098.00</u>
 Total Capital Assets, Net	<u>\$ 54,465,926.49</u>	<u>\$ 44,322,240.00</u>

Overall net capital assts increased by \$10,143,686.49 from fiscal year 2022 to fiscal year 2023. The increase in overall net capital assets consists mainly from a construction in progress for modular classrooms annex buildings at Riley Elementary School. Included in the renovation was the purchase of new flooring, new lighting fixtures and tables and chairs for the students to use. Brand new kitchen equipment was paid for out of the Districts Food Service Enterprise Fund. The district also purchased two new 54 passenger school buses to help the growing population.

Debt Administration

At June 30, 2023, the District had \$33,763,960.36 of outstanding long-term liabilities. Of this amount, \$1,072,793.24 is for compensated absences, \$522,628.12 is for installment purchase contracts, \$6,574,539.00 for pension liability and \$25,594,000.00 for serial bonds. For more detailed information on the District's long-term liabilities, please refer to the Notes to the Basic Financial Statements. Table 5 shows bonded debt at June 30, 2023 as compared to June 30, 2022.

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

**Table 5
Bonded Debt**

<u>Series</u>	<u>FY 2023</u>	<u>FY 2022</u>
2018	\$ <u>23,994,000.00</u>	\$ <u>25,594,000.00</u>
Total	\$ <u>23,994,000.00</u>	\$ <u>25,594,000.00</u>

For the Future

The district continues to experience student growth based on the sale of single and multiple family homes within the district. As a result of the influx of new families, the district continues to see growth of the student population for both general education and special education students. The South Plainfield School District is also anticipating an increase of students on all grade levels based on the projected opening of a large housing development in the Borough as well as a proposed large apartment complex to be built within the next couple of years. Based on these factors the need for State funding is necessary to meet these increase demands. The SY23/24 budget was developed with these factors in mind. Focusing on the increasing student population, the increase in the number of teachers and classrooms support personnel, as well as the addition of employee health benefits for these employees were all calculated in the formula. The district also included the projected increase in the out of district tuition costs coupled with the increase in out of district placements based on the increase to the special education population. Specifically related to the special education population the district also included the need to support personnel such as related services and case management personnel along with the increase in the cost for student transportation have all played a role in the need for maintaining State funding allocations.

While many factors influence the District's future, the availability of State funding, special education needs, capital improvements, enrollment trends and the economy will have the most impact on educational and fiscal decisions in the future. Many factors were considered by the District's administration during the process of developing the fiscal year 2023 – 2023 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs. In addition, increased special education tuition and transportation costs continue to impact budget decisions. In the fall of 2023-2023 the District applied for and received notification from the state of the Preschool Expansion Grant. The district was awarded the funding to be distributed in February of 2023. As such the district prepared to allocate the funds as outlined for the remainder of the school year. Including staffing, materials, supplies, and building expenditures. Creation of new line accounts as well as transfers will take place in early spring to ensure the funds are allocated to the proper funds and used accordingly.

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

The District will annually accept grant funding to sustain the general education component of the full-time preschool program. The total funding amount is subject to change based on the number of enrolled students, available program space, and the physical capacity within the district.

The District will continue to accept the grant funding annually to support the general education portion of the full-time preschool program. The total funded amount will continue to change based on number of students enrolled, space available in the program, and physical space available within the district.

Contacting the School District's Financial Management Office

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. Information regarding the district finances is available on the district website for the public's review. The District follows a scheduled timeline for the development and presentation of the budget annually along with a public presentation of the budget prior to the approval of the South Plainfield Board of Education during a public meeting. Monthly information regarding the budget is listed on the agenda with the Treasurer's Report. Any specific information regarding accounts, vendors, and spending can be requested by contacting Alex Benanti, Business Administrator/Board Secretary, South Plainfield Board of Education, 125 Jackson Avenue, South Plainfield, NJ 07507. Also, please visit our website to learn more about our School District.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2023

DISTRICT-WIDE FINANCIAL STATEMENTS

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$ 7,604,465.20	\$ 634,439.00	\$ 8,238,904.20
Receivables, net	6,947,747.46	103,863.91	7,051,611.37
Internal Balances	314,444.14	(314,444.14)	
Inventory		12,143.14	12,143.14
Capital assets:			
Non Depreciable	7,368,550.16		7,368,550.16
Depreciable - Net of accumulated depreciation	46,674,275.33	423,101.00	47,097,376.33
Total Assets	<u>68,909,482.29</u>	<u>859,102.91</u>	<u>69,768,585.20</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to pensions	<u>1,260,246.00</u>		<u>1,260,246.00</u>
Total deferred outflow of resources	<u>1,260,246.00</u>		<u>1,260,246.00</u>
LIABILITIES:			
Accounts payable	4,511,373.77	34,025.90	4,545,399.67
Payable to state government	17,936.00		17,936.00
Payroll Deductions and Withholdings Payable	35,351.08		35,351.08
Unemployment Compensation Claims Payable	167,713.67		167,713.67
Unearned revenue	567,127.53	43,622.43	610,749.96
Accrued interest payable	205,280.83		205,280.83
Accrued Liability for Insurance Claims	1,518,273.00		1,518,273.00
Noncurrent liabilities:			
Net pension liability	8,387,769.00		8,387,769.00
Compensated absences liability	857,436.02		857,436.02
Due within one year	2,987,052.01		2,987,052.01
Due beyond one year	27,604,479.49		27,604,479.49
Total liabilities	<u>46,859,792.40</u>	<u>77,648.33</u>	<u>46,937,440.73</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to pensions	<u>1,551,287.00</u>		<u>1,551,287.00</u>
NET POSITION:			
Net Investment in capital assets	25,278,095.57	423,101.00	25,701,196.57
Restricted for:			
Capital projects	794,138.08		794,138.08
Debt service	200,000.02		200,000.02
Other purposes	1,491,290.27		1,491,290.27
Unrestricted (deficit)	<u>(6,004,875.05)</u>	<u>358,353.58</u>	<u>(5,646,521.47)</u>
Total net position	<u>\$ 21,758,648.89</u>	<u>\$ 781,454.58</u>	<u>\$ 22,540,103.47</u>

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Governmental Activities:						
Instruction:						
Regular	\$ 24,252,300.64	\$ 9,081,186.42	\$ 152,495.15	\$ 5,720,947.77	\$ (27,460,044.14)	\$ (27,460,044.14)
Special	7,966,542.14	4,447,545.24		7,389,888.66	(5,024,198.72)	(5,024,198.72)
Other Instruction	2,214,848.65	977,213.46		606,879.63	(2,585,182.58)	(2,585,182.58)
Support services:						
Student & instruction related services	6,863,485.95	3,555,480.87		2,687,779.98	(7,731,186.84)	(7,731,186.84)
General administrative services	1,142,526.78	345,330.88		152,934.04	(1,334,923.62)	(1,334,923.62)
School administrative services	3,250,625.42	2,218,658.71		944,112.25	(4,525,371.88)	(4,525,371.88)
Central services	661,972.16	429,318.59		71,674.65	(1,019,616.10)	(1,019,616.10)
Administration information technology	789,790.41	234,024.49		45,755.49	(978,059.41)	(978,059.41)
Plant operations and maintenance	6,077,315.22	640,099.94		3,543,861.72	(3,173,553.44)	(3,173,553.44)
Pupil transportation	3,839,976.53	985,736.62		511,172.52	(4,414,540.63)	(4,414,540.63)
Charter School						
Unallocated benefits	20,794,219.22	(20,794,219.22)				
Unallocated depreciation and amortization	2,120,576.00	(2,120,576.00)				
Interest on Long-Term Debt	795,917.81				(795,917.81)	(795,917.81)
Total governmental activities	80,870,096.93		152,495.15	21,675,006.61	(59,042,595.17)	(59,042,595.17)
Business-type activities						
Food Service	1,761,277.05		786,350.32	1,007,233.44	(7,693.29)	(7,693.29)
Preschool Program	256,875.28		192,091.72		(64,783.56)	(64,783.56)
Before and After Care Program	765,268.22		639,134.59		(126,133.63)	(126,133.63)
Adult Education Program	18,539.26		9,842.00		(8,697.26)	(8,697.26)
Total business-type activities	2,821,959.81		1,607,418.63	1,007,233.44	(207,307.74)	(207,307.74)
Total primary government	\$ 83,692,056.74		\$ 1,759,913.78	\$ 22,682,240.05	\$ (59,042,595.17)	\$ (59,249,902.91)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes, net				\$ 52,904,547.00	\$	\$ 52,904,547.00
Taxes levied for debt service				1,354,058.00		1,354,058.00
Federal and state aid not restricted				6,266,761.54		6,266,761.54
Federal and state aid restricted				669,761.00		669,761.00
Miscellaneous income				329,179.49		329,179.49
Transfers				314,444.14		314,444.14
Special Items:						
Loss on disposal of assets				(20,344.00)		(20,344.00)
Total general revenues, transfers and special items				61,819,407.27	(300,593.30)	61,518,813.97
Change in net position				2,775,612.10	(507,901.04)	2,267,711.06
Net Position- beginning, as restated				18,982,636.79	1,289,355.62	20,272,192.41
Net Position ending				21,758,648.89	781,454.58	22,540,103.47

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

MAJOR FUND FINANCIAL STATEMENTS

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
BALANCE SHEET-
GOVERNMENTAL FUNDS
JUNE 30, 2023

	GENERAL <u>FUND</u>	SPECIAL REVENUE <u>FUND</u>	CAPITAL PROJECTS <u>FUND</u>	DEBT SERVICE <u>FUND</u>	TOTAL GOVERNMENTAL <u>FUNDS</u>
ASSETS:					
Cash and cash equivalents	\$ 3,125,261.45	\$ 242,500.48	\$ 1,315,166.89	\$ 200,000.02	\$ 4,882,928.84
Accounts receivable:					
Tax Levy	2,521,550.35				2,521,550.35
Intergovernmental-Federal		2,866,665.32			2,866,665.32
Intergovernmental-State	1,513,550.63				1,513,550.63
Intergovernmental-Local	30,000.00	15,981.16			45,981.16
Interfunds	1,010,176.07				1,010,176.07
Restricted cash and cash equivalents	<u>2,721,536.36</u>				<u>2,721,536.36</u>
Total assets	<u>\$ 10,922,074.86</u>	<u>\$ 3,125,146.96</u>	<u>\$ 1,315,166.89</u>	<u>\$ 200,000.02</u>	<u>\$ 15,562,388.73</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 1,655,498.01	\$ 2,077,394.76	\$	\$	\$ 3,732,892.77
Interfund payable		695,731.93			695,731.93
Accrued Liability for Insurance Claims	1,518,273.00				1,518,273.00
Payroll Deductions and Withholdings Payable	35,351.08				35,351.08
Unemployment Compensation Claims Payable	167,713.67				167,713.67
Intergovernmental payables:					
State		17,936.00			17,936.00
Unearned revenue		567,127.53			567,127.53
Total liabilities	<u>3,376,835.76</u>	<u>3,358,190.22</u>			<u>6,735,025.98</u>
Fund balances:					
Restricted for:					
Capital reserve account	794,138.08				794,138.08
Maintenance reserve account	1,000,176.93				1,000,176.93
Unemployment Compensation	724,156.60				724,156.60
Student Activities		242,500.48			242,500.48
Capital projects			1,315,166.89		1,315,166.89
Debt service				0.02	0.02
Assigned:					
Year-end encumbrances	2,575,065.05				2,575,065.05
FFCRA/SEMI-Designated for subsequent year's expenditures	6,549.95				6,549.95
Designated for subsequent years expenditures	2,000,000.00			200,000.00	2,200,000.00
Unassigned/(Deficit)	<u>445,152.49</u>	<u>(475,543.74)</u>			<u>(30,391.25)</u>
Total fund balances(deficit)	<u>7,545,239.10</u>	<u>(233,043.26)</u>	<u>1,315,166.89</u>	<u>200,000.02</u>	<u>8,827,362.75</u>
Total liabilities and fund balances	<u>\$ 10,922,074.86</u>	<u>\$ 3,125,146.96</u>	<u>\$ 1,315,166.89</u>	<u>\$ 200,000.02</u>	<u>\$ 15,562,388.73</u>

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
BALANCE SHEET-
GOVERNMENTAL FUNDS
RECONCILIATION OF GOVERNMENT FUNDS BALANCE SHEET TO
GOVERNMENTAL ACTIVITIES STATEMENT OF NET POSITION
JUNE 30, 2023

Total Fund Balances (Brought Forward)	\$	8,827,362.75
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of assets	\$ 86,977,484.49	
Accumulated depreciation	<u>(32,934,659.00)</u>	54,042,825.49
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Serial bonds payable	(23,994,000.00)	
Net pension liability	(8,387,769.00)	
Installment purchase contracts payable	(6,597,531.50)	
Compensated absences payable	<u>(857,436.02)</u>	(39,836,736.52)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Pensions:		
Deferred Outflows		
Pension related		1,260,246.00
Deferred Inflows:		
Pension related		(1,551,287.00)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accounts payable - pension related		(778,481.00)
Accrued interest payable		<u>(205,280.83)</u>
Net Position of Governmental Activities	\$	<u>21,758,648.89</u>

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$ 52,904,547.00	\$	\$	\$ 1,354,058.00	\$ 54,258,605.00
Tuition	29,586.15				29,586.15
Transportation	122,909.00				122,909.00
Miscellaneous	329,179.49	276,070.78			605,250.27
Total - local sources	53,386,221.64	276,070.78		1,354,058.00	55,016,350.42
State sources	26,380,250.20	1,143,401.30		669,761.00	28,193,412.50
Federal sources	68,825.36	6,026,192.60			6,095,017.96
Total revenues	79,835,297.20	7,445,664.68		2,023,819.00	89,304,780.88
EXPENDITURES:					
Current expense:					
Regular instruction	20,811,572.56	1,980,770.09			22,792,342.65
Special instruction	6,563,312.68	99,629.86			6,662,942.54
Other Instruction	1,618,751.96	343,901.66			1,962,653.62
Support services:					
Tuition	2,313,581.02	899,752.05			3,213,333.07
Student & instruction related services	5,933,826.47	1,116,957.41			7,050,783.88
General administrative services	1,139,067.22				1,139,067.22
School administrative services	3,269,926.76				3,269,926.76
Central services	697,618.22				697,618.22
Administrative information technology	841,561.54				841,561.54
Plant operations and maintenance	6,071,252.41				6,071,252.41
Student transportation	3,945,147.30				3,945,147.30
Unallocated benefits	28,153,322.22				28,153,322.22
Debt Service:					
Principal				1,600,000.00	1,600,000.00
Interest	64,257.00			723,820.00	788,077.00
Capital outlay	3,586,200.42	3,435,516.06	5,366,887.01		12,388,603.49
Transfer to Charter School	262,821.00				262,821.00
Total expenditures	85,272,218.78	7,876,527.13	5,366,887.01	2,323,820.00	100,839,452.92
Excess (deficiency) of revenues over (under) expenditures	<u>(5,436,921.58)</u>	<u>(430,862.45)</u>	<u>(5,366,887.01)</u>	<u>(300,001.00)</u>	<u>(11,534,672.04)</u>
Other financing sources (uses):					
Operating transfers in/out	314,444.14		(200,000.00)	200,000.00	314,444.14
Installment purchase contracts (non-budgeted)	590,105.00		6,000,000.00		6,590,105.00
Total other financing sources	904,549.14		5,800,000.00	200,000.00	6,904,549.14
Net change in fund balances	(4,532,372.44)	(430,862.45)	433,112.99	(100,001.00)	(4,630,122.90)
Fund balances, July 1,	12,077,611.54	\$ 197,819.19	\$ 882,053.90	\$ 300,001.02	13,457,485.65
Fund balances, June 30, (deficit)	<u>\$ 7,545,239.10</u>	<u>\$ (233,043.26)</u>	<u>\$ 1,315,166.89</u>	<u>\$ 200,000.02</u>	<u>\$ 8,827,362.75</u>

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total net change in fund balances - governmental funds (from B-2) \$ (4,630,122.90)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period

Depreciation expense	\$ (2,120,576.00)	
Capital outlays	12,388,603.49	
Loss on Disposal of capital assets	<u>(20,344.00)</u>	
		10,247,683.49

Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.

Installment Purchase proceeds		(6,590,105.00)
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Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Payment of installment purchase contracts principal	515,201.62	
Payment of bond principal	<u>1,600,000.00</u>	
		2,115,201.62

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

Decrease in accrued interest payable		11,666.67
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District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District pension contributions	700,889.00	
Add: Pension Benefit	<u>705,242.00</u>	
		1,406,131.00

In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

(Increase)/ Decrease in compensated absences payable		<u>215,357.22</u>
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Change in net position of governmental activities		<u>\$ 2,775,812.10</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

OTHER FUNDS

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION-
PROPRIETARY FUNDS
JUNE 30, 2023

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND					
	FOOD SERVICE	BEFORE AND AFTER SCHOOL CARE PROGRAM	ADULT EDUCATION PROGRAM	PRESCHOOL PROGRAM	TOTALS
ASSETS:					
Current assets:					
Cash and cash equivalents	\$ 305,126.18	\$ 14,868.68	\$ 179,305.85	\$ 135,138.29	\$ 634,439.00
Accounts receivable:					
Federal	48,299.84				48,299.84
State	2,054.08				2,054.08
Other	53,509.99				53,509.99
Inventories	12,143.14				12,143.14
Total current assets	421,133.23	14,868.68	179,305.85	135,138.29	750,446.05
Noncurrent assets:					
Furniture, machinery and equipment	844,048.00	96,700.00		57,921.00	998,669.00
Less accumulated depreciation	(427,228.00)	(90,419.00)		(57,921.00)	(575,568.00)
Total noncurrent assets	416,820.00	6,281.00			423,101.00
Total assets	837,953.23	21,149.68	179,305.85	135,138.29	1,173,547.05
LIABILITIES:					
Current liabilities:					
Accounts payable	34,025.90				34,025.90
Interfunds			179,305.85	135,138.29	314,444.14
Unearned revenue	43,622.43				43,622.43
Total current liabilities	77,648.33			135,138.29	392,092.47
Total liabilities	77,648.33			135,138.29	392,092.47
NET POSITION:					
Net investment in capital assets	416,820.00	6,281.00			423,101.00
Unrestricted	343,484.90	14,868.68			358,353.58
Total net position	\$ 760,304.90	\$ 21,149.68	\$	\$	\$ 781,454.58

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION-
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				
	FOOD SERVICE	BEFORE AND AFTER SCHOOL CARE PROGRAM	ADULT EDUCATION PROGRAM	PRESCHOOL PROGRAM	TOTALS
OPERATING REVENUES:					
Charges for services:					
Daily sales	\$ 511,101.77	\$	\$	\$	\$ 511,101.77
Daily sales - non-reimbursable programs	253,548.55				253,548.55
Miscellaneous	1,700.00				1,700.00
Program Fees		639,134.59	9,842.00	192,091.72	841,068.31
Total Operating Revenues	766,350.32	639,134.59	9,842.00	192,091.72	1,607,418.63
OPERATING EXPENSES:					
Cost of sales-reimbursable	479,305.00				479,305.00
Cost of sales-non reimbursable	54,713.00				54,713.00
Salaries	521,162.20	471,277.53	6,630.00	220,743.99	1,219,813.72
Employee benefits	104,329.38				104,329.38
Other purchased property services	9,430.00				9,430.00
Other purchased services	145,812.15	210,342.00	2,250.00	2,250.00	360,654.15
Supplies and materials	179,438.32	5,439.29			184,877.61
Utilities	200,000.00	50,000.00	6,607.19	18,000.00	274,607.19
Miscellaneous		19,989.40	3,052.07	7,191.29	30,232.76
Depreciation	87,087.00	8,220.00		8,690.00	103,997.00
Total operating expenses	1,781,277.05	765,268.22	18,539.26	256,875.28	2,821,959.81
Operating Income (Loss)	(1,014,926.73)	(126,133.63)	(8,697.26)	(64,783.56)	(1,214,541.18)
NON-OPERATING REVENUES:					
State Sources:					
State school lunch program	27,817.09				27,817.09
State school breakfast program	2,842.80				2,842.80
Federal Sources:					
National school lunch program	583,246.34				583,246.34
Emergency Operational Cost Program-Schools	167,330.32				167,330.32
P-EBT Administrative Cost	653.00				653.00
National school breakfast program	117,517.30				117,517.30
National food distribution commodities	107,826.59				107,826.59
Local Sources:					
Interest and investment revenue	8,251.20	1,362.00	2,058.63	2,179.01	13,850.84
Total non-operating revenues	1,015,484.64	1,362.00	2,058.63	2,179.01	1,021,084.28
Net income (loss) before contributions and transfers	557.91	(124,771.63)	(6,638.63)	(62,604.55)	(193,456.90)
Transfers in/(out)			(179,305.85)	(135,138.29)	(314,444.14)
Change in net position	557.91	(124,771.63)	(185,944.48)	(197,742.84)	(507,901.04)
Total net position - beginning	759,746.99	145,921.31	185,944.48	197,742.84	1,289,355.62
Total net position - ending	\$ 760,304.90	\$ 21,149.68	\$	\$	\$ 781,454.58

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
STATEMENT OF CASH FLOWS-
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				
	FOOD SERVICE	BEFORE AND AFTER SCHOOL CARE PROGRAM	ADULT EDUCATION PROGRAM	PRESCHOOL PROGRAM	TOTALS
Cash flows from operating activities:					
Receipts from customers	\$ 738,020.46	\$ 639,134.59	\$ 9,842.00	\$ 178,031.72	\$ 1,565,028.77
Payments to employees and employee benefits		(471,277.53)	(6,630.00)	(220,743.99)	(698,651.52)
Payments to suppliers	(1,539,900.42)	(285,883.49)	(11,909.26)	(27,441.29)	(1,865,134.46)
Net cash provided by (used for) operating activities:	(801,879.96)	(118,026.43)	(8,697.26)	(70,153.56)	(998,757.21)
Cash flows from noncapital financing activities:					
State Sources	31,105.13				31,105.13
Federal Sources	962,110.98				962,110.98
Net cash provided by noncapital financing activities:	993,216.11				993,216.11
Cash flows from investing activities:					
Interest on investments	8,251.20	1,362.00	2,058.63	2,179.01	13,850.84
Net cash provided by (used for) investing activities:	8,251.20	1,362.00	2,058.63	2,179.01	13,850.84
Cash flows from capital and related financing activities:					
Purchase of capital assets	(424,067.23)				(424,067.23)
Net cash provided by (used for) capital and related financing activities:	(424,067.23)				(424,067.23)
Net decrease in cash and cash equivalents	(224,479.88)	(116,664.43)	(6,638.63)	(67,974.55)	(415,757.49)
Cash and cash equivalents, July 1,	\$ 529,606.06	131,533.11	\$ 185,944.48	\$ 203,112.84	\$ 1,050,196.49
Cash and cash equivalents, June 30,	\$ 305,126.18	\$ 14,868.68	\$ 179,305.85	\$ 135,138.29	\$ 634,439.00
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ (1,014,926.73)	\$ (126,133.63)	\$ (8,697.26)	\$ (64,783.56)	\$ (1,214,541.18)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation and net amortization	87,087.00	8,220.00		8,690.00	103,997.00
National food distribution commodities	107,826.59				107,826.59
Change in assets and liabilities:					
Increase (decrease) in accounts payable	34,025.90	(112.80)			33,913.10
(Increase) / decrease in accounts receivable	(35,519.53)				(35,519.53)
Increase (decrease) in unearned revenue	6,879.57			(14,060.00)	(7,180.43)
(Increase) decrease in inventories	12,747.24				12,747.24
	213,046.77	8,107.20		(5,370.00)	215,783.97
Net cash provided by (used for) operating activities:	\$ (801,879.96)	\$ (118,026.43)	\$ (8,697.26)	\$ (70,153.56)	\$ (998,757.21)

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

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Borough of South Plainfield School District have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

Reporting Entity

The Borough of South Plainfield School District is a Type II District located in Middlesex County, New Jersey. The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a nine-member board elected to three-year terms and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

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

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

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

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

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The District's basic financial statements consist of District-wide statements, including a Statement of Net Positions and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

District-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

General Fund - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

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

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

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

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

Basis of Accounting - Measurement Focus

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

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the issuance of general long-term debt, acquisitions under leases and installment purchase contracts are reported as other financing sources.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line-item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2023 totaled \$2,500,000.00 for a board authorized withdrawal from capital reserve. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial records.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year-end.

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

Interfunds

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

Inventories and Prepaid Expenses

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

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

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

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements, and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition values on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

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

Compensated Absences

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

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

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick days that are expected to become eligible for payment upon retirement. The District estimates its accrued compensated absences liability based on the accumulated sick days at the balance sheet date by those employees who are currently eligible to receive retirement payments.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designations of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

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

Unearned Revenue

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

Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise funds are charges to customers for sales of the food service, before and after school care, adult education and preschool programs. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance Reserves

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

Non-Spendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Maintenance Reserve, Unemployment Compensation and Excess Surplus as Restricted Fund Balance.

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

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

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

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Revenues Exchange and Non-Exchange Transactions

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function in the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately in the Statement of Activities.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Extraordinary and Special Items

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

Management Estimates

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

Accounting and Financial Reporting for Pensions

In the District-Wide Financial Statements for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category which is deferred amounts related to pensions.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

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

Recently Adopted Accounting Pronouncements

Beginning with the year ended June 30, 2023, the District implemented GASB Statement 96, *Subscription-Based Information Technology Arrangements*. GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

The District was determined to have a value of SBITAs that was immaterial to the government-wide financial statements as of June 30, 2023.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, certificates of deposits, deposits in the New Jersey Cash Management Fund, deposits in the governmental money market fund, deposits in the New Jersey Asset and Rebate Management Program and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

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

Deposits

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

The Borough of South Plainfield School District had the following cash and cash equivalents at June 30, 2023:

Fund Type:	Bank	Reconciling Items:		Reconciled
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
Governmental	\$9,015,091.70	\$17,912.59	\$1,428,539.09	\$7,604,465.20
Proprietary	754,688.25	1,719.59	121,968.84	634,439.00
	<u>\$9,769,779.95</u>	<u>\$19,632.18</u>	<u>\$1,550,507.93</u>	<u>\$8,238,904.20</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2023, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$250,000.00 was covered by Federal Depository Insurance and \$9,519,779.95 was covered under the provisions of NJGUDPA.

Investments

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

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Investments (Continued)

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by school districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Investments (Continued)

8. Agreements for the repurchase of fully collateralized securities if:
- a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

On June 30, 2023, the District had no outstanding investments.

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

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 3: CAPITAL ASSETS

Capital asset activity in the governmental and proprietary activities for the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$1,265,266.00			\$1,265,266.00
Construction in progress	61,750.00	\$6,103,284.16	(\$61,750.00)	6,103,284.16
Totals	<u>1,327,016.00</u>	<u>6,103,284.16</u>	<u>(61,750.00)</u>	<u>7,368,550.16</u>
Capital assets being depreciated:				
Land Improvements	6,789,141.00	689,804.00		7,478,945.00
Buildings/Building Improvements	58,300,822.00	4,720,733.00		63,021,555.00
Machinery and Equipment	5,175,351.00	116,778.00	(112,682.00)	5,179,447.00
Vehicles	3,153,393.00	819,754.33	(44,160.00)	3,928,987.33
Totals	<u>73,418,707.00</u>	<u>6,347,069.33</u>	<u>(156,842.00)</u>	<u>79,608,934.33</u>
Gross Assets (Memo only)	<u>74,745,723.00</u>	<u>12,450,353.49</u>	<u>(218,592.00)</u>	<u>86,977,484.49</u>
Less: Accumulated Depreciation				
Land Improvements	(2,246,094.00)	(216,118.00)		(2,462,212.00)
Buildings/Building Improvements	(24,035,500.00)	(1,405,590.00)		(25,441,090.00)
Machinery and Equipment	(2,527,727.00)	(300,761.00)	92,338.00	(2,736,150.00)
Vehicles	(2,141,260.00)	(198,107.00)	44,160.00	(2,295,207.00)
Totals	<u>(30,950,581.00)</u>	<u>(2,120,576.00)</u>	<u>136,498.00</u>	<u>(32,934,659.00)</u>
Total capital assets being depreciated, net of depreciation	<u>42,468,126.00</u>	<u>4,226,493.33</u>	<u>(20,344.00)</u>	<u>46,674,275.33</u>
Total Governmental Fund Activities	<u>\$43,795,142.00</u>	<u>10,329,777.49</u>	<u>(\$82,094.00)</u>	<u>\$54,042,825.49</u>
Proprietary Activities:				
Machinery and Equipment	998,669.00	-	-	\$998,669.00
Totals at historical cost	<u>998,669.00</u>	<u>-</u>	<u>0.00</u>	<u>998,669.00</u>
Less: Accumulated Depreciation				
Machinery and Equipment	(471,571.00)	(103,997.00)	0.00	(575,568.00)
Total Depreciation	<u>(471,571.00)</u>	<u>(103,997.00)</u>	<u>0.00</u>	<u>(575,568.00)</u>
Total Proprietary Fund Activities	<u>\$527,098.00</u>	<u>(103,997.00)</u>	<u>\$0.00</u>	<u>\$423,101.00</u>

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 3: CAPITAL ASSETS (CONTINUED)

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

Instruction:	
Regular	\$ 928,853.00
Special Education Instruction	271,534.00
Other Instruction	150,896.00
Support services:	
Student and instruction related services	287,339.00
General administrative services	46,420.00
School administrative services	133,259.00
Central Services/Technology	62,726.00
Plant operations and maintenance	85,947.00
Pupil transportation	<u>153,602.00</u>
	<u>\$ 2,120,576.00</u>

NOTE 4: LONG-TERM LIABILITIES

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

On June 30, 2023, the District had no bonds or notes authorized but not issued.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2023:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due Within</u> <u>One Year</u>
Bonds Payable	\$25,594,000.00		(\$1,600,000.00)	\$23,994,000.00	\$1,600,000.00
Net Pension Liability	6,574,539.00	\$1,813,230.00	-	8,387,769.00	
Compensated Absence	1,072,793.24		(215,357.22)	857,436.02	
Installment Purchase Contracts Payable	<u>522,628.12</u>	<u>6,590,105.00</u>	<u>(515,201.62)</u>	<u>6,597,531.50</u>	<u>1,387,052.01</u>
Total	<u>\$33,763,960.36</u>	<u>\$8,403,335.00</u>	<u>(\$2,330,558.84)</u>	<u>\$39,836,736.52</u>	<u>\$2,987,052.01</u>

Debt Service Requirements

The annual requirements to amortize all bonded debt outstanding as of June 30, 2023, including interest payments on issued debt, are as follows:

<u>Fiscal Year</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$1,600,000.00	\$683,820.00	\$2,283,820.00
2025	1,600,000.00	643,820.00	2,243,820.00
2026	1,600,000.00	599,820.00	2,199,820.00
2027	1,600,000.00	551,820.00	2,151,820.00
2028	1,600,000.00	503,820.00	2,103,820.00
2029-2033	8,000,000.00	1,799,100.00	9,799,100.00
2034-2038	<u>7,994,000.00</u>	<u>599,190.00</u>	<u>8,593,190.00</u>
	<u>\$23,994,000.00</u>	<u>\$5,381,390.00</u>	<u>\$29,375,390.00</u>

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements

General obligation school and refunding bonds payable with their outstanding balances are comprised of the following individual issues:

<u>Issue</u>	<u>Amount Outstanding June 30, 2023</u>
\$28,094,000.00 in 2018 Bonds due in annual remaining installments of between \$800,000.00 and \$1,600,000.00 ending September, 2037 with interest between 2.250% to 3.000%	<u>\$ 23,994,000.00</u>

Debt Capacity

Under New Jersey Statutes the District may incur debt in an amount not to exceed 4% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2023, the District borrowing capacity under N.J.S. 18A:24-19 would be as follows:

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Debt Capacity (Continued)

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2022	\$4,476,818,015
2021	4,611,971,397
2020	4,357,099,806
	<u>\$13,445,889,218</u>
Average equalized valuation	<u>\$4,481,963,073</u>
School borrowing margin (4% of 4,481,963,073)	\$179,278,523
Net school debt as of June 30 2023	<u>23,994,000</u>
School borrowing power available	<u>\$155,284,523</u>

Installment Purchase Contracts Payable

The District has entered into several installment purchase agreements for technology, a front-end loader, photocopier equipment and annex modular buildings totaling \$8,156,197.22. The agreements are for terms up to five years. Future annual debt service payments on installment purchase contracts as of June 30, 2023, including interest of \$749,994.73 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u>			
2024	\$1,387,052.01	\$255,286.67	\$1,642,338.68
2025	1,326,393.72	200,377.97	1,526,771.69
2026	1,349,080.49	148,936.71	1,498,017.20
2027	1,243,869.13	96,330.20	1,340,199.33
2028	1,291,136.15	49,063.18	1,340,199.33
Totals	<u>\$6,597,531.50</u>	<u>\$749,994.73</u>	<u>\$7,347,526.23</u>

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 5: PENSION PLANS

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

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

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

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

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

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

Pension Plan Design Changes

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

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30-year period and paid in level dollars. Beginning with the July 1, 2020 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30-year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20-year period.

COLA Suspension

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

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

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

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 5: PENSION PLANS (CONTINUED)

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

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

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement.

<u>Year Ended</u> <u>June 30,</u>	<u>Three Year Trend Information for PERS</u>		
	<u>Annual Pension</u>	<u>Percentage of</u>	<u>Net Pension</u>
	<u>Cost (APC)</u>	<u>APC Contributed</u>	<u>Obligation</u>
2023	\$700,889.00	100.00%	\$700,889.00
2022	649,943.00	100.00%	649,943.00
2021	621,448.00	100.00%	621,448.00

During the fiscal years ended June 30, 2023, 2022, and 2021, the State of New Jersey contributed \$10,332,692.00, \$10,539,993.00 and \$7,633,455.00 respectively, excluding post-retirement medical and long-term disability insurance, to the TPAF pension system on behalf of the District.

Also, in accordance with N.J.S.A. 18A:66-66 during the years ended June 30, 2023, 2022 and 2021, the State of New Jersey reimbursed the District \$2,190,209.46, \$2,194,584.62 and \$2,064,387.90 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

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

Public Employees Retirement System (PERS)

At June 30, 2023, the State reported a net pension liability of \$8,387,769.00 for the District's proportionate share of the total net pension liability. 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. 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 employers, actuarially determined. At June 30, 2022, the District's proportion was 0.0555798818 percent, which was an increase of 0.0000821450 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized a pension benefit of \$705,242.00 in the government-wide financial statements. This pension benefit was based on the pension plan's June 30, 2022 measurement date.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 60,539.00	\$ 53,387.00
Changes of assumptions	25,988.00	1,255,981.00
Net difference between projected and actual earnings on pension plan investments	347,162.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	48,076.00	241,919.00
District contributions subsequent to the measurement date	<u>778,481.00</u>	
	<u>\$ 1,260,246.00</u>	<u>\$ 1,551,287.00</u>

The \$778,481.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

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

Public Employees Retirement System (PERS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2023	(\$758,262.60)
2024	(405,326.60)
2025	(217,531.60)
2026	351,225.40
2027	(39,626.60)
	<u>(\$1,069,522.00)</u>

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 rolled forward to June 30, 2022. These actuarial valuations used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.75-6.55%
	Based on
	Years of Service
Investment Rate of Return	7.00%

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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 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 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Long-Term Rate of Return (Continued)

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market 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. Treasury's	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

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 on 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.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability associated with the District as of June 30, 2022 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
District's proportionate share of the pension liability	\$10,775,827.00	\$8,387,769.00	\$6,355,436.00

Pension Plan Fiduciary Net Position

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

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

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

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer 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 non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	130,260,861.00
	\$130,260,861.00

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 June 30, 2021 which was rolled forward to June 30, 2022. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the proportion of the TPAF net pension liability associated with the District was .2524708524% which was a decrease of .0052258078 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$3,505,684.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2022 measurement date.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 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	1.55%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rate

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 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.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% 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 TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Assets 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 Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.19%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
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%

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 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 based on 100% of the actuarially determined contributions for the State. 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. Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Pension Plan Fiduciary Net Position

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

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75

Plan Description and Benefits Provided

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, with 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 Postemployment Benefits Other Than Pensions*. The State Health Benefit 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. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. 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 or more years 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.

Employees Covered by Benefit Terms

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>364,817</u>

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Total Non-employer OPEB Liability

The portion of the Total Non-employer OPEB Liability that was associated with the District at June 30, 2023 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share associated with the District	118,532,302
	\$118,532,302

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.

The total non-employer OPEB liability was determined separately based on actual data of the District.

For the year ended June 30, 2023, the District recognized on-behalf post-employment expense and revenue of \$3,588,409.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2022 measurement date.

At June 30, 2023, the District's proportion was .2340386575 percent, which was a decrease of .0019188341 from its proportion measured as of June 30, 2022.

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs

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

	<u>June 30, 2022</u>		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation – 2.5%			
Salary Increases	2.75-4.25%*	2.75-6.55%*	3.25-16.25%*

*- Based on Years of Service

Preretirement 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. Postretirement 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 was 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.

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 to June 30, 2021.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

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 trend 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 return rate as chosen by the Division. 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 Total Non-employer OPEB Liability

Shown below are details regarding the total non-employer OPEB liability associated with the District for the measurement period from June 30, 2021 to June 30, 2022:

Balance at 6/30/21		\$141,592,548
Changes for the year:		
Service cost	\$6,236,870	
Interest	3,141,237	
Differences between expected and actual experience	2,370,670	
Changes in assumptions or other inputs	(31,797,353)	
Membership Contributions	99,818	
Benefit payments - Net	(3,111,488)	
Net changes		<u>(23,060,246)</u>
Balance at 6/30/22		<u>\$118,532,302</u>

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

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

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	<u>1.00%</u> <u>Decrease (2.54%)</u>	<u>At Discount</u> <u>Rate (3.54%)</u>	<u>1.00%</u> <u>Increase (4.54%)</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$139,322,253	\$118,532,302	\$101,870,196

Sensitivity of the Total Non-employer OPEB Liability to Changes in Healthcare Trends

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2022 respectively, calculated using the healthcare trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	<u>1.00%</u> <u>Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1.00%</u> <u>Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$97,974,193	\$118,532,302	\$145,536,627

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's non-employer OPEB liability associated with the District from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 21,162,718	\$ 36,189,282
Changes of assumptions	20,514,941	40,341,920
Changes in proportion	<u>2,774,354</u>	<u>2,860,267</u>
	<u>\$ 44,452,013</u>	<u>\$ 79,391,469</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB associated with the District will be recognized in OPEB expense as follows:

<u>Measurement Period Ended June 30,</u>	<u>Amount</u>
2023	(\$5,908,291)
2024	(\$5,908,291)
2025	(\$5,908,291)
2026	(\$5,108,576)
2027	(\$2,928,510)
Total Thereafter	<u>(\$9,177,499)</u>
	<u>(\$34,939,456)</u>

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources in the financial statements.

State Health Benefit Local Education Retired Employee Plan Information

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or on their website at: <http://www.state.nj.us/treasury/pensions/gasb-notice-opeb.shtml>

NOTE 8: LITIGATION

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

NOTE 9: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2022-2023 fiscal year were subject to the U.S. OMB Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal awards and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe such an audit would result in material amounts of disallowed costs.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 10: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The District maintains commercial coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Property and Liability Insurance - The District maintains insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

Health Benefits - The District provides health benefits to employees through an administrative services agreement with Horizon Blue Cross Blue Shield of New Jersey ("Horizon"). The incurred but not reported liability ("IBNR") actuarially computed by Horizon was \$1,518,273 at June 30, 2023. It was also noted that the entire IBNR is adjusted for changes in estimate at year end and such changes will be reflected in the district's budget and the entire liability will be treated as a liability for budgetary purposes. Since this is the first year of the agreement, there is no change in the estimate at June 30, 2023. The IBNR amount of \$1,518,273 is reported as a current liability on the District's governmental funds balance sheet in the General Fund as of June 30, 2023 and is called "Accrued Liability for Insurance Claims".

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following table is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance for the current and previous two years:

<u>Year Ended June 30,</u>	<u>Interest and Employer Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ 9,356.40	\$ 71,584.26	\$ 21,897.21	\$ 891,870.27
2022	1,258.11	83,344.19		832,826.82
2021	557.98	56,031.35	21,348.92	748,224.52

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 11: COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2023, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$857,436.02.

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 proprietary funds.

NOTE 12: FUND BALANCE COMPONENTS IN GENERAL FUND- GAAP BASIS

Of the \$7,545,239.10 in General Fund Balance at June 30, 2023, \$794,138.08 has been restricted in the Capital Reserve Account; \$1,000,176.93 has been restricted in the Maintenance Reserve; \$724,156.60 has been restricted in the Unemployment Compensation Reserve; \$2,575,065.05 has been assigned for encumbrances; \$2,000,000.00 has been assigned as designated for subsequent years expenditures; \$6,549.95 has been assigned for FFCRA/SEMI designated for subsequent year's expenditures and \$445,152.49 is unassigned.

NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c73 (S1701), the Restricted Fund Balance Excess Surplus is a required calculation pursuant to the New Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance resulting from the year ended June 30, 2023 is \$-0-.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was originally established by the Borough of South Plainfield School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve during the year ended June 30, 2023, is as follows:

Balance, July 1, 2022		\$5,027,098.03
Deposits:		
Interest Earnings	\$14,078.39	
Return of Withdrawal	36,854.68	
Board Resolution	716,106.98	
		767,040.05
		5,794,138.08
Withdrawals:		
Current Year Budget	2,500,000.00	
Board Resolution	2,500,000.00	
		5,000,000.00
Balance, June 30, 2023		\$794,138.08

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 15: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve was established through a board resolution by the Borough of South Plainfield School District for the accumulation of funds for the required maintenance of a facility in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c. 73 (S1701). N.J.S.A. 18A:7G-31(c), 18A:7G-13 and N.J.A.C. 6A:23A-14.2 permits districts, by board resolution, to transfer undesignated general fund balance to the maintenance reserve account if approved in the district's original budget certified for taxes or if the district received voter approval by a separate proposal at budget time or by special question at one of the four special elections authorized pursuant to N.J.S.A.19:60-2. N.J.S.A. 18A:7F-41(a), 18A:7F-41(b) and N.J.A.C.6A:23A-14.3 permit a district board of education to transfer by board resolution (prior to June 30) any unanticipated revenue or unexpended line-item appropriation amounts to the maintenance reserve for withdrawal in subsequent school years.

The activity of the maintenance reserve during the year ended June 30, 2023, is as follows:

Balance, July 1, 2022	\$2,000,176.93
Withdrawals:	
Current Year Budget	1,000,000.00
Balance, June 30, 2023	\$1,000,176.93

NOTE 16: INVENTORY

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food	\$7,677.24
Supplies	4,465.90
Total Inventory	\$12,143.14

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

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 17: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2023.

NOTE 19: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2023:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$1,010,176.07	
Special Revenue Fund		\$695,731.93
Enterprise Funds		314,444.14
	<u>\$1,010,176.07</u>	<u>\$1,010,176.07</u>

The interfund balance due from the General Fund to the Special Revenue Fund represents a short-term cash flow shortage in the Special Revenue Fund due to the delay in grant reimbursements received from government agencies. The interfund balances due to the General Fund from the Adult Education Program Enterprise Fund of \$179,305.85 and from the Preschool Program Enterprise Fund of \$135,138.29 are due to the close out of these two funds to the General Fund.

All interfund balances are expected to be repaid within one year of the date of these financial statements.

The transfer from the Capital Projects Fund to the Debt Service Fund for \$200,000 represents the unexpended proceeds of a bond issue designated for transfer to the Debt Service Fund to reduce the tax levy burden of taxpayers in the subsequent budget. The transfers from the two Enterprise Funds for \$314,444.14 mentioned above represent the close out of the funds to the General Fund.

Borough of South Plainfield School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 20: SUBSEQUENT EVENTS

The District has evaluated subsequent events occurring after the financial statement date through December 14, 2023 which is the date the financial statements were available to be issued. Based upon this evaluation, the District has determined that no subsequent events needed to be disclosed.

NOTE 21: PRIOR PERIOD ADJUSTMENTS/RESTATEMENTS

For their net position as of June 30, 2022, the District restated their food service enterprise fund capital assets due to changes made by the inventory appraisal company. The District restated their net position to appropriately reflect the June 30, 2022 balances as follows:

		Business-type <u>Activities</u>
Net Position, 06/30/22	\$	1,411,777.85
Adjustments:		
Capital Assets, Net of Accumulated Depreciation		<u>(122,422.23)</u>
Net Position, 06/30/22 (As restated)	\$	<u><u>1,289,355.62</u></u>

NOTE 22: DEFICITS IN UNASSIGNED FUND BALANCES

The District has a deficit in their unassigned fund balance of \$475,543.74 in the Special Revenue Fund as of June 30, 2023 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments 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 June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the Special Revenue Fund unassigned fund balance deficit does not alone indicate that the district is facing financial difficulties.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

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

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE INCREASE/ (DECREASE)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 52,904,547.00	\$	\$ 52,904,547.00	\$ 52,904,547.00	\$ 29,586.15
Tuition from Other LEAs Within State			200,000.00	122,909.00	(77,091.00)
Transportation Fees From Other LEAS	200,000.00		200,000.00	10,392.50	10,392.50
Rents and Royalties			450,000.00	295,352.20	(154,647.80)
Unrestricted Miscellaneous Revenues	450,000.00		450,000.00	14,078.39	14,078.39
Interest Earned on Capital Reserve Funds				9,356.40	9,356.40
Other Restricted Miscellaneous Revenues					
Total Local Sources	<u>53,554,547.00</u>		<u>53,554,547.00</u>	<u>53,386,221.64</u>	<u>(168,325.36)</u>
State Sources:					
Categorical Transportation Aid	305,134.00		305,134.00	305,134.00	
Extraordinary Aid	750,000.00		750,000.00	1,334,304.00	584,304.00
Categorical Special Education Aid	3,270,905.00		3,270,905.00	3,270,905.00	
Equalization Aid	6,214,426.00		6,214,426.00	6,214,426.00	
Categorical Security Aid	112,479.00		112,479.00	112,479.00	
Other State Aids				43,472.00	43,472.00
Reimbursed TPAF Soc. Sec. Contribution-non-budgeted				2,190,209.46	2,190,209.46
On-behalf TPAF Contributions-non-budgeted				10,191,299.00	10,191,299.00
On-behalf TPAF N.C.G.I.-non-budgeted				141,393.00	141,393.00
Post Retirement Medical-non budgeted				2,714,373.00	2,714,373.00
Long Term Disability Insurance				3,652.00	3,652.00
Total State Sources	<u>10,652,944.00</u>		<u>10,652,944.00</u>	<u>26,521,646.46</u>	<u>15,868,702.46</u>
Federal Sources:					
Medicaid Reimbursement	74,983.00		74,983.00	62,275.41	(12,707.59)
Medicaid Reimbursement-FFCRA/SEMI				6,549.95	6,549.95
Total Federal Sources	<u>74,983.00</u>		<u>74,983.00</u>	<u>68,825.36</u>	<u>(6,157.64)</u>
Total Revenues	<u>64,282,474.00</u>		<u>64,282,474.00</u>	<u>79,976,693.46</u>	<u>15,694,219.46</u>

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

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>BUDGET</u> <u>TRANSFERS AND</u> <u>AMENDMENTS</u>	<u>FINAL AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>INCREASE/</u> <u>(DECREASE)</u>
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - Regular Programs:					
School - Salaries of Teachers	\$ 136,890.00	\$ (133,813.80)	\$ 3,076.20	\$ 1,206.20	\$ 1,870.00
Kindergarten	842,438.00	(5,890.40)	836,547.60	831,075.78	5,471.82
Grades 1-5	7,802,351.00	(729,759.87)	7,072,591.13	7,069,783.41	2,807.72
Grades 6-8	4,547,227.00	(256,382.66)	4,290,844.34	4,287,402.47	3,441.87
Grades 9-12	6,100,468.00	91,688.86	6,192,156.86	6,192,021.18	135.68
Salaries of teachers	22,000.00	12,839.75	34,839.75		
Purchased professional educational services	33,000.00	(5,019.00)	27,981.00	14,005.94	13,975.06
Other salaries for instruction	98,565.00	(66,740.00)	31,825.00	29,964.00	1,861.00
Purchased professional - educational services	460,270.00	(176,343.35)	281,926.65	279,855.65	2,071.00
Purchased technical services	54,500.00	144,383.35	198,883.35	188,137.17	10,746.18
Other purchased services (400 - 500 series)	375,813.84	(107,500.00)	268,313.84	251,583.35	16,730.49
General supplies	1,054,985.73	(68,914.58)	986,071.15	945,683.41	40,387.74
Textbooks	237,598.00	(143,000.00)	94,598.00	94,171.25	426.75
Other objects	13,115.00	(9,000.00)	4,115.00	1,738.00	2,377.00
Total Instruction - Regular Programs	<u>21,779,221.57</u>	<u>(1,455,451.70)</u>	<u>20,323,769.87</u>	<u>20,221,467.56</u>	<u>102,302.31</u>
Learning and/or Language Disabilities:					
Salaries of Teachers	476,070.00	191,452.61	667,522.61	665,141.86	2,380.75
Other salaries for instruction	56,535.00		56,535.00	53,667.06	2,867.94
General Supplies	3,000.00	(1,405.95)	1,594.05	1,594.05	
Textbooks	3,000.00	(3,000.00)			
Total Learning and/or Language Disabilities	<u>538,605.00</u>	<u>187,046.66</u>	<u>725,651.66</u>	<u>720,402.97</u>	<u>5,248.69</u>
Behavioral Disabilities:					
General Supplies	1,000.00		1,000.00	957.28	42.72
Total Behavioral Disabilities	<u>1,000.00</u>		<u>1,000.00</u>	<u>957.28</u>	<u>42.72</u>

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

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL AMENDED BUDGET	ACTUAL	VARIANCE INCREASE/ (DECREASE)
Multiple Disabilities:					
Salaries for Teachers	\$ 335,503.00	\$ (43,919.78)	\$ 291,583.22	\$ 285,753.86	\$ 5,829.36
Other Salaries for Instruction	96,665.00	25,847.51	122,512.51	121,922.46	590.05
General Supplies	4,500.00		4,500.00	2,577.22	1,922.78
Textbooks	2,000.00	(2,000.00)			
Total Multiple Disabilities	438,668.00	(20,072.27)	418,595.73	410,253.54	8,342.19
Resource Room / Resource Center:					
Salaries of Teachers	4,002,153.00	(369,617.47)	3,632,535.53	3,615,500.64	17,034.89
Other salaries for instruction	1,369,561.00	236,156.41	1,605,717.41	1,591,833.97	13,883.44
General Supplies	4,500.00		4,500.00	1,409.00	3,091.00
Textbooks	1,000.00		1,000.00		1,000.00
Total Resource Room / Resource Center	5,377,214.00	(133,461.06)	5,243,752.94	5,208,743.61	35,009.33
Autism:					
General Supplies	3,500.00	(2,041.21)	1,458.79	1,458.79	
Total Autism	3,500.00	(2,041.21)	1,458.79	1,458.79	
Preschool Disabilities - Full - Time:					
Salaries of Teachers	60,935.00		60,935.00	60,935.00	
Other Salaries for Instruction	208,248.00	(96,000.00)	112,248.00	111,318.99	929.01
Total Preschool Disabilities - Full - Time	269,183.00	(96,000.00)	173,183.00	172,253.99	929.01
Home Instruction:					
Salaries of Teachers	20,000.00	(7,228.50)	12,771.50	12,771.50	
Purchased Professional-Educational Services	10,029.00	40,500.00	50,529.00	36,471.00	14,058.00
Total Home Instruction	30,029.00	33,271.50	63,300.50	49,242.50	14,058.00
Total Special Education	6,658,199.00	(31,256.38)	6,626,942.62	6,563,312.68	63,629.94
Basic Skills / Remedial:					
Salaries of Teachers	710,559.00	(545,876.47)	164,682.53	164,682.53	
Total Basic Skills / Remedial	710,559.00	(545,876.47)	164,682.53	164,682.53	
Bilingual Education Instruction:					
Salaries of Teachers	304,615.00	11,507.00	316,122.00	314,971.30	1,150.70
Total Bilingual Education Instruction	304,615.00	11,507.00	316,122.00	314,971.30	1,150.70

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

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL AMENDED BUDGET	ACTUAL	VARIANCE INCREASE/ (DECREASE)
School Sponsored Co-Curricular Activities:					
Salaries	\$ 177,000.00	\$ (17,000.00)	\$ 160,000.00	\$ 143,368.00	\$ 16,632.00
Supplies and Materials	6,720.00	(400.00)	6,320.00	528.72	5,791.28
Other Objects	11,095.00	400.00	11,495.00	8,330.00	3,165.00
Total School Sponsored Co-Curricular Activities	194,815.00	(17,000.00)	177,815.00	152,226.72	25,588.28
School Sponsored Athletics:					
Salaries	718,740.00	23,469.41	742,209.41	742,209.41	
Purchased Services (300-500 Series)	168,393.00	(49,394.68)	118,998.32	110,846.00	8,152.32
Supplies and Materials	75,094.70	26,000.00	101,094.70	96,205.70	4,889.00
Other Objects	44,260.00		44,260.00	37,610.30	6,649.70
Total School Sponsored Athletics	1,006,487.70	74.73	1,006,562.43	986,871.41	19,691.02
Total Other Instructional Programs	2,216,476.70	(551,294.74)	1,665,181.96	1,618,751.96	46,430.00
Total - Instruction	30,653,897.27	(2,038,002.82)	28,615,894.45	28,403,532.20	212,362.25
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's within the State - Regular	8,000.00	(275.00)	7,725.00	7,725.00	
Tuition to Other LEA's within the State - Special	153,879.00	(108,025.00)	45,854.00	44,558.44	1,295.56
Tuition to CSSD & Regional Day Schools	940,029.00	(87,780.81)	852,248.19	847,067.92	5,180.27
Tuition to Private Schools for the Handicapped w/in State	1,683,968.00	(279,316.12)	1,404,652.88	1,247,212.66	157,440.22
Tuition - State Facilities	125,444.00	41,573.00	167,017.00	167,017.00	
Tuition - Other	200,000.00	(200,000.00)			
Total Undistributed Expenditures - Instruction	3,111,320.00	(633,822.93)	2,477,497.07	2,313,581.02	163,916.05
Attendance and Social Work Services:					
Salaries	131,260.00	(28,781.88)	102,478.12	102,435.00	43.12
Unused Vacation Payment to Terminated/Retired Staff		11,152.00	11,152.00	11,152.00	
Total Attendance and Social Work Services	131,260.00	(17,629.88)	113,630.12	113,587.00	43.12

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

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL AMENDED BUDGET	ACTUAL	VARIANCE/ INCREASE/ (DECREASE)
Health Services:					
Salaries	\$ 614,745.00	\$ 7,448.13	\$ 622,193.13	\$ 622,193.13	\$ 3,583.00
Purchased Professional and Technical Services	58,227.00	(3,200.00)	55,027.00	51,444.00	2,008.50
Other Purchased Services	2,575.00	(187.50)	2,387.50	379.00	2,961.97
Supplies and Materials	22,300.00	(1,633.43)	20,666.57	17,704.60	1,015.00
Other Objects	1,390.00		1,390.00	375.00	9,568.47
Total Health Services	699,237.00	2,427.20	701,664.20	692,095.73	
Other Support Svcs. - Speech, OT, PT & Related Svcs.:					
Salaries	1,141,843.00	(84,703.31)	1,057,139.69	1,052,839.93	4,299.76
Purchased Professional - Educational Services	538,740.74	117,608.86	656,349.60	528,667.37	127,682.23
Supplies and Materials	10,000.00	7,000.00	17,000.00	16,491.81	508.19
Total Other Support Svcs. - Speech, OT, PT & Related Svcs.	1,690,583.74	39,905.55	1,730,489.29	1,597,999.11	132,490.18
Other Support Services - Students - Extra Services					
Salaries	114,456.00	78.88	114,534.88	114,247.62	287.26
Purchased Professional - Educational Services	85,000.00	(14,500.00)	70,500.00	64,120.75	6,379.25
Supplies and Materials	18,000.00	(8,500.00)	9,500.00	9,074.76	425.24
Total Other Support Services - Students - Extra Services	217,456.00	(22,921.12)	194,534.88	187,443.13	7,091.75
Guidance:					
Salaries of Other Professional Staff	1,235,650.00	(179,882.00)	1,055,768.00	1,046,819.38	8,948.62
Salaries of Secretarial and Clerical Assistants	182,940.00	(21,507.00)	161,433.00	161,194.76	238.24
Purchased Professional - Educational Services	110,000.00	(110,000.00)			
Total Guidance	1,528,590.00	(311,389.00)	1,217,201.00	1,208,014.14	9,186.86
Child Study Teams:					
Salaries of Other Professional Staff	841,570.00	35,729.72	877,299.72	876,827.26	472.46
Salaries of Secretarial and Clerical Assistants	124,660.00	1,131.90	125,791.90	125,791.90	
Purchased Professional Educational Services	25,148.00	(552.84)	24,595.16	21,987.58	2,607.58
Other Purchased Professional and Technical Svcs.	8,500.00	7,000.00	15,500.00	15,250.00	250.00
Other Purchased Services (400-500 series)	4,500.00	250.00	4,750.00	3,961.41	788.59
Supplies and Materials	8,000.00	1,750.00	9,750.00	9,262.95	487.05
Other Objects	1,000.00		1,000.00	990.00	10.00
Total Child Study Teams	1,013,378.00	45,308.78	1,058,686.78	1,054,071.10	4,615.68

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

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL AMENDED BUDGET	ACTUAL	VARIANCE INCREASE/ (DECREASE)
Improvement of Instruction Services /					
Other Support Services - Instructional Staff:					
Salaries of Supervisors of Instruction	\$ 37,997.00	\$ 1,140.04	\$ 39,137.04	\$ 39,137.04	\$ 468.60
Salaries of Secretarial and Clerical Assts.	36,166.00		36,166.00	35,697.40	80.00
Other Salaries	53,915.00	64,488.40	118,403.40	118,323.40	680.00
Purchased Professional Educational Services	1,200.00		1,200.00	520.00	10.40
Other Purchased Services (400-500)	65,136.00	(3,670.15)	61,465.85	61,455.45	14,536.57
Supplies and materials	79,625.00	(17,078.09)	62,546.91	48,010.34	
Total Improvement of Instruction Services /					
Other Support Services - Instructional Staff	274,039.00	44,880.20	318,919.20	303,143.63	15,775.57
Educational Media Services / School Library:					
Salaries	429,175.00	(93,308.00)	335,867.00	333,371.80	2,495.20
Other Purchased Services (400-500 Series)	42,220.00	131.04	42,351.04	38,943.65	3,407.39
Supplies and materials	23,065.00	13.54	23,078.54	21,135.81	1,942.73
Other Objects	500.00		500.00		500.00
Total Educational Media Services / School Library	494,960.00	(93,163.42)	401,796.58	393,451.26	8,345.32
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	575,201.00	(252,514.16)	322,686.82	321,645.04	1,041.78
Salaries of Secretarial and Clerical Assistants	18,082.00		18,082.00	17,848.48	233.52
Unused Vacation Payment to Terminated/Retired Staff		22,456.00	22,456.00	22,456.00	
Purchased Professional Educational Services	42,500.00	(38,500.00)	4,000.00	3,953.06	46.94
Other Purchased Services (400- 500)	31,206.00	(22,000.00)	9,206.00	8,141.79	1,064.21
Other Objects	13,825.00		13,825.00	9,977.00	3,848.00
Total Instructional Staff Training Services	680,814.00	(290,558.16)	390,255.82	384,021.37	6,234.45

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

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE INCREASE/ (DECREASE)</u>
Support Services General Administration:					
Salaries	\$ 418,764.00	\$ 28,126.95	\$ 446,890.95	\$ 446,890.95	\$ 14,797.31
Legal Services	130,000.00	69,248.76	199,248.76	184,451.45	
Expenditure and Internal Control Audit Fees	45,000.00	(6,250.00)	38,750.00	38,750.00	
Other Purchased Professional Services	16,000.00	(585.79)	15,414.21	10,508.28	4,905.93
Communications / Telephone	145,000.00	(90,662.41)	54,337.59	39,493.28	14,844.31
BOE Other Purchased Services	8,000.00		8,000.00	7,211.97	788.03
Miscellaneous Purchased Services	288,079.18	3,413.00	291,492.18	291,491.81	0.37
General Supplies	45,000.00	(6,370.99)	38,629.01	33,179.70	5,449.31
BOE In- House Training/ Meeting Supplies	2,500.00		2,500.00		2,500.00
Judgements against the District	18,182.50		64,872.86	61,688.88	5,000.00
Miscellaneous Expenditures	27,000.00	(700.00)	26,300.00	25,400.90	3,183.98
BOE Membership Dues and Fees					899.10
Total Support Services General Administration	<u>1,148,525.68</u>	<u>42,909.88</u>	<u>1,191,435.56</u>	<u>1,139,067.22</u>	<u>52,368.34</u>
Support Services School Administration:					
Salaries of Principals / Asst. Principals/ Pgr. Directors	2,222,186.00	316,515.89	2,538,701.89	2,536,584.26	2,117.63
Salaries of Secretarial and Clerical Assistants	660,035.00	22,820.54	682,855.54	681,424.06	1,431.48
Unused Vacation Payment to Terminated/Retired Staff		7,199.00	7,199.00	7,199.00	
Other Purchased Services(400-500 series)	5,186.00	170.00	5,356.00	1,200.00	4,156.00
Supplies and Materials	28,900.00	10,955.00	39,855.00	32,914.74	6,940.26
Other Objects	20,740.00		20,740.00	10,604.70	10,135.30
Total Support Services School Administration	<u>2,937,047.00</u>	<u>357,660.43</u>	<u>3,294,707.43</u>	<u>3,269,926.76</u>	<u>24,780.67</u>
Central Service:					
Salaries	677,839.00	(32,616.25)	645,222.75	642,237.19	2,985.56
Purchased Professional Services	22,500.00	1,150.00	23,650.00	11,650.00	12,000.00
Purchased Technical Services	35,000.00	(18,078.37)	16,921.63	11,880.00	5,041.63
Misc. Purch Services (400-500)	71,000.00	(39,568.90)	31,431.10	18,286.45	13,144.65
Supplies and Materials	35,398.00	(21,940.44)	13,457.56	13,244.58	212.98
Miscellaneous Expenditures	3,000.00		3,000.00	320.00	2,680.00
Total Central Service	<u>844,737.00</u>	<u>(111,053.96)</u>	<u>733,683.04</u>	<u>697,618.22</u>	<u>36,064.82</u>

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

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL AMENDED BUDGET	ACTUAL	VARIANCE INCREASE/ (DECREASE)
Administrative Information Technology:					
Salaries	\$ 431,107.00	(21,117.00)	\$ 409,990.00	\$ 409,989.82	\$ 0.18
Unused Vacation Payment to Terminated/Retired Staff		27,703.43	27,703.43	26,898.58	804.85
Purchased Technical Services	286,900.00	94,878.37	381,778.37	378,025.88	3,752.49
Other Purchased Services	10,000.00	5,000.00	15,000.00	15,000.00	
Supplies and Materials	72,095.20	(50,547.57)	21,547.63	11,647.26	9,900.37
Total Administrative Information Technology	800,102.20	55,917.23	856,019.43	841,561.54	14,457.89
Required Maintenance for School Facilities:					
Salaries	488,227.00	(13,419.59)	474,807.41	474,807.41	
Unused Vacation Payment to Terminated/Retired Staff		5,665.00	5,665.00	5,665.00	
Cleaning, Repair and Maintenance Services	590,145.50	87,180.15	677,325.65	663,048.97	14,276.68
General Supplies	72,090.46	19,387.23	91,477.69	90,229.22	1,248.47
Total Required Maintenance for School Facilities	1,150,462.96	98,812.79	1,249,275.75	1,233,750.60	15,525.15
Custodial Services:					
Salaries of Non-Instructional Aides	483,956.00	(81,703.84)	402,252.16	396,018.62	6,233.54
Purchased Professional and Technical Services	15,000.00		15,000.00	11,546.95	3,453.05
Cleaning, Repair and Maintenance Services	2,100,000.00	17,000.00	2,117,000.00	2,116,999.16	0.84
Other Purchased Property Services	145,000.00	20,903.34	165,903.34	150,364.56	15,538.78
Insurance	185,000.00	1,482.17	186,482.17	186,482.17	
Miscellaneous Purchased Services	8,000.00	(8,000.00)			
General Supplies	100,000.00	36,888.65	136,888.65	132,099.20	4,789.45
Energy (Natural Gas)	375,000.00	(120,000.00)	255,000.00	254,169.37	830.63
Energy (Heat and Electricity)	700,000.00	(74,000.00)	626,000.00	603,844.86	22,155.14
Total Custodial Services	4,111,956.00	(207,429.68)	3,904,526.32	3,851,524.89	53,001.43
Care and Upkeep of Grounds:					
Cleaning, Repair And Maintenance	400,000.00		400,000.00	399,999.96	0.04
General Supplies	100,334.00	(2,100.00)	98,234.00	94,661.79	3,572.21
Total Care and Upkeep of Grounds	500,334.00	(2,100.00)	498,234.00	494,661.75	3,572.25
Security:					
Salaries	225,000.00	100,000.00	100,000.00	100,000.00	
Purchased Professional and Technical Services	225,000.00	73,690.50	298,690.50	294,230.00	4,460.50
Total Security	225,000.00	173,690.50	398,690.50	394,230.00	4,460.50

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

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL AMENDED BUDGET	ACTUAL	VARIANCE/ INCREASE/ (DECREASE)
Student Transportation Services:					
Salaries of Non-Instructional Aides Home and School) - Regular	\$ 238,621.00	\$ (12,214.24)	\$ 226,406.76	\$ 226,271.14	\$ 135.62
Home and School) - Special	679,439.00	15,334.20	694,773.20	694,419.05	354.15
Sal. for Pupil Trans (Other than Btw Home & Sch)	400,648.00	32,394.13	433,042.13	432,386.55	655.58
Other Purchased Professional & Technical Services	19,327.00	85,421.15	104,748.15	104,748.15	
Cleaning, Repair and Maintenance Services	5,300.00	(1,000.00)	4,300.00	3,501.00	799.00
Contracted Services - Aid in Lieu Payments-NonPub Sch and School) - Vendors	270,000.00	37,983.73	307,983.73	301,308.86	6,674.87
Contract Services (Sp. Ed. Stds.) - Vendors	140,000.00	2,000.00	142,000.00	141,059.45	940.55
Contracted Svcs. (Spec. Ed. Stud.s) - Joint Agree.	31,000.00	(8,880.00)	22,120.00	21,370.00	750.00
Contracted Svcs -(Spec.Ed. Stud) - ESCs & CTAS	15,000.00	9,000.00	24,000.00	23,955.60	44.40
Miscellaneous Purchased Services - Transportation	30,000.00	(30,000.00)			
General Supplies	1,050,000.00	736,508.03	1,786,508.03	1,699,626.62	86,881.41
Transportation Supplies	130,000.00		130,000.00	125,774.99	4,225.01
Other Objects	16,000.00	(9,000.00)	7,000.00	5,872.71	1,127.29
Total Student Transportation Services	100,000.00	71,000.00	171,000.00	164,853.18	6,146.82
	1,500.00		1,500.00		1,500.00
	3,126,835.00	928,547.00	4,055,382.00	3,945,147.30	110,234.70
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	650,000.00	133,485.18	783,485.18	783,485.18	
Other Retirement Contributions - PERS	700,000.00	(6,219.67)	691,780.33	691,182.53	597.80
Unemployment Compensation	75,000.00	13,735.94	88,735.94	87,648.66	1,087.28
Workman's Compensation	85,000.00	(15,000.00)	70,000.00	67,448.56	2,551.44
Health Benefits	249,000.00	(1,817.49)	247,182.51	246,705.74	476.77
Tuition Reimbursements	9,702,703.00	1,202,862.87	10,905,565.87	10,899,479.89	6,085.98
Other Employee Benefits	45,000.00	(19,332.55)	25,667.45	25,340.45	327.00
Unused Sick Payment to Terminated/Retired Staff	45,000.00	(45,000.00)			
Total Unallocated Benefits - Employee Benefits	11,596,703.00	66,149.75	11,149,75	11,104.75	45.00
		1,326,864.03	12,923,567.03	12,912,395.76	11,171.27

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

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL AMENDED BUDGET	ACTUAL	VARIANCE INCREASE/ (DECREASE)
On-Behalf TPAF Contributions (Non-Budgeted):					
On-behalf TPAF Contributions	\$	\$	\$	\$	\$
Non Contributory Group Insurance (NCGI)				10,191,299.00	(10,191,299.00)
Post Retirement Medical				141,393.00	(141,393.00)
Reimbursed TPAF Social Security Contribution				2,714,373.00	(2,714,373.00)
Long Term Disability Insurance				2,190,209.46	(2,190,209.46)
Total On-Behalf TPAF Contributions (Non-Budgeted)				3,652.00	(3,652.00)
Total Undistributed Expenditures	36,283,340.58	1,426,855.42	37,710,196.00	15,240,926.46	(15,240,926.46)
				52,268,217.99	(14,558,021.99)
TOTAL EXPENDITURES - CURRENT EXPENSE	66,937,237.85	(611,147.40)	66,326,090.45	80,671,750.19	(14,345,659.74)
CAPITAL OUTLAY:					
Equipment:					
Undistributed-Required Maint. for School Facilities	60,000.00	20,000.00	80,000.00	79,359.00	641.00
School Buses - Regular	203,202.33	387,017.85	590,220.18	590,220.18	
Total Equipment	263,202.33	407,017.85	670,220.18	669,579.18	641.00
Facilities Acquisition and Construction Services:					
Architectural/engineering services	50,000.00	262,147.19	312,147.19	283,880.75	28,266.44
Construction services	2,851,158.07	2,280,319.36	5,131,477.43	2,676,262.90	2,455,214.53
Supplies & Materials	75,000.00	(20,000.00)	55,000.00	53,562.76	1,437.24
Assessment for Debt Service on SDA Funding	64,257.00		64,257.00	64,257.00	
Total Facilities Acquisition and Construction Services	3,040,415.07	2,522,466.55	5,562,881.62	3,077,963.41	2,484,918.21
Assets acquired under installment purchases (non-budgeted)					
Undistributed expenditures:					
Instructional Supplies-technology				590,105.00	(590,105.00)
Total assets acquired under installment purchases (non-budgeted)				590,105.00	(590,105.00)
TOTAL CAPITAL OUTLAY	3,303,617.40	2,929,484.40	6,233,101.80	4,337,647.59	1,895,454.21

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

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>BUDGET</u> <u>TRANSFERS AND</u> <u>AMENDMENTS</u>	<u>FINAL AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>INCREASE/</u> <u>(DECREASE)</u>
Other Special Schools Instruction:					
Transfer of funds to charter schools	\$ 100,000.00	\$ 181,663.00	\$ 281,663.00	\$ 262,821.00	\$ 18,842.00
TOTAL EXPENDITURES	<u>70,340,855.25</u>	<u>2,500,000.00</u>	<u>72,840,855.25</u>	<u>85,272,218.78</u>	<u>(12,431,363.53)</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (6,058,381.25)	\$ (2,500,000.00)	\$ (8,558,381.25)	\$ (5,295,525.32)	\$ 3,262,855.93
Other financing sources (uses)					
Transfers from Other Funds				314,444.14	314,444.14
Proceeds from Installment Purchase Contracts (non-budgeted)				590,105.00	590,105.00
Total other financing sources (uses)				<u>904,549.14</u>	<u>904,549.14</u>
Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	<u>(6,058,381.25)</u>	<u>(2,500,000.00)</u>	<u>(8,558,381.25)</u>	<u>(4,390,976.18)</u>	<u>4,167,405.07</u>
Fund balances, July 1	12,879,886.54		12,879,886.54	12,879,886.54	
Fund balances, June 30	<u>\$ 6,821,505.29</u>	<u>\$ (2,500,000.00)</u>	<u>\$ 4,321,505.29</u>	<u>\$ 8,488,910.36</u>	<u>\$ 4,167,405.07</u>
Recapitulation:					
Assigned - year-end encumbrances				\$ 2,575,065.05	
Restricted - capital reserve				794,138.08	
Restricted - maintenance reserve				1,000,176.93	
Restricted - unemployment claims				724,156.60	
Unassigned fund balance				1,388,823.75	
Assigned - designated for subsequent years expenditures				2,000,000.00	
Assigned fund balance ARRA/SEMI unreserved desig. sub. year				6,549.95	
				<u>\$ 8,488,910.36</u>	
Reconciliation to governmental funds statements (GAAP):					
Prior Year aid payment not recognized on GAAP basis				(943,671.26)	
Fund balance per governmental funds (GAAP)				<u>\$ 7,545,239.10</u>	

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Other Sources	\$ 25,000.00	\$ 299,982.81	\$ 324,982.81	\$ 276,070.78	\$ (48,912.03)
State Sources	161,039.00	1,977,455.00	2,138,494.00	2,080,282.79	(58,211.21)
Federal Sources	1,031,761.00	4,213,762.86	5,245,523.86	4,694,942.60	(550,581.26)
Total Revenues	\$ 1,217,800.00	\$ 6,491,200.67	\$ 7,709,000.67	\$ 7,051,296.17	\$ (657,704.50)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 1,031,761.00	\$ 415,620.86	\$ 1,447,381.86	\$ 1,356,840.16	\$ 90,541.70
Purchased Professional / Educational Services	222,833.00	222,833.00	445,666.00	154,772.20	290,893.80
Tuition	903,408.00	903,408.00	1,806,816.00	899,752.05	907,063.95
General Supplies	25,000.00	745,418.23	770,418.23	676,690.13	93,728.10
Other Objects	166,865.87	166,865.87	333,731.74	166,865.87	166,865.87
Total Instruction	1,056,761.00	2,454,145.96	3,510,906.96	3,254,920.41	255,986.55
Support Services:					
Other Salaries	357,530.75	357,530.75	715,061.50	206,829.71	508,231.79
Purchased Services Employee Benefits	550,341.00	550,341.00	1,100,682.00	539,181.00	561,501.00
Purchased Professional / Educational Services	548,560.75	548,560.75	1,097,121.50	426,222.44	670,899.06
Other purchased services	56,644.00	56,644.00	113,288.00	30,638.47	82,649.53
Supplies and Materials	154,979.95	154,979.95	309,959.90	125,074.30	184,885.60
Other Objects	(31,103.00)	(31,103.00)	(62,206.00)	111,346.00	173,552.00
Student Activities	242,500.48	242,500.48	485,000.96	213,416.49	271,584.47
Total Support Services	1,617,359.88	1,879,453.93	3,496,815.85	1,652,708.41	1,844,107.44
Facilities Acquisition and Construction Service:					
School Buses	160,175.20	160,175.20	320,350.40	160,175.20	160,175.20
Construction Services	1,427,911.64	1,427,911.64	2,855,823.28	1,374,576.92	1,481,246.36
Land Improvements	569,513.94	569,513.94	1,139,027.88	569,513.94	569,513.94
Total Facilities Acquisition and Construction Service	2,157,600.78	2,157,600.78	4,315,201.56	2,104,266.06	2,210,935.50
Total expenditures	\$ 1,217,800.00	\$ 6,491,200.67	\$ 7,709,000.67	\$ 7,011,894.88	\$ 697,105.79
Excess (Deficiency) of Revenues Over (Under) Expenditures				39,401.29	
Fund Balance, July 1				203,099.19	
Fund Balance, June 30				242,500.48	

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION PART II
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 79,976,693.46	\$ 7,051,296.17
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously it was recognized for budgetary purposes.	802,275.00	5,280.00
The last state aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(943,671.26)	(475,543.74)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Adjust for encumbrances:		
Add prior year encumbrances		1,331,250.00
Less current year encumbrances		(466,617.75)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 79,835,297.20	\$ 7,445,664.68
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 85,272,218.78	\$ 7,011,894.88
Difference - budget to GAAP:		
Adjust for encumbrances:		
Add prior year encumbrances		1,331,250.00
Less current year encumbrances		(466,617.75)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	\$ 85,272,218.78	\$ 7,876,527.13

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

<u>Measurement Date Ending June 30.</u>	<u>District's Proportion of the Net Pension Liability (Asset)</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>District's Covered-Employee Payroll</u>	<u>District's Proportion of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2013	0.0610000000% \$	11,657,411 \$	4,226,333.00	275.83%	48.72%
2014	0.0614800000%	11,509,914	4,226,933.00	272.30%	52.08%
2015	0.0621921857%	13,960,899	4,280,395.00	326.16%	47.92%
2016	0.0594472637%	17,606,574	3,960,898.00	444.51%	40.14%
2017	0.0563946281%	13,127,768	3,938,440.00	333.32%	48.10%
2018	0.0578031900%	11,381,160	3,894,229.00	292.26%	53.60%
2019	0.0571735265%	10,301,802	4,077,325.00	252.66%	56.27%
2020	0.0568077379%	9,263,856	4,032,322.00	229.74%	58.32%
2021	0.0554977368%	6,574,539	4,056,118.00	162.09%	70.33%
2022	0.0555798818%	8,387,769	4,260,423.00	196.88%	62.91%

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

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>Contractually</u> <u>Required</u> <u>Contribution</u>	<u>Contributions in</u> <u>Relation to the</u> <u>Contractually</u> <u>Required</u> <u>Contributions</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>District's</u> <u>Covered-</u> <u>Employee</u> <u>Payroll</u>	<u>Contributions as</u> <u>a Percentage of</u> <u>Covered-</u> <u>Employee</u> <u>Payroll</u>
2014	\$ 506,796	\$ 506,796	\$ -0-	\$ 4,226,933.00	11.99%
2015	534,686	534,686	-0-	4,280,395.00	12.49%
2016	528,121	528,121	-0-	3,960,898.00	13.33%
2017	522,436	522,436	-0-	3,938,440.00	13.27%
2018	574,955	574,955	-0-	3,894,229.00	14.76%
2019	556,133	556,133	-0-	4,077,325.00	13.64%
2020	621,448	621,448	-0-	4,032,322.00	15.41%
2021	649,943	649,943	-0-	4,056,118.00	16.02%
2022	700,889	700,889	-0-	4,260,423.00	16.45%
2023	778,481	778,481	-0-	4,436,374.00	17.55%

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

Measurement Date Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	District's Covered-Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	State's Proportionate Share of the Total Net Pension Liability associated with the District as a percentage of the District's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.2600214795%	\$ -0-	\$ 131,412,811	\$ 24,719,460.00	-0-	531.62%	33.76%
2014	0.2515090687%	-0-	134,423,412	25,542,268.00	-0-	526.28%	33.64%
2015	0.2493242221%	-0-	157,583,555	25,926,765.00	-0-	607.80%	28.71%
2016	0.2516677573%	-0-	197,993,615	25,757,586.00	-0-	768.68%	22.33%
2017	0.2519094435%	-0-	169,846,430	26,603,164.00	-0-	638.44%	25.41%
2018	0.2561031617%	-0-	162,927,330	26,756,334.00	-0-	608.93%	26.49%
2019	0.2521029487%	-0-	154,717,959	28,103,967.00	-0-	550.52%	26.95%
2020	0.2552578685%	-0-	168,084,235	28,229,660.00	-0-	595.42%	24.60%
2021	0.2576966602%	-0-	123,888,155	28,816,161.00	-0-	429.93%	35.52%
2022	0.2524708524%	-0-	130,260,861	30,381,746.00	-0-	428.75%	32.29%

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/14-06/30/18
2020	7.00%	7.00%	07/01/14-06/30/18
2019	6.28%	7.00%	07/01/14-06/30/18
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11
2014	5.39%	7.90%	07/01/08-06/30/11
2013	5.55%	7.90%	07/01/08-06/30/11

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/15-06/30/18
2020	5.40%	7.00%	07/01/15-06/30/18
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12
2014	4.68%	7.90%	07/01/09-06/30/12
2013	4.95%	7.90%	07/01/09-06/30/12

REQUIRED SUPPLEMENTARY INFORMATION - PART IV

SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER
THAN PENSIONS (GASB 75)

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN YEARS

	Measurement Date Ended June 30,					
	2022	2021	2020	2019	2018	2017
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District						
Balance at Beginning of Fiscal year	\$141,592,548	\$162,335,790	\$98,443,874	\$107,220,622	\$124,411,319	\$134,287,543
Changes for the year:						
Service cost	6,236,870	7,460,359	4,065,475	3,736,206	4,308,922	5,204,586
Interest	3,141,237	3,673,060	3,540,281	4,237,827	4,559,074	3,936,252
Changes of benefit terms	0	(150,708)				
Differences between expected and actual experience	2,370,670	(29,066,205)	29,373,462	(15,286,233)	(10,986,639)	
Changes in assumptions or other inputs	(31,797,353)	139,692	29,653,170	1,467,806	(12,304,103)	(16,241,541)
Membership Contributions	99,818	93,902	85,660	89,579	99,090	106,109
Benefit payments - Net	(3,111,488)	(2,893,342)	(2,826,132)	(3,021,933)	(2,867,041)	(2,881,630)
Net changes	(23,060,246)	(20,743,242)	63,891,916	(8,776,748)	(17,190,697)	(9,876,224)
Balance at End of Fiscal year	\$118,532,302	\$141,592,548	\$162,335,790	\$98,443,874	\$107,220,622	\$124,411,319
Covered Employee Payroll	34,642,169	32,872,279	32,261,982	32,181,292	30,650,563	30,541,604
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-	-0-	-0-	-0-	-0-
State's Proportionate Share of the Total Non-Employer OPEB Liability associated with the District as a percentage of the District's Covered Employee Payroll	342.16%	367.63%	503.18%	305.90%	349.82%	407.35%

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION PART IV
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Change in benefit terms: None

Change in assumptions:

The following assumptions were used in calculating the net OPEB liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

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

	CRRSA ESSER II	NONPUBLIC TECHNOLOGY	CRRSA LRNG ACC	CRRSA MENTAL HEALTH	NONPUBLIC COMPENSATORY EDUCATION	NONPUBLIC SUPPLEMENTAL INSTRUCTION	NONPUBLIC EXAM AND CLASS	NONPUBLIC SPEECH CORRECTION
REVENUES:								
Local Sources		\$ 4,704.00			\$ 31,497.00	\$ 8,342.00	\$ 7,205.00	\$ 5,673.00
State Sources	612,008.27		40,728.62	39,345.75				
Federal Sources								
Total Revenues	612,008.27	4,704.00	40,728.62	39,345.75	31,497.00	8,342.00	7,205.00	5,673.00
EXPENDITURES:								
Instruction:								
Salaries of Teachers	38,413.61		21,689.00					
Purchased Professional / Educational Services	23,146.00							
Tuition			980.62					
General Supplies	93,718.68							
Other Objects								
Total Instruction	155,278.29		22,669.62					
Support Services:								
Other Salaries				25,080.75				
Personal Services Employee - Benefits	2,939.00		1,659.00	1,872.00				
Purchased Professional / Educational Services			16,400.00	12,393.00				
Other purchased services								
Supplies and Materials	12,725.98							
Other Objects		4,704.00			31,497.00	8,342.00	7,205.00	5,673.00
Student Activities								
Total Support Services	15,664.98	4,704.00	18,059.00	39,345.75	31,497.00	8,342.00	7,205.00	5,673.00
Facilities Acquisition & Construction Services								
School Buses								
Construction Services	441,065.00							
Land Improvements								
Total Facilities Acquisition & Construction Services	441,065.00							
Total Expenditures	612,008.27	4,704.00	40,728.62	39,345.75	31,497.00	8,342.00	7,205.00	5,673.00
Excess (Deficiency) of Revenues Over (Under) Expenditures								
Fund Balance, July 1								
Fund Balance, June 30								

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

	NONPUBLIC NURSING	PRE SCHOOL EDUCATION AID	NONPUBLIC TEXTBOOKS	NONPUBLIC SECURITY AID	NJ SDA EMERGENT NEEDS CAPITAL	NJ CLIMATE CHANGE EDUCATION	ESEA TITLE III	ESEA TITLE I
REVENUES:								
Local Sources	\$ 12,249.00	\$ 52,800.00	\$ 7,305.00	\$ 22,816.00	\$ 80,252.00	\$ 6,309.84	\$ 25,845.93	\$ 425,146.28
State Sources								
Federal Sources								
Total Revenues	12,249.00	52,800.00	7,305.00	22,816.00	80,252.00	6,309.84	25,845.93	425,146.28
EXPENDITURES:								
Instruction:								
Salaries of Teachers								206,499.41
Purchased Professional / Educational Services		52,800.00						
Tuition								
General Supplies							11,203.93	23,535.25
Other Objects								
Total Instruction		52,800.00					11,203.93	230,034.66
Support Services:								
Other Salaries							12,300.00	58,964.00
Personal Services Employee - Benefits							948.00	113,867.00
Purchased Professional / Educational Services								2,202.94
Other purchased services							1,030.00	1,778.00
Supplies and Materials							364.00	18,299.68
Other Objects	12,249.00		7,305.00	22,816.00		6,309.84		
Student Activities								
Total Support Services	12,249.00		7,305.00	22,816.00		6,309.84	14,642.00	195,111.62
Facilities Acquisition & Construction Services								
School Buses								
Construction Services					80,252.00			
Land Improvements								
Total Facilities Acquisition & Construction Services					80,252.00			
Total Expenditures	12,249.00	52,800.00	7,305.00	22,816.00	80,252.00	6,309.84	25,845.93	425,146.28
Excess (Deficiency) of Revenues Over (Under) Expenditures								
Fund Balance, July 1								
Fund Balance, June 30								

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

	OTHER LOCAL	CARES ACT ESSER I	IDEA PART B BASIC	IDEA PART B PRESCHOOL	ESEA TITLE IV	ESEA TITLE IA	STUDENT ACTIVITIES	TOTALS
REVENUES:								
Local Sources	\$ 23,253.00	\$	\$				\$ 252,817.78	\$ 276,070.78
State Sources		642.00	862,373.90	33,376.01	21,385.00	69,837.17		2,080,282.79
Federal Sources		642.00	862,373.90	33,376.01	21,385.00	69,837.17		4,694,942.60
Total Revenues	23,253.00	1,286.00	1,724,747.80	66,752.02	42,770.00	139,674.34	252,817.78	7,051,296.17
EXPENDITURES:								
Instruction:								
Salaries of Teachers			19,110.00			12,398.00		1,356,840.16
Purchased Professional / Educational Services			717,527.04	33,376.01				154,772.20
Tuition			80,519.86			1,107.00		899,752.05
General Supplies		642.00						676,690.13
Other Objects								186,865.87
Total Instruction		642.00	817,156.90	33,376.01		13,505.00		3,254,920.41
Support Services:								
Other Salaries								206,829.71
Personal Services Employee - Benefits						6,647.00		539,181.00
Purchased Professional / Educational Services			33,662.00		14,485.00	33,515.00		426,222.44
Other purchased services	23,253.00					4,577.47		30,638.47
Supplies and Materials					6,900.00	11,592.70		125,074.30
Other Objects			11,555.00					111,346.00
Student Activities							213,416.49	213,416.49
Total Support Services	23,253.00		45,217.00		21,385.00	56,332.17	213,416.49	1,652,708.41
Facilities Acquisition & Construction Services								
School Buses								160,175.20
Construction Services								1,374,576.92
Land Improvements								569,513.94
Total Facilities Acquisition & Construction Services								2,104,266.06
Total Expenditures	23,253.00	642.00	862,373.90	33,376.01	21,385.00	69,837.17	213,416.49	7,011,894.88
Excess (Deficiency) of Revenues Over (Under) Expenditures							39,401.29	39,401.29
Fund Balance, July 1							203,099.19	203,099.19
Fund Balance, June 30							242,500.48	242,500.48

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID 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	\$ 390,244.45	\$ 384,191.89	\$ 6,052.56
Supplies	495,434.80	461,562.31	33,872.49
Other Objects	166,865.87	166,865.87	
Total instruction	<u>1,052,545.12</u>	<u>1,012,620.07</u>	<u>39,925.05</u>
Support services:			
Supplies and Materials	60,882.10	60,882.10	
Total support services	<u>60,882.10</u>	<u>60,882.10</u>	
Facilities acquisition and const. serv.:			
School Buses	160,175.20	160,175.20	
Construction Services	90,738.64	90,738.64	
Land Improvements	569,513.94	569,513.94	
Total Facilities acquisition and const. serv.:	<u>820,427.78</u>	<u>820,427.78</u>	
Total expenditures	<u>\$ 1,933,855.00</u>	<u>\$ 1,893,929.95</u>	<u>\$ 39,925.05</u>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2022-2023 Preschool Education Aid Allocation	\$ 1,933,855.00
Add: Actual ECP/PEA Carryover (June 30, 2022)	
Total Preschool Education Aid Funds Available for 2022-2023 Budget	<u>1,933,855.00</u>
Less: 2022-2023 Budgeted Preschool Education Aid (Including prior-year budgeted carryover)	(1,933,855.00)
Add: June 30, 2023 Unexpended Preschool Education Aid	\$ <u>39,925.05</u>
2022-2023 Carryover- Preschool Education Aid	\$ <u>39,925.05</u>
2022-2023 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2023-2024	<u>\$ 39,925.05</u>

CAPITAL PROJECTS FUND DETAIL STATEMENTS

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES-BUDGETARY BASIS
AS OF JUNE 30, 2023

<u>ISSUE/PROJECT TITLE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>BALANCE JUNE 30, 2023</u>
		<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
Referendum - Paving Improvements	\$ 2,789,874.70	\$ 1,999,575.80	\$ 590,298.90	\$ 200,000.00
Referendum - Sidewalk & Curbing Upgrades	591,411.26	499,656.26	91,755.00	
Modular Early Childcare Annex Buildings for the Riley Elementary School	<u>6,000,000.00</u>	<u></u>	<u>4,884,833.11</u>	<u>1,115,166.89</u>
Totals	<u>\$ 9,381,285.96</u>	<u>\$ 2,499,232.06</u>	<u>\$ 5,566,887.01</u>	<u>\$ 1,315,166.89</u>

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

REVENUES AND OTHER FINANCING SOURCES:	
Installment Purchase Proceeds	\$ <u>6,000,000.00</u>
Total Revenues and Other Financing Sources	<u>6,000,000.00</u>
EXPENDITURES AND OTHER FINANCING USES:	
Construction Services	\$ 5,366,887.01
Transfer to Debt Service Fund	<u>200,000.00</u>
Total Expenditures and Other Financing Uses	<u>5,566,887.01</u>
Net change in fund balances	433,112.99
Fund Balance - Beginning of Year	<u>882,053.90</u>
Fund Balance - End of Year	\$ <u><u>1,315,166.89</u></u>
<u>Reconciliation to GAAP Financial Statements:</u>	
Fund Balance- Budgetary Basis (Exhibit F-2)	\$ <u>1,315,166.89</u>
Fund Balance- GAAP Basis (Exhibit B-1)	\$ <u><u>1,315,166.89</u></u>
<u>Recapitulation:</u>	
Restricted for Capital Projects	<u>1,315,166.89</u>
	\$ <u><u>1,315,166.89</u></u>

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
PAVING IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Bond proceeds and transfers	\$ 2,827,140.51	\$ (37,265.81)	\$ 2,789,874.70	\$ 2,789,874.70
Total Revenues and Other Financing Sources	<u>2,827,140.51</u>	<u>(37,265.81)</u>	<u>2,789,874.70</u>	<u>2,789,874.70</u>
EXPENDITURES AND OTHER FINANCING USES:				
Legal Services	2,760.80		2,760.80	2,760.80
Purchased Professional and Technical Services	58,840.76		58,840.76	58,840.76
Construction Services	1,637,974.24	390,298.90	2,028,273.14	2,028,273.14
Transfer Unexpended Proceeds to Debt Service Fund	<u>300,000.00</u>	<u>200,000.00</u>	<u>500,000.00</u>	<u>700,000.00</u>
Total Expenditures and Other Financing Uses	<u>1,999,575.80</u>	<u>590,298.90</u>	<u>2,589,874.70</u>	<u>2,789,874.70</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 827,564.71</u>	<u>\$ (627,564.71)</u>	<u>\$ 200,000.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4910-050-17-5000	4910-055-17-6000		
Project Number	4910-058-17-5000	4910-060-17-6000		
Project Number	4910-070-17-5000	4910-X01-17-4000		
Bond Authorization Date	12/13/17			
Bonds Authorized	\$2,789,874.70			
Bonds Issued	2,789,874.70			
Original Authorized Cost	2,789,874.70			
Additional Authorized Cost				
Revised Authorized Cost	\$2,789,874.70			
Percentage Increase over Original Authorized Cost				
Percentage Completion	92.83%			
Original Target Completion Date	6/30/18			
Revised Target Completion Date	6/30/24			

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
SIDEWALK & CURBING UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Bond proceeds and transfers	\$ 554,145.45	\$ 37,265.81	\$ 591,411.26	\$ 591,411.26
Total Revenues and Other Financing Sources	<u>554,145.45</u>	<u>37,265.81</u>	<u>591,411.26</u>	<u>591,411.26</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services	25,319.14		25,319.14	25,319.14
Construction Services	<u>474,337.12</u>	<u>91,755.00</u>	<u>566,092.12</u>	<u>566,092.12</u>
Total Expenditures and Other Financing Uses	<u>499,656.26</u>	<u>91,755.00</u>	<u>591,411.26</u>	<u>591,411.26</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 54,489.19</u>	<u>\$ (54,489.19)</u>	<u>\$</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4910-053-17-1000	4910-055-17-9000		
Project Number	4910-058-17-9000	4910-060-17-3000		
Project Number	4910-070-17-1000			
Bond Authorization Date	12/13/17			
Bonds Authorized	\$591,411.26			
Bonds Issued	591,411.26			
Original Authorized Cost	591,411.26			
Additional Authorized Cost				
Revised Authorized Cost	\$591,411.26			
Percentage Increase over Original Authorized Cost				
Percentage Completion	100.00%			
Original Target Completion Date	6/30/18			
Revised Target Completion Date	6/30/24			

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
INSTALL MODULAR EARLY CHILDCARE ANNEX BUILDINGS FOR THE RILEY ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Installment Purchase Proceeds	\$ _____	\$ 6,000,000.00	\$ 6,000,000.00	\$ 6,000,000.00
Total Revenues and Other Financing Sources	-	6,000,000.00	6,000,000.00	6,000,000.00
EXPENDITURES AND OTHER FINANCING USES:				
Construction Services	_____	4,884,833.11	4,884,833.11	6,000,000.00
Total Expenditures and Other Financing Uses	-	4,884,833.11	4,884,833.11	6,000,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ _____	\$ 1,115,166.89	\$ 1,115,166.89	
ADDITIONAL PROJECT INFORMATION:				
Project Number	23-4910-080-56-R501			
Project Number	23-4910-080-56-R502			
Installment Purchase Authorization Date	10/31/22			
Installment Purchase Authorized	\$6,000,000.00			
Installment Purchase Issued	6,000,000.00			
Original Authorized Cost	6,000,000.00			
Additional Authorized Cost				
Revised Authorized Cost	\$6,000,000.00			
Percentage Increase over Original Authorized Cos				
Percentage Completion	81.41%			
Original Target Completion Date	6/30/25			

PROPRIETARY FUND DETAIL STATEMENTS

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS - ENTERPRISE FUNDS
 JUNE 30, 2023

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

	FOOD SERVICE	BEFORE AND AFTER SCHOOL CARE PROGRAM	ADULT EDUCATION PROGRAM	PRESCHOOL PROGRAM	TOTALS
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	\$ 305,126.18	\$ 14,868.68	\$ 179,305.85	\$ 135,138.29	\$ 634,439.00
Accounts receivable:					
Federal	48,299.84				48,299.84
State	2,054.08				2,054.08
Local	53,509.99				53,509.99
Inventories	12,143.14				12,143.14
Total Current Assets	<u>421,133.23</u>	<u>14,868.68</u>	<u>179,305.85</u>	<u>135,138.29</u>	<u>750,446.05</u>
Capital Assets:					
Equipment	844,048.00	96,700.00		57,921.00	998,669.00
Less: Accumulated Depreciation	<u>(427,228.00)</u>	<u>(90,419.00)</u>		<u>(57,921.00)</u>	<u>(575,568.00)</u>
Total Capital Assets	<u>416,820.00</u>	<u>6,281.00</u>			<u>423,101.00</u>
Total Assets	<u>837,953.23</u>	<u>21,149.68</u>	<u>179,305.85</u>	<u>135,138.29</u>	<u>1,173,547.05</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	34,025.90				34,025.90
Interfunds payable			179,305.85	135,138.29	314,444.14
Unearned revenue	43,622.43				43,622.43
Total Current Liabilities	<u>77,648.33</u>		<u>179,305.85</u>	<u>135,138.29</u>	<u>392,092.47</u>
Total Liabilities	<u>77,648.33</u>		<u>179,305.85</u>	<u>135,138.29</u>	<u>392,092.47</u>
NET POSITION					
Net Investment in Capital Assets	416,820.00	6,281.00			423,101.00
Unrestricted	343,484.90	14,868.68			358,353.58
Total Net Position	<u>\$ 760,304.90</u>	<u>\$ 21,149.68</u>	<u>\$</u>	<u>\$</u>	<u>\$ 781,454.58</u>

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				
	FOOD SERVICE	BEFORE AND AFTER SCHOOL CARE PROGRAM	ADULT EDUCATION PROGRAM	PRESCHOOL PROGRAM	TOTALS
OPERATING REVENUES:					
Charges for services:					
Daily sales - reimbursable programs	\$ 511,101.77	\$	\$	\$	\$ 511,101.77
Daily sales - non-reimbursable programs	253,548.55				253,548.55
Miscellaneous	1,700.00				1,700.00
Program Fees		639,134.59	9,842.00	192,091.72	841,068.31
Total Operating Revenues	766,350.32	639,134.59	9,842.00	192,091.72	1,607,418.63
OPERATING EXPENSES:					
Cost of sales-reimbursable	479,305.00				479,305.00
Cost of sales-non reimbursable	54,713.00				54,713.00
Salaries	521,162.20	471,277.53	6,630.00	220,743.99	1,219,813.72
Employee benefits	104,329.38				104,329.38
Other purchased property services	9,430.00				9,430.00
Other purchased services	145,812.15	210,342.00	2,250.00	2,250.00	360,654.15
Supplies and materials	179,438.32	5,439.29			184,877.61
Utilities	200,000.00	50,000.00	6,607.19	18,000.00	274,607.19
Miscellaneous	19,989.40	3,052.07		7,191.29	30,232.76
Depreciation	87,087.00	8,220.00		8,690.00	103,997.00
Total Operating Expenses	1,781,277.05	765,268.22	18,539.26	256,875.28	2,821,959.81
Operating Income (Loss)	(1,014,926.73)	(126,133.63)	(8,697.26)	(64,783.56)	(1,214,541.18)
NONOPERATING REVENUES:					
State Sources					
State School Lunch Program	27,817.09				27,817.09
State School Breakfast Program	2,842.80				2,842.80
Federal Sources					
National School Lunch Program	583,246.34				583,246.34
Supply Chain Assistance	167,330.32				167,330.32
P-EBT Administrative Cost	653.00				653.00
National School Breakfast Program	117,517.30				117,517.30
National Food Distribution Commodities	107,826.59				107,826.59
Interest and Investment Revenue	8,251.20	1,362.00	2,058.63	2,179.01	13,850.84
Total Nonoperating Revenues	1,015,484.64	1,362.00	2,058.63	2,179.01	1,021,084.28
Net Income (Loss) before Contributions and Transfers	557.91	(124,771.63)	(6,638.63)	(62,604.55)	(193,456.90)
Transfers in (out)			(179,305.85)	(135,138.29)	(314,444.14)
Change in net position	557.91	(124,771.63)	(185,944.48)	(197,742.84)	(507,901.04)
Total Net Position, Beginning of Year	882,169.22	\$ 145,921.31	\$ 185,944.48	\$ 197,742.84	1,411,777.85
Prior Period Adjustments	(122,422.23)				(122,422.23)
Total Revised Net Position, Beginning of Year	759,746.99	\$ 145,921.31	\$ 185,944.48	\$ 197,742.84	\$ 1,289,355.62
Total Net Position, End of Year	\$ 760,304.90	\$ 21,149.68	\$	\$	\$ 781,454.58

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				
	FOOD SERVICE	BEFORE AND AFTER SCHOOL CARE PROGRAM	ADULT EDUCATION PROGRAM	PRESCHOOL PROGRAM	TOTALS
Cash flows from operating activities:					
Receipts from customers (net)	\$ 738,020.46	\$ 639,134.59	\$ 9,842.00	\$ 178,031.72	\$ 1,565,028.77
Payments for employees' salaries and benefits		(471,277.53)	(6,630.00)	(220,743.99)	(698,651.52)
Payments to suppliers for goods and services (net)	(1,539,900.42)	(285,883.49)	(11,909.26)	(27,441.29)	(1,865,134.46)
Net Cash Provided by (Used for) Operating Activities	(801,879.96)	(118,026.43)	(8,697.26)	(70,153.56)	(998,757.21)
Cash Flows from Noncapital Financing Activities:					
State Sources	31,105.13				31,105.13
Federal Sources	962,110.98				962,110.98
Net Cash Provided by (Used for) Noncapital Financing Activities	993,216.11				993,216.11
Cash Flows from Investing Activities:					
Interest on investments and deposits	8,251.20	1,362.00	2,058.63	2,179.01	13,850.84
Net Cash Provided by (Used for) by Investing Activities	8,251.20	1,362.00	2,058.63	2,179.01	13,850.84
Cash Flows from Capital and Related Financing Activities:					
Payment to vendor for prior year equipment payable	(424,067.23)				(424,067.23)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(424,067.23)				(424,067.23)
Net increase in cash and cash equivalents	(224,479.88)	(116,664.43)	(6,638.63)	(67,974.55)	(415,757.49)
Cash and cash equivalents, July 1	529,606.06	\$ 131,533.11	\$ 185,944.48	\$ 203,112.84	\$ 1,050,196.49
Cash and cash equivalents, June 30	\$ 305,126.18	\$ 14,868.68	\$ 179,305.85	\$ 135,138.29	\$ 634,439.00
Operating Income (Loss)	\$ (1,014,926.73)	\$ (126,133.63)	\$ (8,697.26)	\$ (64,783.56)	\$ (1,214,541.18)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation and Net Amortization	87,087.00	8,220.00		8,690.00	103,997.00
National Food Distribution Commodities	107,826.59				107,826.59
Change in Assets and Liabilities:					
Increase / (Decrease) in Accounts Payable	34,025.90	(112.80)			33,913.10
(Increase) / Decrease in Accounts Receivable	(35,519.53)				(35,519.53)
Increase / (Decrease) in Unearned Revenue	6,879.57			(14,060.00)	(7,180.43)
(Increase) / Decrease in Inventory	12,747.24				12,747.24
Net Cash Provided by (Used for) by Operating Activities	\$ (801,879.96)	\$ (118,026.43)	\$ (8,697.26)	\$ (70,153.56)	\$ (998,757.21)

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under serial bonds and installment purchases.

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE	RETIRE	BALANCE
			DATE	AMOUNT		JUNE 30, 2022	JUNE 30, 2023	JUNE 30, 2023
General Improvement Bonds	2/6/2018	\$ 28,084,000.00	9/15/2023-2024	\$ 1,600,000.00	2.500%			
			9/15/2025-2036	1,600,000.00	3.000%	\$ 25,594,000.00	\$ 1,600,000.00	\$ 23,994,000.00
			9/15/2037	1,594,000.00	3.000%	\$ 25,594,000.00	\$ 1,600,000.00	\$ 23,994,000.00
						\$ 25,594,000.00	\$ 1,600,000.00	\$ 23,994,000.00

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(NOT APPLICABLE TO THIS REPORT)

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

	ORIGINAL BUDGET	TRANSFERS	MODIFIED BUDGET	ACTUAL	VARIANCE
REVENUES:					
Local sources:					
Local tax levy	\$ 1,354,058.00		\$ 1,354,058.00	\$ 1,354,058.00	
State sources:					
Debt Service Aid Type II	669,761.00		669,761.00	669,761.00	
Total revenues	<u>2,023,819.00</u>		<u>2,023,819.00</u>	<u>2,023,819.00</u>	
EXPENDITURES:					
Regular debt service:					
Interest	723,820.00		723,820.00	723,820.00	
Redemption of principal	1,600,000.00		1,600,000.00	1,600,000.00	
Total regular debt service-expenditures	<u>2,323,820.00</u>		<u>2,323,820.00</u>	<u>2,323,820.00</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(300,001.00)</u>		<u>(300,001.00)</u>	<u>(300,001.00)</u>	
Other financing sources (uses):					
Transfer In				200,000.00	200,000.00
Total other financing sources (uses)				<u>200,000.00</u>	<u>200,000.00</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(300,001.00)</u>		<u>(300,001.00)</u>	<u>(100,001.00)</u>	<u>200,000.00</u>
Fund balance, July 1	300,001.02	\$	300,001.02	300,001.02	\$
Fund balance, June 30	0.02	\$	0.02	200,000.02	\$ 200,000.00

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER INSTALLMENT PURCHASE CONTRACTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>SERIES</u>	<u>INTEREST RATE PAYABLE</u>	<u>AMOUNT OF ORIGINAL CONTRACT</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2022</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2023</u>
Telephone System	Various	\$ 190,992.00	\$ 38,198.40	\$	\$ 38,198.40	\$
35 Ricoh Copiers	Various	324,700.97	91,998.60		64,940.19	27,058.41
2 Ricoh Copiers	Various	45,140.32	12,789.75		9,028.06	3,761.69
1800 Chromebooks	3.399%	554,946.00	140,976.17		140,976.17	
1200 Chromebooks	1.894%	314,496.00	157,220.33		77,872.77	79,347.56
Server Update	2.930%	135,816.93	81,444.87		26,368.16	55,076.71
Pre-K Annex Buildings	3.800%	6,000,000.00		6,000,000.00		6,000,000.00
600 Acer Chromebooks	4.738%	239,634.00		239,634.00	64,130.34	175,503.66
550 Lenovo Notebooks	4.650%	350,471.00		350,471.00	93,687.53	256,783.47
			\$ 522,628.12	\$ 6,590,105.00	\$ 515,201.62	\$ 6,597,531.50

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STATISTICAL SECTION
(UNAUDITED)

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
STATISTICAL SECTION

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

Sources

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

UNAUDITED

	For the Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets (deficit)	\$ 25,278,096	\$ 18,560,568	\$ 16,481,162	\$ 17,045,725	\$ 7,041,104	\$ (33,610,164)	\$ 15,458,006	\$ 15,451,250	\$ 15,516,546	\$ 13,503,788
Restricted	2,485,428	8,239,895	10,756,918	10,923,349	17,777,449	30,614,138	7,114,278	4,372,523	1,780,651	2,548,548
Unrestricted (deficit)	(6,004,875)	(7,817,626)	(8,585,779)	(11,041,541)	(11,928,920)	(13,344,080)	(13,221,323)	(12,025,361)	(9,657,745)	(9,884,543)
Total governmental activities net position	\$ 21,758,649	\$ 18,982,837	\$ 18,652,301	\$ 16,927,533	\$ 12,889,633	\$ (16,340,106)	\$ 9,350,961	\$ 7,798,412	\$ 7,539,452	\$ 6,167,793
Business-type activities										
Net investment in capital assets	\$ 423,101	\$ 649,520	\$ 255,539	\$ 196,980	\$ 227,342	\$ 275,244	\$ 205,394	\$ 193,231	\$ 194,393	\$ 219,324
Unrestricted	358,354	762,288	804,158	1,007,203	1,173,642	860,485	941,893	986,859	944,768	1,353,804
Total business-type activities net position	\$ 781,455	\$ 1,411,778	\$ 1,059,697	\$ 1,204,183	\$ 1,400,984	\$ 1,155,729	\$ 1,147,287	\$ 1,190,090	\$ 1,139,161	\$ 1,573,128
District-wide										
Net investment in capital assets (deficit)	\$ 25,701,197	\$ 19,210,088	\$ 16,736,701	\$ 17,242,705	\$ 7,268,446	\$ (33,334,920)	\$ 15,663,400	\$ 15,644,481	\$ 15,710,939	\$ 13,723,112
Restricted	2,485,428	8,239,895	10,756,918	10,923,349	17,777,449	30,614,138	7,114,278	4,372,523	1,780,651	2,548,548
Unrestricted (deficit)	(5,646,521)	(7,055,368)	(7,781,621)	(10,034,338)	(10,755,278)	(12,463,595)	(12,279,430)	(11,028,502)	(8,712,977)	(8,530,739)
Total district net position	\$ 22,540,104	\$ 20,394,615	\$ 19,711,998	\$ 18,131,716	\$ 14,290,617	\$ (15,184,377)	\$ 10,498,248	\$ 8,988,502	\$ 8,778,613	\$ 7,740,921

Source: ACFR Schedule A-1

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities										
Instruction										
Regular	\$ 33,333,487	\$ 31,995,867	\$ 34,730,229	\$ 31,115,255	\$ 31,822,551	\$ 31,818,634	\$ 35,048,703	\$ 32,407,070	\$ 29,815,485	\$ 26,744,764
Special education	12,414,087	12,407,691	12,869,883	12,774,024	12,951,952	12,557,840	12,357,249	10,818,458	10,104,837	9,076,153
Other instruction	3,192,062	3,804,625	3,488,773	2,909,342	3,081,298	3,058,173	2,555,069	2,343,782	1,496,543	971,985
School sponsored activities and athletics									1,248,712	1,461,816
Support Services:										
Tuition	10,418,967	10,721,023	11,610,636	9,575,568	10,182,644	10,823,341	9,887,062	9,504,867	8,991,136	7,957,459
Student and instruction related services	1,487,858	1,566,787	1,591,975	1,445,653	1,429,100	1,335,287	1,533,871	1,335,216	4,310,696	2,856,028
General administration	5,468,484	4,881,360	5,172,295	4,996,536	5,144,897	5,384,128	5,148,810	4,785,062	1,278,897	1,156,319
School administrative services	2,115,106	2,606,330	2,368,492	2,054,872	2,091,441	2,218,869	2,213,793	2,154,388	1,783,830	1,907,567
Central services	6,717,415	6,443,544	5,685,011	6,188,598	6,077,513	5,969,017	5,711,118	5,616,513	4,899,308	5,124,060
Plant operations and maintenance	4,925,713	3,996,548	3,008,976	3,361,951	3,641,578	3,194,824	3,140,456	2,832,457	2,503,270	2,365,993
Pupil transportation	795,918	775,353	829,526	904,909	1,004,433	486,199	239,621	298,786	327,992	361,722
Interest on long-term debt						12,619	50,952	56,886		
Unallocated amortization						76,858,931	77,866,702	72,153,507	66,770,706	59,987,866
Total governmental activities expenses	80,870,097	79,200,148	81,355,757	75,327,708	77,427,407	76,858,931	77,866,702	72,153,507	66,770,706	59,987,866
Business-type activities:										
Food service	1,781,277	1,647,339	664,603	973,120	1,232,773	1,646,407	1,474,165	1,400,398	1,375,120	1,311,366
Preschool Program	266,875	242,144	202,107	211,692	178,649	192,805	283,231	335,054	316,139	299,362
Latchkey Program	765,268	655,921	183,752	724,371	587,260	588,111	566,132	614,541	533,733	506,713
Adult Education Program	18,539	17,060	5,095	13,180	20,284	25,000	41,608	120,011	145,097	143,464
Total business-type activities expense	2,821,959	2,762,464	1,055,547	1,922,363	2,018,966	2,452,323	2,365,136	2,470,005	2,370,069	2,260,905
Total district expenses	\$ 83,692,056	\$ 81,962,612	\$ 82,411,304	\$ 77,250,071	\$ 79,446,373	\$ 79,311,254	\$ 80,251,838	\$ 74,623,511	\$ 69,140,765	\$ 62,248,771
Program Revenues										
Governmental activities:										
Charges for services	\$ 152,495	\$ 102,038	\$ 157,284	\$ 350,373	\$ 208,068	\$ 218,068	\$ 280,864	\$ 207,778	\$ 198,711	\$ 218,941
Operating grants and contributions	21,675,007	20,343,968	26,991,698	18,648,553	20,923,606	21,921,185	23,496,312	18,843,702	15,229,636	8,870,576
Capital grants and contributions						2,447,471	51,631		693,706	2,030
Total governmental activities program revenues	21,827,502	20,446,006	27,048,982	18,998,906	21,233,550	22,139,253	23,830,806	19,051,480	16,122,053	9,031,547
Business-type activities:										
Charges for services										
Food service	766,350	160,810	6,074	475,454	843,153	1,061,365	883,690	810,704	802,982	758,727
Preschool Program	192,092	262,628	87,789	215,875	221,516	177,129	197,044	358,604	257,751	289,016
Latchkey Program	639,134	521,734	11,804	551,640	709,861	658,049	621,511	642,665	554,312	528,822
Adult Education Program	9,842	10,805		9,227	23,176	29,116	37,312	128,184	174,100	153,180
Operating grants and contributions	1,007,233	2,155,187	766,262	457,169	478,316	531,812	572,776	580,775	541,313	520,893
Total business-type activities program revenues	2,614,651	3,111,164	871,939	1,709,366	2,276,022	2,447,471	2,322,332	2,520,932	2,330,498	2,250,638
Total district program revenues	24,442,153	23,557,170	27,920,921	20,708,272	23,509,572	24,586,724	26,153,139	21,572,412	18,452,511	11,342,185
Net (Expense)/Revenue										
Governmental activities	(59,042,595)	(58,754,142)	(54,306,775)	(56,328,802)	(56,193,857)	(54,719,678)	(54,055,895)	(53,102,027)	(50,648,653)	(50,896,319)
Business-type activities	(207,308)	346,700	(183,609)	(212,997)	257,056	(4,852)	(42,804)	50,928	(39,631)	(10,267)
Total district-wide net expense	\$ (59,249,903)	\$ (58,405,442)	\$ (54,490,383)	\$ (56,541,799)	\$ (55,936,801)	\$ (54,724,530)	\$ (54,098,699)	\$ (53,051,099)	\$ (50,688,284)	\$ (50,906,586)

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 52,904,547	\$ 51,867,203	\$ 50,850,199	\$ 48,630,525	\$ 47,271,498	\$ 46,390,086	\$ 44,942,061	\$ 43,653,001	\$ 42,499,893	\$ 42,499,893
Taxes levied for debt service	1,354,058	2,084,020	2,365,529	2,943,427	1,857,182	1,219,700	1,218,589	1,216,825	1,216,825	1,216,825
Unrestricted state aid	6,286,762	5,722,690	5,807,404	6,584,199	6,751,024	6,867,972	6,823,714	6,714,045	6,714,045	6,685,971
State aid restricted for debt service	668,761	469,407	460,509	458,569	255,573					
Transportation Fees	329,179	241,057	591,678	1,090,663.00	840,863	708,873	1,068,532	209,523	136,703	399,987
Miscellaneous income	314,444								400,000	
Transfers	(20,344)									
Special items	61,818,407	(26,389)	60,075,319	60,323,994	58,334,867	(10,695)	67,100	53,260,986	52,120,312	50,772,686
Total governmental activities	\$ 61,517,814	\$ 60,361,371	\$ 60,112,126	\$ 60,346,190	\$ 58,352,955	\$ 56,070,642	\$ 55,534,106	\$ 53,260,986	\$ 51,725,976	\$ 50,772,686
Business-type activities:										
Investment earnings	13,951	3,382	36,807	16,196	17,908	13,294			5,664	206
Transfers	(314,444)								(400,000)	
Total business-type activities	(300,593)	3,382	36,807	16,196	17,908	13,294			(394,336)	206
Total district-wide	\$ 61,517,814	\$ 60,361,371	\$ 60,112,126	\$ 60,346,190	\$ 58,352,955	\$ 56,070,642	\$ 55,534,106	\$ 53,260,986	\$ 51,725,976	\$ 50,772,686
Change in Net Position										
Governmental activities	\$ 2,775,812	\$ 1,603,847	\$ 5,768,544	\$ 4,601,192	\$ 2,141,130	\$ (136,509)	\$ 814,428	\$ (794,909)	\$ (981,715)	\$ 124,033
Business-type activities	(507,901)	352,082	(146,801)	(196,801)	274,864	270,350	(4,852)	(42,804)	(343,408)	(39,425)
Total district	\$ 2,267,911	\$ 1,955,929	\$ 5,621,743	\$ 3,804,391	\$ 2,416,994	\$ 133,841	\$ 809,576	\$ (837,713)	\$ (1,325,123)	\$ 84,608

Source: ACFR Schedule A-2

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
For the Fiscal Year Ended June 30,										
General Fund										
Restricted	\$ 2,518,472	\$ 7,742,075	\$ 8,889,354	\$ 8,012,628	\$ 7,237,548	\$ 8,068,859	\$ 6,937,461	\$ 4,219,448	\$ 3,621,031	\$ 4,578,117
Committed	4,581,615	2,563,744	2,922,302	2,721,016	2,048,403	550,916	357,047	557,324	169,420	292,322
Assigned	445,152	1,771,792	2,390,554	729,707	576,154	360,084	502,849	395,135	596,566	543,468
Unassigned	7,545,239	12,077,611	14,202,210	11,463,351	9,862,105	8,979,859	7,787,357	5,171,908	87,890	80,240
Total general fund	\$ 15,557,668	\$ 30,000,000	\$ 30,000,000	\$ 23,926,601	\$ 20,724,210	\$ 20,969,718	\$ 15,587,714	\$ 10,343,815	\$ 4,474,997	\$ 5,494,147
All Other Governmental Funds										
Unreserved	\$ 1,557,668	\$ 1,085,153	\$ 1,572,731	\$ 1,832,544	\$ 4,592,455	\$ 15,977,412	\$ 276,014	\$ 276,014	\$ 297,291	\$ 566
Restricted	200,000	300,000	300,112	1,078,177	5,949,737	7,047,890	20,317	20,317		
Assigned	(475,544)	(5,280)	(5,280)	(5,280)	(5,280)	(749)	(1,294)	(4,927)		
Total all other governmental funds	\$ 1,282,124	\$ 1,379,874	\$ 1,867,563	\$ 2,955,441	\$ 10,536,912	\$ 23,024,552	\$ 285,037	\$ 291,404	\$ 297,291	\$ 566

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Tax Levy	\$ 54,258,605	\$ 53,951,223	\$ 53,215,728	\$ 52,196,563	\$ 50,487,707	\$ 48,491,198	\$ 47,613,711	\$ 46,160,650	\$ 44,869,564	\$ 43,716,718
Miscellaneous	757,745	572,179	854,084	1,497,153	1,169,951	997,805	1,469,523	451,994	383,792	646,578
Slate Sources	28,193,413	25,793,419	22,330,678	20,390,432	19,767,731	18,054,495	16,928,989	16,353,442	15,673,852	14,232,200
Federal Sources	6,095,018	2,169,499	2,056,159	1,274,548	1,334,107	1,251,733	1,309,698	1,672,496	1,029,653	1,288,737
Total Revenue	89,304,781	82,486,320	78,456,649	75,358,696	72,759,496	68,795,231	67,321,992	64,638,562	61,957,061	59,864,233
Expenditures										
Instruction										
Regular Instruction	22,792,343	20,437,448	19,529,594	19,054,037	19,101,850	18,323,061	18,303,554	18,501,370	25,655,145	26,358,792
Special Education Instruction	6,662,943	6,316,591	5,673,167	6,463,754	6,371,144	5,917,639	5,103,397	4,802,116	8,970,020	8,713,538
Other Instruction	1,962,654	2,271,898	1,955,883	1,718,075	1,726,946	1,665,953	1,489,094	1,432,365	1,321,975	972,115
School Sponsored Activities and Athletics									1,250,156	1,462,105
Support Services:										
Tuition	3,213,333	2,995,779	2,806,264	2,647,183	2,335,570	2,029,978.6	2,645,206.35	2,487,638.34	8,280,195	7,932,585
Student and Instruction Related Services	7,050,784	6,659,183	6,268,292	5,576,474	5,673,617	5,789,319	5,865,686	6,081,126	1,092,798	1,070,823
General Administration	1,139,067	1,163,282	1,031,108	978,868	947,250	912,125	1,117,201	989,031	3,845,209	2,856,089
School Administrative Services	3,269,927	2,747,218	2,604,532	2,714,875	2,733,796	2,698,054	2,731,020	2,751,922	1,795,797	1,907,865
Central Services	1,539,180	1,715,839	1,598,166	1,508,889	1,497,448	1,591,466	1,424,792	1,489,035	4,864,744	5,089,219
Plant Operations and Maintenance	6,071,252	5,735,827	5,042,424	5,683,339	5,497,219	5,452,302	5,311,528	5,096,345	2,335,545	2,222,966
Pupil Transportation	3,945,147	2,949,872	2,054,887	2,613,789	2,773,491	2,347,517	2,123,562	1,937,784		
Unallocated Benefits	28,153,322	26,784,446	22,108,402	19,722,491	19,683,704	18,625,368	17,110,645	16,904,054		
Charter Schools	262,821	210,483	123,309	125,640	135,560	135,687	77,357	79,634		
Capital Outlay	12,388,603	2,257,203	4,028,059	9,764,275	13,772,876	6,273,044	264,212	463,837	2,249,249	1,081,185
Debt Service:										
Principal	1,600,000	2,070,000	1,965,000	1,885,000	1,040,000	985,000	960,000	910,000	870,000	845,000
Interest and Other Charges	788,077	783,539	861,039	932,232	1,074,419	224,700	263,625	308,100	345,975	371,825
Total expenditures	100,839,453	85,098,608	77,650,126	81,388,921	84,364,891	72,977,213	64,790,879	64,214,358	62,879,808	60,884,107
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,534,672)	(2,612,288)	806,523	(6,030,225)	(11,605,394)	(4,181,982)	2,531,053	424,224	(922,747)	(1,019,874)
Other Financing Sources (Uses)										
Installment Purchase Contracts (Non-Budgeted)	6,590,105						98,030			
Cancelled Accounts Payable								67,100		
Bond Proceeds						28,094,000				
Cancelled SDA Grant									1,881,600	
Transfers In (Out)	314,444								(1,481,600)	
Total Other Financing Sources (Uses)	6,904,549					28,094,000	98,030	67,100	400,000	
Net Change in Fund Balances:	\$ (4,630,123)	\$ (2,612,288)	\$ 806,523	\$ (6,030,225)	\$ (11,605,394)	\$ 23,912,018	\$ 2,629,082	\$ 491,323	\$ (522,747)	\$ (1,019,874)
Debt Service as a Percentage of Noncapital Expenditures	2.70%	3.44%	3.84%	3.93%	3.00%	1.83%	1.90%	1.91%	2.01%	2.03%

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

SOUTH PLAINFIELD BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
 UNAUDITED

Fiscal Year Ended June 30,	Tuition Fees	Interest on Investments	Athletic Receipts	Prior Year Refunds	Rentals	Transportation Fees	Miscellaneous	Total
2014		\$ 5,869	\$ 28,923	\$ 96,417	\$ 16,600	\$ 218,941	\$ 252,188	\$ 618,938
2015		32,232	32,290	48,986	13,608	198,711	9,587	335,414
2016		31,186	24,033	102,257	11,348	207,778	40,699	417,300
2017		49,499	21,610	961,202	13,672	256,583	46,329	1,349,395
2018	\$ 26,193	275,680	20,659	154,094	3,546	191,875	191,530	863,577
2019	44,882	531,799	23,947	83,892	27,001	265,062	168,327	1,145,410
2020	9	258,042	19,889	30,497	13,277	350,364	768,958	1,441,036
2021		39,207		106,840	5,100	157,284	440,531	748,962
2022		32,538	21,551	17,581	11,545	102,038	157,841	343,094
2023	29,586	175,048	26,665	2,289	10,393	122,909	114,785	481,675

Source: District Records

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

Calendar Year	Vacant Land	Residential	Q-farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2014	20,464,300	877,602,216	82,500	165,384,618	310,495,784	18,277,800	1,392,307,218	1,889,444	1,394,196,662	3.272	3,714,283,185
2015	18,131,100	880,542,206	82,500	165,745,351	306,447,490	18,277,800	1,389,228,447	1,850,510	1,391,076,957	3.359	3,832,729,139
2016	16,852,580	886,609,859	82,500	164,065,081	308,853,210	18,277,800	1,394,741,030	1,870,885	1,396,611,915	3.431	3,813,794,648
2017	15,510,654	893,214,686	82,500	164,793,981	308,666,733	18,277,800	1,398,546,364	1,935,287	1,400,481,651	3.497	3,723,235,606
2018	15,101,354	902,029,090	82,500	171,041,521	304,596,988	20,777,800	1,398,546,364	1,934,318	1,400,480,682	3.584	3,843,714,759
2019	13,571,254	909,481,969	82,500	172,397,321	309,257,488	21,777,800	1,426,568,332	1,923,008	1,428,491,340	3.663	4,006,630,876
2020	12,491,254	918,473,039	82,500	171,283,136	314,416,868	21,777,800	1,436,524,617	1,976,515	1,440,201,132	3.663	4,357,937,532
2021	13,407,154	927,491,662	82,500	167,433,726	316,524,188	21,375,000	1,446,314,230	1,701,339	1,448,015,569	3.701	4,413,483,486
2022	19,470,254	931,565,163	82,500	166,938,586	319,553,488	21,375,000	1,458,994,991	1,615,150	1,460,610,141	3.704	4,681,485,378
2023	19,100,854	934,065,136	82,500	163,770,686	327,648,118	21,375,000	1,466,042,294	1,836,200	1,467,878,494	3.733	4,528,489,508

Source: District records Tax list summary & Municipal Tax Assessor

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

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

^b Tax rates are per \$100

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
UNAUDITED

(rate per \$100 of assessed value)

Calendar Year Ended Dec. 31	Local School District	Municipality of South Plainfield	Municipal Public Library	County of Middlesex	Total
2014	3.177	1.214	0.088	1.054	5.533
2015	3.272	1.255	0.091	1.079	5.697
2016	3.358	1.287	0.090	1.063	5.798
2017	3.431	1.280	0.087	0.978	5.776
2018	3.497	1.277	0.088	1.070	5.932
2019	3.594	1.321	0.092	1.082	6.089
2020	3.663	1.402	0.099	1.182	6.346
2021	3.701	1.435	0.100	1.204	6.440
2022	3.704	1.551	0.105	1.235	6.595
2023	3.733	1.702	0.102	1.141	6.678

Source: District Records and Municipal Tax Collector

Note:

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

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

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

Taxpayer	2023				2014			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		Taxable Assessed Value	Rank	% of Total District Net Assessed Value	
Project Shiver 3 LLC	\$ 18,425,200.00	1	1.26%					
Nakash 200 Helen	18,000,000.00	2	1.23%		\$ 12,500,000.00	3	0.90%	
EQR- South Plainfield LLP	15,500,000.00	3	1.06%		12,000,000.00	4	0.86%	
Office Two Limited/o Ntl Tilt Devil	13,772,700.00	4	0.94%		13,772,700.00	2	0.99%	
Plainfield Associates	11,904,160.00	5	0.81%		8,618,000.00	9	0.62%	
SO- OAK Park Commons, LLC	11,652,800.00	6	0.79%					
B9 South Plainfield Owner LLC	8,893,200.00	7	0.61%					
The Home Depot USA	8,600,000.00	8	0.59%		9,249,500.00	8	0.66%	
South Plainfield Realty	8,363,000.00	9	0.57%					
Oak Tree Associates	6,990,000.00	10	0.48%		6,970,000.00	10	0.50%	
Jayne Enterprises					15,060,400.00	1	1.08%	
Harris Realty, LLC					11,124,200.00	5	0.80%	
AG-WP Oak Park Owner, LLC					11,052,800.00	6	0.79%	
GBR Middlesex LLC					10,238,100.00	7	0.73%	
Total	\$ 122,101,060.00		8.32%		\$ 110,585,700.00		7.93%	

Source: District ACFR Exhibit J-6 and Municipal Tax Assessor

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Taxes Levied for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the</u> <u>Levy</u>		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>Percentage of</u> <u>Levy</u>	
2014	\$ 43,716,718	\$ 43,716,708	100.00%	10
2015	44,869,564	44,869,554	100.00%	10
2016	46,160,650	46,160,650	100.00%	-
2017	47,613,711	47,613,711	100.00%	-
2018	48,491,198	44,450,265	91.67%	4,040,933
2019	50,487,707	50,487,707	100.00%	-
2020	52,196,563	47,846,850	91.67%	4,349,713
2021	53,215,728	48,781,084	91.67%	4,434,644
2022	53,951,223	49,455,288	91.67%	4,495,935
2023	54,258,605	51,737,055	95.35%	2,521,550

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita ^a
	General Obligation Bonds	Installment Purchase Contracts			
2014	\$ 8,195,000.00		\$ 8,195,000.00	23,639	\$ 343.69
2015	7,325,000.00		7,325,000.00	23,847	305.00
2016	6,415,000.00		6,415,000.00	23,868	264.10
2017	5,455,000.00	\$ 8,818.02	5,463,818.02	23,963	224.94
2018	32,554,000.00	70,013.35	32,624,013.35	24,020	1,335.13
2019	31,514,000.00	50,687.99	31,564,687.99	24,047	1,308.06
2020	29,629,000.00	145,422.73	29,774,422.73	23,965	1,237.92
2021	27,664,000.00	86,813.95	27,750,813.95	24,243	1,144.69
2022	25,594,000.00	522,628.12	26,116,628.12	24,228	1,077.29
2023	23,994,000.00	6,597,531.50	30,591,531.50	24,228	1,262.65

Source: District ACFR Schedules I-1, I-4 and J-14

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Total Municipal Assessed Value	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding			
2014	\$ 8,195,000.00	-0-	\$ 8,195,000.00	\$ 1,389,226,447	0.59%	\$ 341.23
2015	7,325,000.00	-0-	7,325,000.00	1,394,741,030	0.53%	301.56
2016	6,415,000.00	-0-	6,415,000.00	1,394,741,030	0.46%	264.10
2017	5,450,000.00	-0-	5,450,000.00	1,398,546,364	0.39%	264.85
2018	32,554,000.00	-0-	32,554,000.00	1,413,629,343	2.30%	1,332.27
2019	31,514,000.00	-0-	31,514,000.00	1,426,568,332	2.21%	1,305.95
2020	29,629,000.00	-0-	29,629,000.00	1,438,524,617	2.06%	1,231.87
2021	27,664,000.00	-0-	27,664,000.00	1,446,314,230	2.06%	1,154.35
2022	25,594,000.00	-0-	25,594,000.00	1,458,994,991	1.75%	1,055.73
2023	23,994,000.00	-0-	23,994,000.00	1,466,042,294	1.64%	990.34

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

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

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

BOROUGH OF SOUTH PLAINFIELD 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 South Plainfield Borough	\$ 30,189,804	100.00%	\$ 30,189,804
Other debt Middlesex County	397,816,343	3.57%	<u>14,213,833</u>
Subtotal, overlapping debt			44,403,637
South Plainfield Borough School District Direct Debt	23,994,000	100.00%	<u>23,994,000</u>
Total direct and overlapping debt			<u>\$ 68,397,637</u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 150,582,425	\$ 148,991,335	\$ 150,367,859	\$ 150,190,375	\$ 149,701,859	\$ 152,010,347	\$ 167,144,848	\$ 167,947,611	\$ 176,879,517	\$ 179,278,523
Total net debt applicable to limit	8,195,000	7,325,000	6,415,000	5,455,000	32,554,000	31,514,000	29,629,000	27,664,000	25,594,000	23,994,000
Legal debt margin	\$ 96,108,391	\$ 91,771,253	\$ 143,952,859	\$ 144,735,375	\$ 117,147,659	\$ 120,496,347	\$ 137,515,848	\$ 140,283,611	\$ 151,285,517	\$ 155,284,523
Total net debt applicable to the limit as a percentage of debt limit	5.81%	5.44%	4.92%	4.27%	3.63%	21.75%	20.73%	17.73%	14.47%	13.38%

	2022	2021	2020
Equalized valuation basis	\$ 4,476,818,015	4,611,971,397	4,357,099,806
[A]	\$ 13,445,889,218		
[A/3]	\$ 4,481,963,073		
[B]	\$ 179,278,523		
[C]	23,994,000		
[B-C]	\$ 155,284,523		

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

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

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

<u>Year Ended</u> <u>December 31</u>	<u>Unemployment Rate ^a</u>	<u>Per Capita Income ^a</u>	<u>Population ^a</u>
2014	8.4%	\$ 53,964	23,639
2015	6.1%	55,027	23,847
2016	4.8%	56,656	23,868
2017	4.3%	58,289	23,963
2018	4.0%	61,012	24,020
2019	3.5%	63,457	24,047
2020	8.6%	66,640	23,965
2021	8.6%	70,221	24,243
2022	5.5%	70,221	24,228
2023	3.3%	70,221	24,228

a Source: N.J. Department of Labor

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 UNAUDITED

Employer	2023				2014			
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment	Employees	Rank
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*

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

BOROUGH OF SOUTH PLAINFIELD 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	233	227	230	229	240	253	246	249	256	257
Regular	54	48	58	64	55	66	65	65	68	65
Special education	14	20	32	36	24	19	24	32	36	36
Other special education										
Support Services:										
Student & instruction related services	118	117	116	114	97	81	86	87	99	128
General administration	4	2	2	2	2	2	2	2	2	2
School administrative services	25	29	12	12	12	22	22	22	22	26
Central services				8	9	8	9	9	14	14
Administrative Information Technology	9	9	17	14	14	28	28	28	9	11
Plant operations and maintenance	29	30	29	26	26	6	5	6	6	7
Pupil transportation	36	36	35	36	36	41	39	42	43	44
Total	522	518	531	541	515	526	526	542	555	590

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost per Pupil ^d	Percentage Change	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff ^b	Elementary School	Middle School	Senior High School				
2014	3,468	\$ 58,586,097.00	\$ 16,893.34	6.71%	293.0	13	11	13	3,461	3,322	-2.73%	95.98%
2015	3,530	59,414,564.00	16,831.33	-0.37%	343.0	11	8	10	3,576	3,416	3.32%	95.53%
2016	3,527	62,532,420.57	17,729.63	5.34%	298.0	12	11	13	3,523	3,365	-1.48%	95.52%
2017	3,392	63,303,042.11	18,662.45	5.26%	293.0	13	12	11	3,393	3,217	-3.69%	94.81%
2018	3,380	65,484,469.32	19,374.10	3.81%	295.0	12	8	12	3,369	3,203	-0.71%	95.07%
2019	3,351	68,477,595.38	20,435.00	5.48%	295.0	11	10	11	3,351	3,195	-0.53%	95.34%
2020	3,359	68,807,413.91	20,484.49	0.24%	327.0	11	9	11	3,366	3,234	0.45%	96.08%
2021	3,385	70,796,028.70	20,914.63	2.10%	346.0	11	11	9	3,365	3,278	-0.03%	97.41%
2022	3,472	79,987,866.52	23,037.98	10.15%	360.0	11	11	9	3,454	3,254	2.64%	94.21%
2023	3,554	86,127,029.43	24,233.83	5.19%	358.0	11	11	9	3,524	3,293	2.03%	93.44%

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

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures (modified accrual) less debt service and capital outlay;
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d Cost per pupil represents operating expenditures divided by enrollment.

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

	<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>
<u>District Building</u>										
<u>Elementary</u>										
Grant										
Square Feet	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833
Capacity (students)	683	683	683	683	683	683	683	683	683	683
Enrollment	500	542	553	517	523	523	461	448	489	534
Franklin										
Square Feet	36,629	36,629	36,629	36,629	36,629	36,629	36,629	36,629	36,629	36,629
Capacity (students)	371	371	371	371	371	371	371	371	371	371
Enrollment	299	268	257	272	242	247	264	271	269	293
Kennedy										
Square Feet	38,946	38,946	38,946	38,946	38,946	38,946	38,946	38,946	38,946	38,946
Capacity (students)	391	391	391	391	391	391	391	391	391	391
Enrollment	270	257	242	270	284	298	276	271	302	287
Riley										
Square Feet	39,404	39,404	39,404	39,404	39,404	39,404	39,404	39,404	39,404	39,404
Capacity (students)	391	391	391	391	391	391	391	391	391	391
Enrollment			318	341	336	323	338	337	380	382
Roosevelt										
Square Feet	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000
Capacity (students)	492	492	492	492	492	492	492	492	492	492
Enrollment	384	391	394	405	406	408	438	444	455	473
Middle School										
Square Feet	102,496	102,496	102,496	102,496	102,496	102,496	102,496	102,496	102,496	102,496
Capacity (students)	722	722	722	722	722	722	722	722	722	722
Enrollment	556	515	520	562	563	528	542	538	491	483
High School										
Square Feet	218,270	218,270	218,270	218,270	218,270	218,270	218,270	218,270	218,270	218,270
Capacity (students)	1,153	1,153	1,153	1,153	1,153	1,153	1,153	1,153	1,153	1,153
Enrollment	1,082	1,103	1,069	1,025	1,026	1,024	1,040	1,076	1,086	1,102
Other-Roosevelt Administration Building										
Square Feet	37,455	37,455	37,455	37,455	37,455	37,455	37,455	37,455	37,455	37,455

Number of Schools at June 30, 2023

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

Source: District records

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST TEN FISCAL YEARS
 UNAUDITED

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

School Facilities	Project # (s)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
J.F.K. School	N/A	\$ 91,952	\$ 89,140	\$ 52,984	\$ 50,845	\$ 51,194	\$ 78,408	\$ 84,739	\$ 55,709	\$ 54,664	\$ 62,022
John E. Riley School	N/A	74,028	108,417	55,804	61,304	59,079	70,792	96,565	56,434	55,349	62,800
Franklin School	N/A	64,878	78,070	56,192	71,825	54,004	56,303	69,157	57,981	55,691	63,188
Grant School	N/A	101,895	109,347	98,038	89,999	99,348	112,032	139,131	102,745	99,474	112,864
Roosevelt Administration	N/A	61,601	102,982	90,065	54,033	37,967	29,128	19,709	57,952	52,608	59,689
Roosevelt School	N/A	124,815	187,999	116,155	110,861	90,860	90,485	114,407	99,110	88,510	100,424
South Plainfield Middle School	N/A	275,795	275,279	253,326	573,719	174,553	188,302	267,905	169,209	143,942	163,318
South Plainfield High School	N/A	438,787	491,502	463,008	708,568	382,555	412,649	707,529	379,883	306,562	347,829
Grand Total		\$ 1,233,751	\$ 1,442,736	\$ 1,185,472	\$ 1,721,154	\$ 949,560	\$ 1,038,098	\$ 1,499,142	\$ 979,023	\$ 856,800	\$ 972,134

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Package Policy-New Jersey School Boards Association Insurance Group (NJSIG):		
Real and Personal Property-Building and Contents (NJSIG Limit)	\$ 500,000,000	\$ 5,000
Extra Expense	50,000,000	1,000
Valuable Papers	10,000,000	1,000
Flood Insurance:		
Zones A and V - per building	25,000,000	500,000
Zones A and V - per contents	25,000,000	500,000
All Other Zones	75,000,000	10,000
Earthquake Insurance	50,000,000	5,000
Demolition and Increased Cost of Construction	25,000,000	5,000
Electronic Data Processing:		
Blanket Hardware	250,000	1,000
Blanket Extra Expense	Included	1,000
Equipment Breakdown - Property Damage	100,000,000	25,000
Crime:		
Public Employee Dishonesty with Faithful Performance	500,000	1,000
Theft, Disappearance and Destruction-		
Loss of Money & Securities On/Off Premises	50,000	1,000
Money Orders & Counterfeit Paper Currency	50,000	1,000
Forgery/Alteration	500,000	1,000
Computer Fraud	500,000	1,000
General Liability:		
Bodily Injury and Property Damage	31,000,000	
Products & Completed Operations	31,000,000	
Employee Benefits Liability	31,000,000	1,000
Automobile Liability	31,000,000	1,000
School Board Legal Liability - NJ Schools Insurance Group		
Coverage A:	31,000,000	10,000
Coverage B - per claim	100,000	10,000
Coverage B - per policy period	300,000	10,000
Cyber & Privacy Liability		
Each Claim	2,000,000	25,000 or 250,000
Annual Aggregate	2,000,000	A

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED

Workers' Compensation and Employers' Liability		
- NJ Schools Insurance Group:		
Workers' Compensation	Statutory Limit	
Employers Liability	3,000,000	
Surety Bond - Treasurer of School Monies	350,000	
Surety Bond - Business Administrator/Board Secretary	350,000	
Environmental Impairment - Ironshore	1,000,000	50,000

A- contingent upon controls in place

Source: School District Records

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the South Plainfield School District, County of Middlesex, State of New Jersey (the "District") as of and for the 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 December 14, 2023.

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.

SUPLEE, CLOONEY & COMPANY

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. However, we noted instances of noncompliance that we have reported to the District in a separate Auditor's Management Report on Administrative Finding – Finance and Compliance dated December 14, 2023.

Purpose of This Report

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



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

December 14, 2023



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL AND STATE FINANCIAL ASSISTANCE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Borough of South Plainfield School District, County of Middlesex, State of New Jersey (the "District") compliance with the types of compliance requirements identified as subject to audit in the Federal *OMB Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the *New Jersey OMB State Grant Compliance Supplement*. Our responsibilities under those standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

SUPLEE, CLOONEY & COMPANY

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.

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.

Auditor's 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 generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement 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 or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and New Jersey OMB State Grant Compliance Supplement, 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 the New Jersey OMB State Grant Compliance Supplement, 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.

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 and the New Jersey OMB State Grant Compliance Supplement. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

December 14, 2023

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

FEDERAL AWARD NUMBER	FEDERAL AWARD TITLE	FEDERAL AWARD NUMBER	FEDERAL AWARD PROJECT NUMBER	FEDERAL AWARD PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD FROM	GRANT PERIOD TO	BALANCE JUNE 30, 2022		CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT BUDGETARY EXPENDITURES	ADJUSTMENTS/ CANCEL PRIOR YEAR CHARGES	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE JUNE 30, 2023	
								(ACCTS RECEIVABLE) UNEARNED REVENUE	(ACCTS RECEIVABLE) UNEARNED REVENUE								
10 555	N/A	231N1304N1089			\$ 107,826.59	7/01/2022	6/30/2023	\$ (108,601.19)	\$ (107,826.59)		\$ 107,826.59	\$ (107,826.59)				\$	\$
10 555	N/A	231N1304N1089			1,487,561.24	7/01/2021	6/30/2022	(108,601.19)	108,801.19		108,801.19	(583,246.34)				(39,293.15)	
10 555	N/A	231N1304N1089			583,246.34	7/01/2022	6/30/2023		583,246.34		583,246.34	(167,330.32)					
10 555	N/A	231N1304N1089			187,330.32	7/01/2021	6/30/2022	(53,062.67)	33,062.67		33,062.67	(117,517.30)				(8,353.68)	
10 555	N/A	231N1304N1089			450,261.92	7/01/2021	6/30/2022	(141,663.86)	109,163.81		109,163.81	(975,920.55)				(47,646.84)	
10 555	N/A	231N1304N1089			117,517.30	7/01/2022	6/30/2023		1,069,937.57		1,069,937.57	(653.00)				(653.00)	
10 649	N/A	202222590841			653.00	7/01/2022	6/30/2023					(653.00)				(653.00)	
Total P-EBT Mini Grants																	
Total Enterprise Funds																	
Social Economic Equity																	
Passed-Through State Department of Education																	
84 010	ESEA491022	S010A210030			406,697.00	7/01/2021	9/30/2022	(174,697.19)	174,697.00		174,697.00	(46,865.00)		0.19	(6,125.71)	(176,776.26)	
84 010	ESEA491021	S010A210030			300,465.00	7/01/2020	9/30/2021		6,125.71		6,125.71	(376,681.28)				(173,778.28)	
84 010	ESEA491022	S010A210030			408,565.00	7/01/2022	9/30/2023				421,073.00	(425,146.28)					
84 367A	ESEA491022	S367A210029			83,412.00	7/01/2021	9/30/2022	(78,431.00)			116,359.00	(69,837.17)				(31,909.17)	
84 367A	ESEA491021	S367A210029			47,378.00	7/01/2021	9/30/2022	(222.00)	222.00		222.00	(5,203.00)					
84 367A	ESEA491022	S367A210029			5,203.00	7/01/2022	9/30/2023				32,725.00	(64,634.17)					
84 367A	ESEA491023	S367A220029			87,770.00	7/01/2022	9/30/2023										
84 365	ESEA491022	S365A210030			16,384.00	7/01/2021	9/30/2022	(628.07)	628.00		628.00	(8,833.00)				(7,426.93)	
84 365	ESEA491022	S365A210030			9,833.00	7/01/2021	9/30/2023		8,833.00		8,833.00	(17,413.93)					
84 365	ESEA491023	S365A220030			17,049.00	7/01/2022	9/30/2023				19,055.00	(25,945.33)					
84 424A	ESEA491022	S424A210031			22,282.00	7/01/2021	9/30/2022	(11,846.60)	11,846.00		11,846.00	(10,335.00)					
84 424A	ESEA491021	S424A210031			11,318.00	7/01/2021	9/30/2022	(2,208.00)	2,208.00		2,208.00	(10,335.00)					
84 424A	ESEA491022	S424A210031			10,235.00	7/01/2022	9/30/2023				10,235.00	(11,150.00)					
84 424A	ESEA491023	S424A220031			18,718.00	7/01/2022	9/30/2023				11,885.00	(21,365.00)					
84 027A	IDEA491022	H027A210100			826,873.00	7/01/2021	9/30/2022	(150,569.04)	150,569.00		150,569.00	(21,352.00)					
84 027A	IDEA491022	H027A210100			21,352.00	7/01/2022	9/30/2023				21,352.00	(841,021.90)				(217,065.90)	
84 027A	IDEA491023	H027A220100			858,251.00	7/01/2022	9/30/2023				823,956.00	(8,277.00)					
84 175A	IDEA491022	H183A210114			28,373.00	7/01/2021	9/30/2022	(6,277.00)	6,277.00		6,277.00	(320.00)					
84 175A	IDEA491022	H183A210114			320.00	7/01/2022	9/30/2023				320.00	(3,000.00)					
84 175A	IDEA491023	H183A220114			33,056.00	7/01/2022	9/30/2023				9,656.00	(33,656.01)				(23,961.01)	
84 173X	IDEA491022	H027A210100			163,319.00	7/01/2021	9/30/2022	(11,182.00)	160,031.00		160,031.00	(148,949.00)					
84 173X	IDEA491022	H027A210100			13,912.00	7/01/2021	9/30/2022	(13,116.65)	13,117.00		13,117.00	(1,044,398.91)				(240,826.91)	
84 173X	IDEA491022	H027A210100			13,912.00	7/01/2021	9/30/2022	(183,144.89)	987,317.00		987,317.00	(0.11)					

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

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

FEDERAL AID NUMBER	GRANT OR STATE PROJECT NUMBER	FEDERAL AWARD ID NUMBER	AWARD FROM TO	AWARD AMOUNT	GRANT PERIOD FROM TO	FEDERAL AWARD TITLE	BALANCE JUNE 30, 2022		CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT BUDGETARY EXPENDITURES	ADJUSTMENTS/ CANCEL PRIOR YEAR CHARGES	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE JUNE 30, 2023	
							(ACCTS RECEIVABLE)	(ACCTS RECEIVABLE)							(ACCTS RECEIVABLE)	UNEARNED REVENUE
84 4250	21-5120-516	S4250210027	\$ 1,100,384.00	3/13/2020	9/30/2023	CRS&S ESSER II (COVID-19)	\$ (362,614.84)	\$	\$ 1,031,007.00	\$ (692,002.84)	\$	\$	\$	\$ (24,312.88)	\$ 628.40	
84 4250	21-5120-523	S4250210027	2,696,897.00	3/13/2020	9/30/2024	ARP ESSER III (COVID-19)	(405,971.40)		125,714.00	(1,826,946.67)				(2,104,206.07)		
						Total Educational Stabilization Fund (ESF), COVID - 19	(766,486.24)		1,156,721.00	(2,518,131.31)				(6,125.71)	629.40	
						Total U.S. Department of Education	(1,217,444.39)		2,736,700.00	(4,104,944.60)			0.15	(6,125.71)	1,355.40	
						U.S. Department of Treasury										
						Coronavirus Relief Fund										
						Passed-Through State Department of Education										
						APP CSLRF (COVID-19) (NJ ACSERS)	(244,306.00)		244,306.00	(642.00)						
						School Re-opening and Remote Learning	642.00			(642.00)						
						Total U.S. Department of Treasury	(243,664.00)		244,306.00	(642.00)						
						Passed-Through NJ Board of Public Utilities										
						APP CSLRF (COVID-19) (SSB-VEEVR)	(1,024,520.00)		1,334,254.92	(589,656.00)					(279,621.08)	
						Total U.S. Department of Treasury	(1,269,184.00)		1,278,560.92	(589,898.00)					(279,621.08)	
						Total Special Revenue Funds	(2,485,628.39)		4,315,260.92	(4,694,942.60)			0.15	(6,125.71)	1,355.40	
						General Fund										
						U.S. Department of Health & Human Services										
						Passed-Through State Department of Education										
						Medical Assistance Prog. (SEMI)										
						Families First Coronavirus Response Act (FFCRA)/SEMI	62,275.41		62,275.41	(62,275.41)						
						Total U.S. Department of Health & Human Services	6,548.95		6,548.95	(6,548.95)						
						Total Federal Financial Assistance	(2,627,292.25)		5,454,023.85	(5,740,341.51)			0.15	(6,125.71)	1,355.40	

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

STATE GRANT/PROGRAM TITLE General Funds:	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	BALANCE AT JUNE 30, 2022		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2023		MEMO CUMULATIVE TOTAL EXPENDITURES
			(ACCTS RECEIVABLE)	DUE TO GRANTEE					(ACCOUNTS RECEIVABLE)	DUE TO GRANTEE	
State Aid Cluster:											
Equalization Aid	23-495-034-5121-078	\$ 6,214,426.00	\$ 701,2022	6/30/2023	\$ 5,622,240.97	\$ (6,214,426.00)	\$ (592,185.03)	\$	\$	\$ (92,185.03)	\$ 6,214,426.00
Categorical Special Education Aid	23-495-034-5121-089	3,270,905.00	7/01/2022	6/30/2023	2,959,213.85	(3,270,905.00)	(311,691.05)			(311,691.05)	3,270,905.00
Categorical Security Aid	23-495-034-5121-084	112,479.00	7/01/2022	6/30/2023	101,760.65	(112,479.00)	(10,718.35)			(10,718.35)	112,479.00
Total State Aid Cluster:		9,603,215.57			8,683,215.57	(9,597,810.00)	(614,594.43)			(614,594.43)	9,597,810.00
Categorical Transportation Aid	23-495-034-5121-014	305,134.00	7/01/2022	6/30/2023	276,057.17	(305,134.00)	(29,076.83)			(29,076.83)	305,134.00
Non-Public Transportation Aid	22-495-034-5121-014	36,250.00	7/01/2021	6/30/2022	36,250.00						36,250.00
Non-Public Transportation Aid	23-495-034-5121-014	43,472.00	7/01/2022	6/30/2023		(43,472.00)			(43,472.00)		43,472.00
Extraordinary Aid	22-495-034-5121-044	1,494,146.00	7/01/2021	6/30/2022	1,494,146.00						1,494,146.00
Extraordinary Aid	23-495-034-5121-044	1,334,304.00	7/01/2022	6/30/2023		(1,334,304.00)			(1,334,304.00)		1,334,304.00
On-behalf TPAF Contributions	23-495-034-5094-002	10,191,299.00	7/01/2022	6/30/2023	10,191,299.00	(10,191,299.00)					10,191,299.00
NCPI	23-495-034-5094-004	141,393.00	7/01/2022	6/30/2023	141,393.00	(141,393.00)					141,393.00
Long-Term Disability Insurance	23-495-034-5094-002	3,652.00	7/01/2022	6/30/2023	3,652.00	(3,652.00)					3,652.00
Post Retirement Medical	23-495-034-5094-001	2,714,373.00	7/01/2022	6/30/2023	2,714,373.00	(2,714,373.00)					2,714,373.00
TPAF Social Security Aid	22-495-034-5094-003	2,194,584.82	7/01/2021	6/30/2022	107,917.49						2,194,584.82
TPAF Social Security Aid	23-495-034-5094-003	2,190,209.46	7/01/2022	6/30/2023	2,390,373.83	(2,190,209.46)			(109,835.63)		2,190,209.46
Total General Fund		25,728,677.06			25,728,677.06	(25,521,646.46)	(643,671.25)			(643,671.25)	30,246,627.08
Total Special Revenue Fund:											
Preschool Education Aid	23-495-034-5121-066	52,800.00	7/01/2022	6/30/2023	47,520.00	(52,800.00)	(5,280.00)			(5,280.00)	52,800.00
Preschool Education Expansion Aid	1,881,055.00	7/01/2022	6/30/2023	1,881,055.00	(1,881,055.00)						1,881,055.00
School Climate Change Pilot	23-100-034-5063-359	6,660.00	7/01/2022	6/30/2023	6,310.00	(6,309.84)	(0.16)				6,660.00
SDA Emergent/Capital Maintenance Needs	22-100-034-5120-519	80,252.00	7/01/2021	6/30/2023	80,252.00						80,252.00
NI/Nonpublic Aid	22-100-034-5121-373	5,670.00	7/01/2021	6/30/2022				(789.00)			5,670.00
Technology Initiative	23-100-034-5121-373	4,704.00	7/01/2022	6/30/2023	4,704.00	(4,704.00)					4,704.00
Technology Initiative	22-100-034-5121-064	8,614.00	7/01/2021	6/30/2022	28.00			(28.00)			8,614.00
Textbook Aid	23-100-034-5121-064	7,392.00	7/01/2022	6/30/2023	7,392.00	(7,392.00)					7,392.00
Security Aid	22-100-034-5121-509	24,675.00	7/01/2021	6/30/2022	22,960.00			(1,715.00)			24,675.00
Security Aid	23-100-034-5121-509	22,960.00	7/01/2022	6/30/2023	22,960.00	(22,960.00)					22,960.00
Nursing	22-100-034-5121-070	14,382.00	7/01/2021	6/30/2022	12,544.00			(1,838.00)			14,382.00
Nursing	23-100-034-5121-070	12,544.00	7/01/2022	6/30/2023	12,544.00	(12,544.00)					12,544.00
Auxiliary Services:											
Compensatory Education	22-100-034-5121-067	29,611.00	7/01/2021	6/30/2022	35,579.00			(7,577.00)			29,611.00
Compensatory Education	23-100-034-5121-067	35,579.00	7/01/2022	6/30/2023	35,579.00	(31,497.00)			4,082.00		35,579.00
Transportation	23-100-034-5121-067	5,363.00	7/01/2022	6/30/2023	5,363.00				5,363.00		5,363.00
Handisapped Services:											
Supplemental Instruction	22-100-034-5121-068	11,333.00	7/01/2021	6/30/2022				(4,130.00)			11,333.00
Supplemental Instruction	23-100-034-5121-068	8,343.00	7/01/2022	6/30/2023	8,343.00	(8,342.00)					8,343.00
Examination & Classification	22-100-034-5121-068	21,736.00	7/01/2021	6/30/2022	2,280.00			(2,280.00)			21,736.00
Examination & Classification	23-100-034-5121-068	15,169.00	7/01/2022	6/30/2023	15,169.00	(17,205.00)					15,169.00
Corrective Speech	23-100-034-5121-068	5,673.00	7/01/2022	6/30/2023	5,673.00	(5,673.00)					5,673.00
Total Special Revenue Fund		1,992,348.26			1,992,348.26	(2,090,282.79)	(475,543.80)	(22,318.00)		(475,543.80)	2,236,249.55

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

BOROUGH OF SOUTH PLAINFIELD SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

STATE GRANT OR PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD		BALANCE AT JUNE 30, 2022		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2023		MEMO CUMULATIVE TOTAL EXPENDITURES
			FROM	TO	(ACCOUNTS RECEIVABLE)	DUE TO GRANITOR					(ACCOUNTS RECEIVABLE)	DUE TO GRANITOR	
Debt Service Fund													
Debt Service State Aid	23-495-034-5121-075	\$ 669,761.00	7/01/2022	6/30/2023	\$	\$	\$ 669,761.00	\$ (669,761.00)	\$	\$	\$	\$	\$ 669,761.00
Enterprise Fund													
State School Lunch Program	22-100-010-3350-023	35,036.23	7/01/2021	6/30/2022	(2,488.32)	2,499.32							35,036.23
State School Lunch Program	23-100-010-3350-023	27,817.09	7/01/2022	6/30/2023		25,993.71	(27,817.09)	(1,823.38)					27,817.09
State School Breakfast Program	23-100-010-3350-023	2,842.80	7/01/2022	6/30/2023		2,612.10	(2,842.80)	(230.70)					2,842.80
Total Enterprise Fund					(2,488.32)	31,105.13	(30,659.89)	(2,054.08)					65,636.12
Total State Financial Assistance					\$ (1,560,560.81)	\$ 22,318.00	\$ 28,011,891.45	\$ (29,302,350.14)	\$ (1,419,215.16)	\$ (22,318.00)	\$ (1,419,215.00)	\$ 17,836.00	\$ 33,218,334.15
Less: On-Behalf amounts not utilized for determination of Major Programs													
On-behalf TPAF Contributions	23-495-034-5094-002	10,191,298.00	7/01/2022	6/30/2023		\$ 10,191,298.00	(10,191,298.00)						
NCCI	23-495-034-5094-004	141,393.00	7/01/2022	6/30/2023		141,393.00	(141,393.00)						
Long-Term Disability Insurance	23-495-034-5094-002	3,652.00	7/01/2022	6/30/2023		3,652.00	(3,652.00)						
Post Retirement Medical	23-495-034-5094-001	2,714,373.00	7/01/2022	6/30/2023		2,714,373.00	(2,714,373.00)						
Total State Financial Assistance Subject to Single Audit						\$ 14,961,174.45	(16,251,633.14)						

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

Borough of South Plainfield School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2023

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: DE MINIMIS 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 schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

Borough of South Plainfield School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2023

NOTE 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The General fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the deferred state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP accounting purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas GAAP basis does not. The special revenue fund also recognizes the deferred state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2. The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$141,396.26) for the general fund. The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$394,368.51 for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 68,825.36	\$ 26,380,250.20	\$ 26,449,075.56
Special Revenue Fund	6,026,192.60	1,143,401.30	7,169,593.90
Debt Service Fund	0.00	669,761.00	669,761.00
Food Service Fund	976,573.55	30,659.89	1,007,233.44
Total Awards & Financial Assistance	<u>\$7,071,591.51</u>	<u>\$ 28,224,072.39</u>	<u>\$ 35,295,663.90</u>

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

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions, post-retirement medical benefits and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2023. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2023.

Borough of South Plainfield School District
Middlesex County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued: | Unmodified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weakness(es) identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) | Noncompliance material to the basic financial statements noted during the audit? | No |

Federal Program(s)

- | | | |
|-----|--|---------------|
| (1) | Internal Control Over Major Federal Programs: | |
| | (a) Material weaknesses identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance? | No |
| (4) | Identification of Major Federal Program(s): | |
| | <u>Program</u> | <u>ALN</u> |
| | Educational Stabilization Fund (ESF) | 84.425 |
| | ESEA Title I | 84.010 |
| | Child Nutrition Cluster | 10.553/10.555 |
| (5) | Program Threshold Determination: | |
| | Type A Federal Program Threshold > \$750,000.00 | |
| | Type B Federal Program Threshold <= \$750,000.00 | |

Borough of South Plainfield School District
Middlesex County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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

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

State Program(s)

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

<u>Program</u>	<u>Grant Number</u>
State Aid Cluster:	
Equalization Aid	23-495-034-5121-078
Categorical Special Education Aid	23-495-034-5121-089
Categorical Security Aid	23-495-034-5121-084
Debt Service State Aid	23-495-034-5121-075
Preschool Education Expansion Aid	23-495-034-5121-086

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

Borough of South Plainfield School District
Middlesex County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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

Internal Control Findings – None Reported

Compliance Findings – None Reported

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

Federal Programs – None Reported

State Programs – None Reported

Borough of South Plainfield School District
Middlesex County, New Jersey

Schedule of Prior Year Audit Findings

Not Applicable