

**SOUTH PLAINFIELD BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

South Plainfield, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

South Plainfield Board of Education

South Plainfield, New Jersey

For The Fiscal Year Ended June 30, 2015

Prepared by

Finance Department

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INTRODUCTORY SECTION



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Board Secretary/Business Admin.
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November 24, 2015

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

Dear Board Members:

The comprehensive annual financial report (CAFR) of the South Plainfield School District (District) for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

In addition, please note that the GASB standards on pensions substantially change the accounting and financial reporting of public employee pension plans and the state and local governments that participate in such plans. The district is following GASB Statement No. 67, Financial Reporting for Pension Plans, and GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the 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 provisions of the Single Audit Act, as amended, and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

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

The District operated the 2014/15 fiscal year with an enrollment of 3,576 students, which represents an increase of 3.32% more students than the previous year's enrollment. This change is primarily due to different recording procedures on the district's ASSA submission relating to students in Pre-K. The following details the changes in the student enrollment of the district over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	3,576	3.32%
2013-2014	3,461	-2.73%
2012-2013	3,558	-1.96%
2011-2012	3,630	-2.26%
2010-2011	3,714	-0.70%
2009-2010	3,739	0.91%
2008-2009	3,705	-0.43%
2007-2008	3,721	-2.00%
2006-2007	3,797	0.02%
2005-2006	3,791	-1.36%

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

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

As recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

5. Accounting System and Reports: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The District had implemented GASB No. 34 for the fiscal year ended June 30, 2006 as explained in the Notes to the Basic Financial Statements.
6. Debt Administration: The Board of Education issued bonds to pay for the school district's capital projects. The proposal was approved by the voters at the April 17, 2001 school election for a total of \$19,283,380.00. The State's share of the project was \$6,647,000, and the local share of the project was \$12,636,380.00. The project included the building of a new elementary school; expansion of Grant School to include grades 5 and 6; and two (2) contracts for electrical and technology upgrades. On August 14, 2009, the Board of Education sold and issued \$9,765,000 Refunding School Bonds resulting in a savings of \$341,112. As of June 30, 2015, the outstanding principal was \$7,325,000 – bonds.
7. Cash Management: The investment policy of the District is guided in large part by state statute as detailed in the "Notes to Basic Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit its funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. Risk Management: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

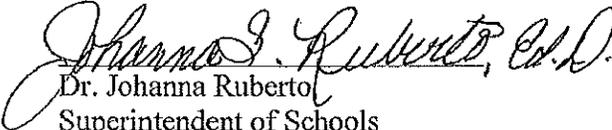
9. Other Information:

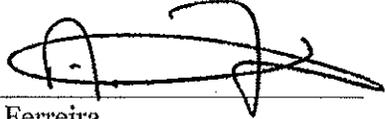
Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Higgins, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act, as amended, and the related OMB Circular A-133 and New Jersey OMB Circular 15-08. The auditor's report of the CAFR is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. Acknowledgments:

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

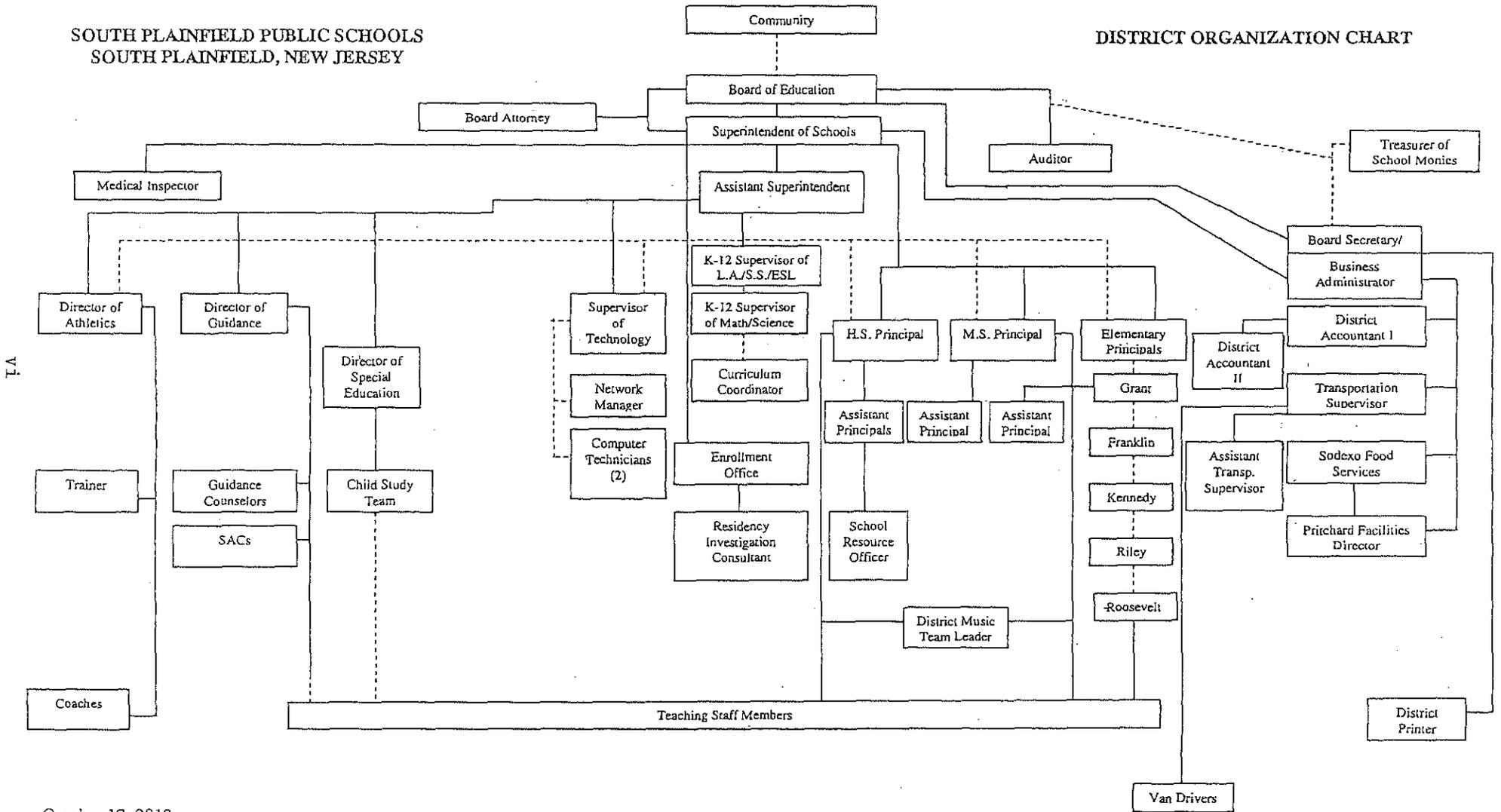
Respectfully submitted,


Dr. Johanna Ruberto
Superintendent of Schools


Alex Ferreira,
School Business Administrator /
Board Secretary

SOUTH PLAINFIELD PUBLIC SCHOOLS
SOUTH PLAINFIELD, NEW JERSEY

DISTRICT ORGANIZATION CHART



BOROUGH OF SOUTH PLAINFIELD BOARD OF EDUCATION
MIDDLESEX COUNTY, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expiration</u>
Mrs. Deborah Boyle, President	January 2017
Mrs. Kimberly “Anesh” DeAngelis, Vice-President	January 2016
Mr. Steven Bohn	January 2017
Mrs. Carol Byrne	January 2017
Mr. John Farinella, Jr., Vice-President	January 2018
Mr. Ernie “Jim” Giannakis	January 2016
Mrs. Chere Glover	January 2018
Mrs. Sharon Miller, President	January 2018
Mr. William Seesselberg	January 2016

Other Officials

Mr. Thomas Gialanella, Interim Superintendent
Mrs. Nicole Pormilli, Assistant Superintendent
Mr. Alex Ferreira, School Business Administrator / Board Secretary
Mr. Glenn Cullen, Treasurer of School Monies
Marc H. Zitomer, Esq., Schenck, Price, Smith & King, LLP, School Board Attorney

BOROUGH OF SOUTH PLAINFIELD BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

AUDIT FIRM

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ATTORNEY

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OFFICIAL DEPOSITORY

Investors Bank
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Iselin, NJ 08830

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLOSI, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
South Plainfield Board of Education
South Plainfield, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the South Plainfield Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the South Plainfield Board of Education as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the South Plainfield Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the South Plainfield Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the South Plainfield Board of Education.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, schedules 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.

The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 24, 2015 on our consideration of the South Plainfield Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the South Plainfield Board of Education's internal control over financial reporting and compliance.

LERCH, VINCI & HIGGINS, LLP

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
November 24, 2015

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

SOUTH PLAINFIELD BOARD OF EDUCATION

Management Discussion and Analysis Year Ended June 30, 2015

INTRODUCTION

This section of South Plainfield Board of Education's annual financial report presents our discussion and analysis of the School District's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the School District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2014-2015) and the prior year (2013-2014) is required to be presented in the MD&A.

The discussion and analysis of the School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the financial statements and financial statements to enhance their understanding of the School District's financial performance.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This annual report consists of a series of financial statements as well as notes to those statements. These statements are organized so that the reader can understand the South Plainfield Board of Education 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 School District, presenting both an aggregate view of the School 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. In the case of the South Plainfield Board of Education, the General Fund is by far the most significant fund.

REPORTING THE SCHOOL 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 School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The Statement of Net Position and Statement of Activities help answer this question. These Statements include all assets, deferred outflows of resources, liabilities and deferred inflow of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

SOUTH PLAINFIELD BOARD OF EDUCATION

Management's Discussion and Analysis Year Ended June 30, 2015

REPORTING THE SCHOOL DISTRICT AS A WHOLE (Continued)

Statement of Net Position and the Statement of Activities (Continued)

These two Statements report the School District's net position and changes in that position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial conditions of the School District have improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, 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 School District is divided into two distinct kinds of activities:

- **Governmental Activities** – All of the School District's programs and services are reported here, including, but not limited to, Instruction, Support Services, Operation and Maintenance of Plant Facilities, Pupil Transportation and Extracurricular Activities.
- **Business-Type Activities** – These services are provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The food services, preschool, latchkey and adult education program operations are reported as business activities.

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Detailed information about the School District's major funds is presented and an analysis of the School District's major funds is included in the 2014-2015 Comprehensive Annual Financial Report as presented by the School District. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund and Debt Service Fund.

Governmental Funds

The School 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 the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial resources that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you 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 Position 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; therefore, these statements are essentially the same.

SOUTH PLAINFIELD BOARD OF EDUCATION

Management's Discussion and Analysis Year Ended June 30, 2015

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS (Continued)

Fiduciary Funds

The School District is the trustee, or *fiduciary*, for assets that belong to others. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the School District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the School District cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School District's budget process. The School District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for the general and special revenue funds as required supplementary information. Information regarding the School District's employee retirement systems and pension plans has also been provided as required supplemental information. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year 2015 are as follows:

- The assets and deferred outflows of the South Plainfield Board of Education exceeded its liabilities and deferred inflows at the close of the fiscal year by \$8,778,613 (net position). The amount available to meet the District's ongoing obligations (unrestricted net position) was in a deficit position of \$8,712,977.
- The School District's total net position increased \$1,037,692.
- General revenues accounted for \$51,725,976 or 74 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants accounted for \$18,452,511 or 26 percent of total revenues of \$70,178,487.
- The School District had \$66,770,706 in expenses for governmental activities; only \$16,122,053 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$51,720,312 were adequate to provide for these programs.

SOUTH PLAINFIELD BOARD OF EDUCATION

**Management's Discussion and Analysis
Year Ended June 30, 2015**

FINANCIAL HIGHLIGHTS (Continued)

- The General Fund had \$58,848,422 in revenues and \$58,586,272 in expenditures. The General Fund's balance decreased \$819,450 over the previous year to \$4,674,697. Of this amount, only \$87,890 is available for spending at the District's discretion (unassigned fund balance).
- The General Fund unassigned budgetary fund balance at the close of the current fiscal year was \$1,214,336 which represented an increase of \$111,042 over the previous year.

THE SCHOOL DISTRICT AS A WHOLE

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

The following provides a summary of the School District's Net Position as of 2015 and 2014:

**Net Position
As of June 30, 2015 and 2014**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$ 5,748,027	\$ 5,909,186	\$ 1,205,932	\$ 1,475,310	\$ 6,953,959	\$ 7,384,496
Capital Assets	22,849,405	21,708,588	194,393	219,324	23,043,798	21,927,912
Total Assets	28,597,432	27,617,774	1,400,325	1,694,634	29,997,757	29,312,408
Deferred Outflows of Resources	728,495	360,403	-	-	728,495	360,403
Total Assets and Deferred Outflows of Resources	29,325,927	27,978,177	1,400,325	1,694,634	30,726,252	29,672,811
Long-Term Liabilities	20,073,688	21,229,071			20,073,688	21,229,071
Other Liabilities	926,859	581,313	255,075	117,663	1,181,934	698,976
Total Liabilities	21,000,547	21,810,384	255,075	117,663	21,255,622	21,928,047
Deferred Inflows of Resources	685,928	-	6,089	3,843	692,017	3,843
Total Liabilities and Deferred Inflows of Resources	21,686,475	21,810,384	261,164	121,506	21,947,639	21,931,890
Net Position						
Net Investment in Capital Assets	15,516,546	13,503,788	194,393	219,324	15,710,939	13,723,112
Restricted	1,780,651	2,548,548	-		1,780,651	2,548,548
Unrestricted	(9,657,745)	(9,884,543)	944,768	1,353,804	(8,712,977)	(8,530,739)
Total Net Position	\$ 7,639,452	\$ 6,167,793	\$ 1,139,161	\$ 1,573,128	\$ 8,778,613	\$ 7,740,921

SOUTH PLAINFIELD BOARD OF EDUCATION

Management's Discussion and Analysis Year Ended June 30, 2015

THE SCHOOL DISTRICT AS A WHOLE (Continued)

By far the largest portion of the School District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following shows the changes in Net Position for fiscal years 2015 and 2014:

Changes in Net Position For the Fiscal Years Ended June 30, 2015 and 2014

	Governmental		Business-Type		Total	
	Activities		Activities			
Revenues	2015	2014	2015	2014	2015	2014
Program Revenues						
Charges for Services	\$ 198,711	\$ 218,941	\$ 1,789,145	\$ 1,729,745	\$ 1,987,856	\$ 1,948,686
Operating Grants and Contributions	15,229,636	8,870,576	541,313	520,893	15,770,949	9,391,469
Capital Grants and Contributions	693,706	2,030			693,706	2,030
General Revenues						
Property Taxes	44,869,564	43,716,718			44,869,564	43,716,718
Federal and State Aid - Unrestricted	6,714,045	6,655,971			6,714,045	6,655,971
Other	136,703	399,997	5,664	206	142,367	400,203
Total Revenues	67,842,365	59,864,233	2,336,122	2,250,844	70,178,487	62,115,077
Expenses						
Instruction						
Regular	29,815,485	26,744,764			29,815,485	26,744,764
Special Education	10,104,837	9,076,153			10,104,837	9,076,153
Other Instruction	1,496,543	971,985			1,496,543	971,985
School Sponsored Activities and Athletics	1,248,712	1,461,816			1,248,712	1,461,816
Support Services						
Student and Instruction Related Services	8,991,136	7,957,459			8,991,136	7,957,459
General Administrative Services	1,278,897	1,158,319			1,278,897	1,158,319
School Administrative Services	4,310,696	2,858,028			4,310,696	2,858,028
Central and Other Support Services	1,793,830	1,907,567			1,793,830	1,907,567
Plant Operations and Maintenance	4,899,308	5,124,060			4,899,308	5,124,060
Pupil Transportation	2,503,270	2,365,993			2,503,270	2,365,993
Interest on Long-Term Debt	327,992	361,722			327,992	361,722
Food Services			1,375,120	1,311,366	1,375,120	1,311,366
Preschool Program			316,139	299,362	316,139	299,362
Latchkey Program			533,733	506,713	533,733	506,713
Adult Education Program	-	-	145,097	143,464	145,097	143,464
Total Expenses	66,770,706	59,987,866	2,370,089	2,260,905	69,140,795	62,248,771
Increase (Decrease) in Net Position Before Transfers	1,071,659	(123,633)	(33,967)	(10,061)	1,037,692	(133,694)
Transfers	400,000	-	(400,000)	-	-	-
Increase/(Decrease) in Net Position	1,471,659	(123,633)	(433,967)	(10,061)	1,037,692	(133,694)
Net Position, Beginning of Year	6,167,793	17,591,245	1,573,128	1,583,189	7,740,921	19,174,434
Prior Year Adjustment	-	(11,299,819)	-	-	-	(11,299,819)
Net Position, End of Year	\$ 7,639,452	\$ 6,167,793	\$ 1,139,161	\$ 1,573,128	\$ 8,778,613	\$ 7,740,921

SOUTH PLAINFIELD BOARD OF EDUCATION

Management's Discussion and Analysis Year Ended June 30, 2015

Governmental Activities. The District's total revenues for governmental activities were \$67,842,365 and \$59,864,233 for the fiscal years ended June 30, 2015 and 2014. Property taxes of \$44,869,564 and \$43,716,718 made up 66% and 73% of the revenues for governmental activities for the South Plainfield Board of Education for fiscal years ended June 30, 2015 and 2014, respectively. Federal, state and local grants and aid accounted for another \$22,637,387 and \$15,528,577 representing 33% and 26% of total revenues for the fiscal years ended June 30, 2015 and 2014, respectively. In addition, transportation fees and other miscellaneous income is earned. Miscellaneous income includes items such as interest, prior year refunds and other miscellaneous revenue items.

The total cost of all governmental activities programs and services were \$66,770,706 and \$59,987,866 for the fiscal years ended June 30, 2015 and 2014, respectively. Instruction comprised \$42,665,577 (64%) and \$38,254,718 (64%) of District expenses for the fiscal years ended June 30, 2015 and 2014, respectively. Support services totaled \$23,777,137 (35%) and \$21,371,426 (35%) of District expense and interest on debt totaled \$327,992 (1%) and \$361,722 (1%) of District expenses for fiscal year ended June 30, 2015 and 2014, respectively.

Total governmental activities revenues and transfers were more than expenses, increasing net position \$1,471,659 for the fiscal year ended June 30, 2015 and for the fiscal year ended June 30, 2014 expenses exceeded revenues decreasing net position \$123,633.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Total and Net Cost of Governmental Activities

	<u>Total Cost of</u> <u>Services</u>		<u>Net Cost</u> <u>of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Instruction				
Regular	\$ 29,815,485	\$ 26,744,764	\$ 22,247,458	\$ 21,068,897
Special Education	10,104,837	9,076,153	5,371,050	7,444,682
Other Instruction	1,496,543	971,985	929,884	510,905
School Sponsored Activities and Athletics	1,248,712	1,461,816	1,248,712	1,461,816
Support Services				
Student and Instruction Related Services	8,991,136	7,957,459	7,748,890	7,338,249
General Administrative Services	1,278,897	1,158,319	1,278,897	1,158,319
School Administrative Services	4,310,696	2,858,028	3,415,614	2,594,853
Central and Other Support Services	1,793,830	1,907,567	1,793,830	1,907,567
Plant Operations and Maintenance	4,899,308	5,124,060	4,108,590	5,027,337
Pupil Transportation	2,503,270	2,365,993	2,177,736	2,021,972
Interest on Long-Term Debt	<u>327,992</u>	<u>361,722</u>	<u>327,992</u>	<u>361,722</u>
Total	<u>\$ 66,770,706</u>	<u>\$ 59,987,866</u>	<u>\$ 50,648,653</u>	<u>\$ 50,896,319</u>

SOUTH PLAINFIELD BOARD OF EDUCATION

Management's Discussion and Analysis Year Ended June 30, 2015

Governmental Activities (Continued)

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities. Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Student and instruction related services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development. Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

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

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges on debt of the School District.

Business-Type Activities. Revenues for the District's business-type activities (food service program, preschool program, latchkey program and adult education program) were comprised solely of charges for services and federal and state reimbursements in the food service program.

- Business-Type Activities expenses exceeded revenues by \$33,967 for the current year and for the previous year expenses exceeded revenues by \$10,061.
- In fiscal year 2015 Business-Type Activities transferred \$400,000 to supplement Governmental Activities operations.
- Charges for services were \$1,789,145 and \$1,729,745 and represents 77% and 77% of the revenue for the fiscal years ended June 30, 2015 and 2014, respectively. Federal and State reimbursements were \$541,313 and \$520,893 for the fiscal years ended June 30, 2015 and 2014.

Expenses were \$2,370,089 and \$2,260,905 for the fiscal years ended June 30, 2015 and 2014, respectively. This represents amounts paid for salaries, cost of goods and other related expenses to operate the District's business-type activities.

SOUTH PLAINFIELD BOARD OF EDUCATION

**Management's Discussion and Analysis
Year Ended June 30, 2015**

THE SCHOOL DISTRICT'S FUNDS

Information about the School District's major funds is included in the June 30, 2015 Comprehensive Annual Financial Report as presented by the School District. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., General Fund, Special Revenue Fund, Capital Project Fund and Debt Service Fund) presented in the fund-based statements had total revenues of \$61,957,061 and \$59,864,233 and expenditures of \$62,879,808 and \$60,884,107 for the fiscal years ended June 30, 2015 and 2014, respectively.

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 present a summary of the revenues of the General Fund for the fiscal years ended June 30, 2015 and 2014, and the amount and percentage of change in relation to prior-year revenues.

	<u>Year Ended</u> <u>June 30, 2015</u>	<u>Year Ended</u> <u>June 30, 2014</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Local Sources:				
Property Tax Levy	\$ 43,653,001	\$ 42,499,893	\$ 1,153,108	3%
Transportation Fees	198,711	218,941	(20,230)	-9%
Miscellaneous	136,703	399,997	(263,294)	-66%
State Sources	14,791,238	14,008,948	782,290	6%
Federal Sources	<u>68,769</u>	<u>18,824</u>	<u>49,945</u>	265%
Total General Fund Revenues	<u>\$ 58,848,422</u>	<u>\$ 57,146,603</u>	<u>\$ 1,701,819</u>	3.0%

Overall General Fund revenues increased by 3% from the previous year. The change in Local Sources is attributable to a tax increase of 3% to finance the District's operating costs. Local miscellaneous revenues decreased 66% in the current year because of a one time revenues earned in the prior year from various sources. State sources increased 6% mainly due to the result of an increase in on-behalf contributions made by the State for the District's share of teachers' pension and post retirement medical benefit contributions. The increase in Federal sources was due to an increase in Medicaid reimbursements under SEMI funding for special education services.

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2015 and 2014:

	<u>Year Ended</u> <u>June 30, 2015</u>	<u>Year Ended</u> <u>June 30, 2014</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Instruction	\$ 36,069,903	\$ 36,184,794	\$ (114,891)	0%
Support Services	22,146,311	20,902,528	1,243,783	6%
Capital Outlay	<u>370,058</u>	<u>1,079,155</u>	<u>(709,097)</u>	-66%
Total Expenditures	<u>\$ 58,586,272</u>	<u>\$ 58,166,477</u>	<u>\$ 419,795</u>	1%

SOUTH PLAINFIELD BOARD OF EDUCATION

Management's Discussion and Analysis Year Ended June 30, 2015

THE SCHOOL DISTRICT'S FUNDS (Continued)

Overall General Fund expenditures increased 1% from the previous year. Regular education instructional costs was the main reason for the decrease in instruction expenditures. Increases in support service expenditures were mainly attributable to increases in student and instructional related costs as well as costs associated with school administrative services. These increases were offset by decreases in expenditures for capital outlay projects related to school facility improvements.

In addition to the capital outlay expenditure during fiscal year 2015 the District transferred \$1,481,600 from the General Fund to the Capital Project Fund for its local share of the school facilities projects funded in part by state grants.

For the 2015 school year, General Fund expenditures and transfers out exceeded revenues and transfers in by \$819,450. As a result total fund balance decreased to \$4,674,697 at June 30, 2015. However, after deducting fund balances restricted, committed and assigned, the unassigned fund balance increased from \$80,240 at June 30, 2014 to \$87,890 at June 30, 2015. In addition restricted fund balance for capital reserve decreased \$1,064,600 at June 30, 2015 to \$1,033,879.

GENERAL FUND BUDGETING HIGHLIGHTS

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on the budgetary basis of revenue, expenditures and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the 2015 school year, the School District amended its General Fund budget as needed. The School District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. Transfers from one program to another must be approved by the School Business Administrator, Superintendent and Board of Education. Transfers were necessitated by:

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

For the fiscal year ended June 30, 2015, General Fund budgetary revenues were less than expenditures decreasing budgetary fund balance by \$716,058 from the previous year. However, after deducting fund balances restricted, committed and assigned, the unassigned budgetary fund balance increased \$111,042 from \$1,103,294 at June 30, 2014 to \$1,214,336 at June 30, 2015 the maximum allowed under state regulations.

SOUTH PLAINFIELD BOARD OF EDUCATION

**Management's Discussion and Analysis
Year Ended June 30, 2015**

CAPITAL ASSETS

At the end of fiscal years 2015 and 2014, the School District had \$23,043,798 and \$21,927,912 invested in land, land improvements, buildings, machinery and equipment, net of accumulated depreciation. Depreciation charges for the fiscal years 2015 and 2014 were \$1,108,432 and \$1,050,268 for governmental activities, respectively, and \$24,931 and \$24,931 for business-type activities, respectively.

**Capital Assets at June 30, 2015 and 2014
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2013</u>
Land	\$ 1,265,266	\$ 1,265,266			\$ 1,265,266	\$ 1,265,266
Construction in Progress	-	136,755			-	136,755
Land Improvements	1,289,290	1,361,949			1,289,290	1,361,949
Building and Improvements	17,247,156	15,947,016			17,247,156	15,947,016
Machinery and Equipment	<u>3,047,693</u>	<u>2,997,602</u>	<u>\$ 194,393</u>	<u>\$ 219,324</u>	<u>3,242,086</u>	<u>3,216,926</u>
Total Capital Assets, Net	<u>\$ 22,849,405</u>	<u>\$ 21,708,588</u>	<u>\$ 194,393</u>	<u>\$ 219,324</u>	<u>\$ 23,043,798</u>	<u>\$ 21,927,912</u>

LONG-TERM LIABILITIES

At June 30, 2015, the School District had \$20,073,688 as outstanding debt consisting of \$7,621,877 of serial bonds for school construction projects, \$941,897 for compensated absences and \$11,509,914 for the District's net pension liability. The following is a comparison of the June 30, 2015 and 2014 balances:

**Long-Term Liabilities
At June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Bonds Payable (including premium)	\$ 7,621,877	\$ 8,565,203
Compensated Absences	941,897	1,006,457
Net Pension Liability	<u>11,509,914</u>	<u>11,657,411</u>
Total	<u>\$ 20,073,688</u>	<u>\$ 21,229,071</u>

FOR THE FUTURE

While many factors influence the School District's future, the availability of funding for special education needs, changes in student population and the condition of school facilities will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the School District's administration during the process of developing the fiscal year 2015-2016 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.

SOUTH PLAINFIELD BOARD OF EDUCATION

Management's Discussion and Analysis Year Ended June 30, 2015

FOR THE FUTURE (Continued)

These indicators were considered when adopting the budget for fiscal year 2015-2016. Budgeted expenditures in the General Fund decreased approximately 3 percent to \$55,718,746 for fiscal year 2015-2016.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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 funds it receives. If you have questions on this report or need additional financial information, please contact the School Business Administrator/Board Secretary at South Plainfield Board of Education, 125 Jackson Avenue, South Plainfield, New Jersey 07080.

FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**SOUTH PLAINFIELD BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,986,089	\$ 1,471,449	\$ 5,457,538
Receivables, Net	1,361,938	106,580	1,468,518
Internal Balances	400,000	(400,000)	-
Inventory		27,903	27,903
Capital Assets, Not Being Depreciated	1,265,266		1,265,266
Capital Assets, Being Depreciated, Net	<u>21,584,139</u>	<u>194,393</u>	<u>21,778,532</u>
Total Assets	<u>28,597,432</u>	<u>1,400,325</u>	<u>29,997,757</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	439,477		439,477
Deferred Amounts on Refunding of Debt	<u>289,018</u>	-	<u>289,018</u>
Total Deferred Outflows of Resources	<u>728,495</u>	-	<u>728,495</u>
Total Assets and Deferred Outflows of Resources	<u>29,325,927</u>	<u>1,400,325</u>	<u>30,726,252</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	334,877	244,558	579,435
Payable to Other Governments	46,248		46,248
Unearned Revenue	394,914	10,517	405,431
Accrued Interest Payable	150,820		150,820
Noncurrent Liabilities			
Due Within One Year	1,444,686		1,444,686
Due Beyond One Year	<u>18,629,002</u>	-	<u>18,629,002</u>
Total Liabilities	<u>21,000,547</u>	<u>255,075</u>	<u>21,255,622</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	685,928		685,928
Deferred Commodities Revenue	<u>-</u>	<u>6,089</u>	<u>6,089</u>
Total Deferred Inflows of Resources	<u>685,928</u>	<u>6,089</u>	<u>692,017</u>
Total Liabilities and Deferred Inflows of Resources	<u>21,686,475</u>	<u>261,164</u>	<u>21,947,639</u>
NET POSITION			
Net Investment in Capital Assets	15,516,546	194,393	15,710,939
Restricted for:			
Capital Projects	1,329,994		1,329,994
Plant Maintenance	449,481		449,481
Debt Service	1,176		1,176
Unrestricted	<u>(9,657,745)</u>	<u>944,768</u>	<u>(8,712,977)</u>
Total Net Position	<u>\$ 7,639,452</u>	<u>\$ 1,139,161</u>	<u>\$ 8,778,613</u>

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

**SOUTH PLAINFIELD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
Instruction:							
Regular	\$ 29,815,485		\$ 7,568,027		\$ (22,247,458)		\$ (22,247,458)
Special Education	10,104,837		4,733,787		(5,371,050)		(5,371,050)
Other Instruction	1,496,543		566,659		(929,884)		(929,884)
School Sponsored Activities and Athletics	1,248,712				(1,248,712)		(1,248,712)
Support Services:							
Student & Instruction Related Services	8,991,136		1,242,246		(7,748,890)		(7,748,890)
General Administrative Services	1,278,897				(1,278,897)		(1,278,897)
School Administrative Services	4,310,696		895,082		(3,415,614)		(3,415,614)
Central and Other Support Services	1,793,830				(1,793,830)		(1,793,830)
Plant Operations and Maintenance	4,899,308		97,012	\$ 693,706	(4,108,590)		(4,108,590)
Pupil Transportation	2,503,270	\$ 198,711	126,823		(2,177,736)		(2,177,736)
Interest on Debt	327,992	-	-	-	(327,992)	-	(327,992)
Total Governmental Activities	66,770,706	198,711	15,229,636	693,706	(50,648,653)	-	(50,648,653)
Business-Type Activities:							
Food Service	1,375,120	802,982	541,313			\$ (30,825)	(30,825)
Preschool Program	316,139	257,751				(58,388)	(58,388)
Latchkey Program	533,733	554,312				20,579	20,579
Adult Education Program	145,097	174,100	-	-	-	29,003	29,003
Total Business-Type Activities	2,370,089	1,789,145	541,313	-	-	(39,631)	(39,631)
Total Primary Government	\$ 69,140,795	\$ 1,987,856	\$ 15,770,949	\$ 693,706	(50,648,653)	(39,631)	(50,688,284)

**SOUTH PLAINFIELD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Net (Expense) Revenue and Changes in Net Assets		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Taxes:			
Property Taxes, levied for general purposes	\$ 43,653,001		\$ 43,653,001
Property Taxes, levied for debt service purposes	1,216,563		1,216,563
State Aid - Unrestricted	6,714,045		6,714,045
Miscellaneous Income	136,703	5,664	142,367
Transfers	400,000	(400,000)	-
Total General Revenues	<u>52,120,312</u>	<u>(394,336)</u>	<u>51,725,976</u>
Change in Net Position	1,471,659	\$ (433,967)	1,037,692
Net Position, Beginning of Year (As Restated)	<u>6,167,793</u>	<u>1,573,128</u>	<u>7,740,921</u>
Net Position, End of Year	<u>\$ 7,639,452</u>	<u>\$ 1,139,161</u>	<u>\$ 8,778,613</u>

FUND FINANCIAL STATEMENTS

SOUTH PLAINFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 3,915,734	\$ 69,179		\$ 1,176	\$ 3,986,089
Receivables From Other Governments	124,924	332,581	\$ 870,400	-	1,327,905
Due from Other Funds	671,959	-	-	-	671,959
Total Assets	\$ 4,712,617	\$ 401,760	\$ 870,400	\$ 1,176	\$ 5,985,953
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 37,920	\$ 6,074	\$ 159,665		\$ 203,659
Due to Other Funds		-	237,926		237,926
Payable to State Government		46,248			46,248
Other Liabilities		131,218			131,218
Unearned Revenue	-	218,220	176,694	-	394,914
Total Liabilities	37,920	401,760	574,285	-	1,013,965
Fund Balances:					
Restricted					
Capital Reserve	1,033,879				1,033,879
Maintenance Reserve	449,481				449,481
Emergency Reserve	196,533				196,533
Reserved Excess Surplus	1,214,259				1,214,259
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	926,879				926,879
Capital Projects			\$ 296,115		296,115
Debt Service				\$ 1,176	1,176
Committed					
Year End Encumbrances	169,420				169,420
Assigned					
Year End Encumbrances	290,092				290,092
SEMI-ARRA	8,143				8,143
Designated for Subsequent Year's Expenditures	298,121				298,121
Unassigned	87,890	-	-	-	87,890
Total Fund Balances	4,674,697	-	296,115	1,176	4,971,988
Total Liabilities and Fund Balances	\$ 4,712,617	\$ 401,760	\$ 870,400	\$ 1,176	

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. The cost of the assets is \$45,690,832 and the accumulated depreciation is \$22,841,427. 22,849,405

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 289,018

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources	\$ 439,477	
Deferred Inflows of Resources	(685,928)	(246,451)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (150,820)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds

Serial Bonds Payable, Net	\$ 7,621,877	
Compensated Absences	941,897	
Net Pension Liability	<u>11,509,914</u>	<u>(20,073,688)</u>

Net position of governmental activities \$ 7,639,452

**SOUTH PLAINFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Property Tax Levy	\$ 43,653,001			\$ 1,216,563	\$ 44,869,564
Transportation Fees	198,711				198,711
Miscellaneous	136,703	\$ 48,378	-	-	185,081
Total - Local Sources	43,988,415	48,378	-	1,216,563	45,253,356
State Sources	14,791,238	188,908	\$ 693,706		15,673,852
Federal Sources	68,769	961,084	-	-	1,029,853
Total Revenues	58,848,422	1,198,370	693,706	1,216,563	61,957,061
EXPENDITURES					
Current					
Instruction					
Regular	25,493,304	161,841			25,655,145
Special Education	8,230,871	739,149			8,970,020
Other Instruction	1,095,572	226,403			1,321,975
School Sponsored Activities and Athletics	1,250,156				1,250,156
Support Services					
Student & Instruction Related Services	8,209,218	70,977			8,280,195
General Administrative Services	1,092,798				1,092,798
School Administrative Services	3,848,209				3,848,209
Central and Other Support Services	1,795,797				1,795,797
Plant Operations and Maintenance	4,864,744				4,864,744
Pupil Transportation	2,335,545				2,335,545
Debt Service					
Principal				870,000	870,000
Interest				345,975	345,975
Capital Outlay	370,058	-	1,879,191	-	2,249,249
Total Expenditures	58,586,272	1,198,370	1,879,191	1,215,975	62,879,808
Excess (Deficiency) of Revenues Over (Under) Expenditures	262,150	-	(1,185,485)	588	(922,747)
Other Financing Sources (Uses)					
Operating Transfer In	400,000		1,481,600		1,881,600
Operating Transfer Out	(1,481,600)	-	-	-	(1,481,600)
Total Other Financing Sources (Uses)	(1,081,600)	-	1,481,600	-	400,000
Net Change in Fund Balances	(819,450)	-	296,115	588	(522,747)
Fund Balance, Beginning of Year	5,494,147	-	-	588	5,494,735
Fund Balance, End of Year	\$ 4,674,697	\$ -	\$ 296,115	\$ 1,176	\$ 4,971,988

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

**SOUTH PLAINFIELD BOARD OF EDUCATION
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, 2015**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ (522,747)

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.

Capital Outlays	\$ 2,249,249	
Depreciation Expense	<u>(1,108,432)</u>	1,140,817

Repayment of 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.

Repayment Serial Bond Principal		870,000
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Governmental funds report the effect of premiums and other such items related to the refunding bonds when they are issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Deferred Amounts on Refunding	(71,385)	
Amortization of Bond Premium	<u>73,326</u>	1,941

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

Decrease in Accrued Interest		16,042
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In the statement of activities, certain operating expenses, e.g., compensated absences, net pension liabilities are measured by the amounts earned on incurred during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Decrease in Compensated Absences	64,560	
Increase in Net Pension Liability	<u>(98,954)</u>	(34,394)

Change in net position of governmental activities (Exhibit A-2)		<u>\$ 1,471,659</u>
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**SOUTH PLAINFIELD BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2015**

	Business-Type Activities Enterprise Funds				Total
	Food Service	Preschool Program	Latchkey Program	Adult Education Program	
ASSETS					
Cash and Cash Equivalents	\$ 134,962	\$ 263,797	\$ 669,011	\$ 403,679	\$ 1,471,449
Intergovernmental Receivable	35,534				35,534
Accounts Receivable	62,962	3,250	4,834		71,046
Inventories	27,903	-	-	-	27,903
Total Current Assets	<u>261,361</u>	<u>267,047</u>	<u>673,845</u>	<u>403,679</u>	<u>1,605,932</u>
Capital Assets					
Equipment	393,587	57,921	96,700		548,208
Accumulated Depreciation	<u>(314,386)</u>	<u>(14,770)</u>	<u>(24,659)</u>	-	<u>(353,815)</u>
Total Capital Assets, Net	<u>79,201</u>	<u>43,151</u>	<u>72,041</u>	-	<u>194,393</u>
Total Assets	<u>340,562</u>	<u>310,198</u>	<u>745,886</u>	<u>403,679</u>	<u>1,800,325</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	244,558		-		244,558
Due to Other Funds			275,000	125,000	400,000
Unearned Revenue	<u>10,517</u>	-	-	-	<u>10,517</u>
Total Current Liabilities	<u>255,075</u>	-	<u>275,000</u>	<u>125,000</u>	<u>655,075</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Commodities Revenue	<u>6,089</u>	-	-	-	<u>6,089</u>
Total Liabilities and Deferred Inflows of Resources	<u>261,164</u>	-	<u>275,000</u>	<u>125,000</u>	<u>661,164</u>
NET POSITION					
Net Investment in Capital Assets	79,201	43,151	72,041		194,393
Unrestricted	<u>197</u>	<u>267,047</u>	<u>398,845</u>	<u>278,679</u>	<u>944,768</u>
Total Net Position	<u>\$ 79,398</u>	<u>\$ 310,198</u>	<u>\$ 470,886</u>	<u>\$ 278,679</u>	<u>\$ 1,139,161</u>

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

**SOUTH PLAINFIELD BOARD OF EDUCATION
 PROPRIETARY FUND
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Business-Type Activities				<u>Total</u>
	Enterprise Funds				
	<u>Food Service</u>	<u>Preschool Program</u>	<u>Latchkey Program</u>	<u>Adult Education Program</u>	
OPERATING REVENUES					
Local Sources					
Daily Sales-Reimbursable Programs					
School Lunch Program	\$ 475,658				\$ 475,658
School Breakfast Program	19,355				19,355
Daily Sales Non-Reimbursable Programs	307,969				307,969
Program Fees	-	\$ 257,751	\$ 554,312	\$ 174,100	986,163
Total Operating Revenues	<u>802,982</u>	<u>257,751</u>	<u>554,312</u>	<u>174,100</u>	<u>1,789,145</u>
OPERATING EXPENSES					
Salaries and Benefits	630,328	291,706	483,903	10,357	1,416,294
Cost of Sales	529,281				529,281
Supplies and Materials	95,825	6,236	11,157	984	114,202
Management and Administration Fees	107,898				107,898
Other Purchased Services	-	13,274	30,453	133,756	177,483
Depreciation	11,788	4,923	8,220	-	24,931
Total Operating Expenses	<u>1,375,120</u>	<u>316,139</u>	<u>533,733</u>	<u>145,097</u>	<u>2,370,089</u>
Operating Income (Loss)	<u>(572,138)</u>	<u>(58,388)</u>	<u>20,579</u>	<u>29,003</u>	<u>(580,944)</u>
Nonoperating Revenues					
State Sources					
State School Lunch Program	13,728				13,728
Federal Sources					
School Breakfast Program	36,981				36,981
National School Lunch Program	490,604				490,604
Interest on Investments	641	1,123	2,462	1,438	5,664
Total Nonoperating Revenues	<u>541,954</u>	<u>1,123</u>	<u>2,462</u>	<u>1,438</u>	<u>546,977</u>
Net Income (Loss) Before Transfers	(30,184)	(57,265)	23,041	30,441	(33,967)
Operating Transfers Out	-	-	(275,000)	(125,000)	(400,000)
Changes in Net Position	(30,184)	(57,265)	(251,959)	(94,559)	(433,967)
Total Net Position, Beginning of Year	<u>109,582</u>	<u>367,463</u>	<u>722,845</u>	<u>373,238</u>	<u>1,573,128</u>
Total Net Position, End of Year	<u>\$ 79,398</u>	<u>\$ 310,198</u>	<u>\$ 470,886</u>	<u>\$ 278,679</u>	<u>\$ 1,139,161</u>

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

**SOUTH PLAINFIELD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Business-Type Activities				Total
	Enterprise Funds				
	<u>Food Service</u>	<u>Preschool Program</u>	<u>Latchkey Program</u>	<u>Adult Education Program</u>	
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 801,848	\$ 256,549	\$ 563,991	\$ 174,100	\$ 1,796,488
Cash Payments for Employees Salaries & Benefits	(630,328)	(291,706)	(483,903)	(10,357)	(1,416,294)
Cash Payments to Suppliers for Goods and Services	(503,645)	(19,510)	(41,610)	(134,740)	(699,505)
Net Cash Provided by (Used for) Operating Activities	(332,125)	(54,667)	38,478	29,003	(319,311)
Cash Flows from Noncapital Financing Activities					
Cash Received from State and Federal Subsidy Reimbursements	447,675	-	-	-	447,675
Net Cash Provided by Noncapital Financing Activities	447,675	-	-	-	447,675
Cash Flows from Investing Activities					
Interest on Investments	641	1,123	2,462	1,438	5,664
Net Cash Provided by Investing Activities	641	1,123	2,462	1,438	5,664
Net Increase (Decrease) in Cash and Cash Equivalents	116,191	(53,544)	40,940	30,441	134,028
Cash and Cash Equivalents, Beginning of Year	18,771	317,341	628,071	373,238	1,337,421
Cash and Cash Equivalents, End of Year	\$ 134,962	\$ 263,797	\$ 669,011	\$ 403,679	\$ 1,471,449
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating Income (Loss)	\$ (572,138)	\$ (58,388)	\$ 20,579	\$ 29,003	\$ (580,944)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Depreciation	11,788	4,923	8,220	-	24,931
Non-Cash Federal Assistance-Food Distribution Program	92,561				92,561
Change in Assets, Liabilities and Deferred Inflows					
(Increase)/Decrease in Accounts Receivable	131	(1,202)	9,679		8,608
(Increase)/Decrease in Inventory	(4,125)				(4,125)
Increase/(Decrease) in Accounts Payable	138,677				138,677
Increase/(Decrease) in Unearned Revenue	(1,265)				(1,265)
Increase/(Decrease) in Deferred Commodities Revenue	2,246	-	-	-	2,246
Total Adjustments	240,013	3,721	17,899	-	261,633
Net Cash Provided by/(Used For) Operating Activities	\$ (332,125)	\$ (54,667)	\$ 38,478	\$ 29,003	\$ (319,311)
Non-Cash Investing, Capital and Financing Activities:					
Value Received - Food Distribution Program	\$ 94,807				

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

**SOUTH PLAINFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2015**

	Unemployment Compensation <u>Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 641,313	\$ 515,386
Total Assets	<u>\$ 641,313</u>	<u>\$ 515,386</u>
LIABILITIES		
Intergovernmental Accounts Payable	143	
Due to Student Groups		128,915
Payroll Deductions and Withholdings		349,126
Accrued Salaries and Wages		3,312
Due to Other Funds	<u>-</u>	<u>34,033</u>
Total Liabilities	<u>143</u>	<u>\$ 515,386</u>
NET POSITION		
Held in Trust for Unemployment Claims	<u>\$ 641,170</u>	

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

**SOUTH PLAINFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Unemployment Compensation <u>Trust Fund</u>
ADDITIONS	
Contributions	
District	\$ 1,084
Employee	<u>50,210</u>
Total Contributions	51,294
Investment Earnings	<u>2,434</u>
Total Additions	<u>53,728</u>
DEDUCTIONS	
Unemployment Claims	<u>25,436</u>
Total Deductions	<u>25,436</u>
Change in Net Position	28,292
Net Position, Beginning of Year	<u>612,878</u>
Net Position, End of Year	<u>\$ 641,170</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The South Plainfield Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the South Plainfield Board of Education this includes general operations, food service, preschool, childcare, adult education and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District’s enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid, and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

The District reports the following major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

The *preschool program fund* accounts for the activities of the District's preschool program, which provides preschool aged children ("Future Stars Children") living within the District instructional programs during the ten month regular school year.

The *latchkey program fund* accounts for the activities of the District's latchkey program, which provides before and after school child care for students within the District.

The *adult education fund* accounts for the activities of the Districts adult education program, which offers adult continuing education and recreational programs throughout the year.

Additionally, the government reports the following fund type:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, transportation fees, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

**SOUTH PLAINFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

2. Receivables

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

3. Inventories

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred inflows of resources.

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	10-20
Buildings and Building Improvements	20-50
Machinery and Equipment	5-10

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

5. 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. The government has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

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 government has two types of items, which arise only under the accrual basis of accounting that qualify for reporting in this category. One item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated vacation and sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

7. *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 retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. 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, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

8. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Losses resulting from debt refundings are classified as deferred outflows of resources. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2.)

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2.)

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 2.)

Reserved Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that is required to be appropriated in the 2016/2017 original budget certified for taxes.

Reserved Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2014 audited excess surplus that was appropriated in the 2015/2016 original budget certified for taxes.

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

ARRA/SEMI – This designation was created to dedicate the portion of the ARRA/SEMI revenue that is unexpended at June 30, 2015 that will be appropriated either by Board resolution into the 2015/2016 budget or in the adopted 2016/2017 budget certified for taxes.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2015/2016 District budget certified for taxes.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

2. Property Taxes

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

3. *Tuition Revenues and Expenditures*

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2013-2014 and 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *Proprietary Funds, Operating and Non-Operating Revenues and Expenses*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service, preschool, latchkey and adult education enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 18, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

**SOUTH PLAINFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2014/2015. Also, during 2014/2015 the Board increased the original budget by a net amount of \$369,694. The increase was funded by additional withdrawals from capital reserve, grant awards and the reappropriation of prior year general fund encumbrances.

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Security			
Purchased Professional and Technical Services	\$-0-	\$38,232	\$38,232

The above variances were offset with other available resources.

C. Capital Reserve

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

**SOUTH PLAINFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

Funds placed in the capital reserve 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 or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014		\$ 2,098,479
Increased by:		
Deposit Approved by Board Resolution		<u>500,000</u>
		2,598,479
Withdrawals		
Approved by Board Resolution	\$ 259,000	
Approved in District Budget	<u>1,305,600</u>	
		<u>1,564,600</u>
Balance, June 30, 2015		<u>\$ 1,033,879</u>

The withdrawals from the capital reserve were for use in department approved facilities projects consistent with the District’s Long Range Facilities Plan.

D. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve

The activity of the maintenance reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	<u>\$ 449,481</u>
Balance, June 30, 2015	<u><u>\$ 449,481</u></u>

E. Emergency Reserve

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	<u>\$ 196,533</u>
Balance, June 30, 2015	<u><u>\$ 196,533</u></u>

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2015 is \$2,141,138. Of this amount, \$926,879 was designated and appropriated in the 2015/2016 original budget certified for taxes and the remaining amount of \$1,214,259 will be appropriated in the 2016/2017 original budget certified for taxes.

**SOUTH PLAINFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$6,614,237 and bank and brokerage firm balances of the Board's deposits amounted to \$9,805,406. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

	<u>Fair Value</u>
Insured	<u>\$ 9,805,406</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2015 none of the Board's bank balances were exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2015, the Board had no outstanding investments.

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer.

**SOUTH PLAINFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2015 for the district’s individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Preschool Program</u>	<u>Latchkey Program</u>	<u>Total</u>
Receivables:							
Intergovernmental:							
Local	\$ 10	\$ 5,330					\$ 5,340
State	124,914	-	\$ 870,400	\$ 1,085			996,399
Federal		327,251		34,449			361,700
Accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,962</u>	<u>\$ 3,250</u>	<u>\$ 4,834</u>	<u>71,046</u>
Gross Receivables	124,924	332,581	870,400	98,496	3,250	4,834	1,434,485
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 124,924</u>	<u>\$ 332,581</u>	<u>\$ 870,400</u>	<u>\$ 98,496</u>	<u>\$ 3,250</u>	<u>\$ 4,834</u>	<u>\$ 1,434,485</u>

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Total</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 200,825
Grant Draw Downs Reserved for Encumbrances	17,395
Capital Projects Fund	
Unrealized School Facilities Grant	<u>176,694</u>
	<u>\$ 394,914</u>

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance, <u>July 1, 2014</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2015</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,265,266			\$ 1,265,266
Construction in Progress	136,755	-	\$ (136,755)	-
Total Capital Assets, Not Being Depreciated	<u>1,402,021</u>	<u>-</u>	<u>(136,755)</u>	<u>1,265,266</u>
Capital Assets, Being Depreciated:				
Land Improvements	2,579,662			2,579,662
Buildings and Improvements	33,734,435	\$ 1,898,708		35,633,143
Machinery and Equipment	5,739,421	487,296	(13,956)	6,212,761
Total Capital Assets Being Depreciated	<u>42,053,518</u>	<u>2,386,004</u>	<u>(13,956)</u>	<u>44,425,566</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,217,713)	(72,659)		(1,290,372)
Buildings and Improvements	(17,787,419)	(598,568)		(18,385,987)
Machinery and Equipment	(2,741,819)	(437,205)	13,956	(3,165,068)
Total Accumulated Depreciation	<u>(21,746,951)</u>	<u>(1,108,432)</u>	<u>13,956</u>	<u>(22,841,427)</u>
Total Capital Assets, Being Depreciated, Net	<u>20,306,567</u>	<u>1,277,572</u>	<u>-</u>	<u>21,584,139</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,708,588</u>	<u>\$ 1,277,572</u>	<u>\$ (136,755)</u>	<u>\$ 22,849,405</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 548,208	-	-	\$ 548,208
Total Capital Assets Being Depreciated	<u>548,208</u>	<u>-</u>	<u>-</u>	<u>548,208</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(328,884)	\$ (24,931)	-	(353,815)
Total Accumulated Depreciation	<u>(328,884)</u>	<u>(24,931)</u>	<u>-</u>	<u>(353,815)</u>
Total Capital Assets, Being Depreciated, Net	<u>219,324</u>	<u>(24,931)</u>	<u>-</u>	<u>194,393</u>
Business-Type Activities Capital Assets, Net	<u>\$ 219,324</u>	<u>\$ (24,931)</u>	<u>\$ -</u>	<u>\$ 194,393</u>

**SOUTH PLAINFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:

Instruction

Regular	\$ 360,667
Special	335,568
Total Instruction	<u>696,235</u>

Support Services

Student and Instruction Related	114,700
General Administration	87,863
School Administration	4,553
Operations and Maintenance of Plant	35,168
Student Transportation	<u>169,913</u>
Total Support Services	<u>412,197</u>

Total Depreciation Expense - Governmental Activities \$ 1,108,432

Business-Type Activities:

Food Service Fund	\$ 11,788
Preschool Fund	4,923
Latchkey Fund	<u>8,220</u>

Food Service Fund \$ 24,931

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2015:

<u>Purposes</u>	<u>Remaining Commitment</u>
Roosevelt Building Gym Floor Replacement	<u>\$ 169,420</u>

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 237,926
General Fund	Latchkey Enterprise Fund	275,000
General Fund	Adult Education Enterprise Fund	125,000
General Fund	Payroll Agency Fund	<u>34,033</u>
Total		<u>\$ 671,959</u>

The above balances are the result of revenues earned in one fund which are due to another fund or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

Interfund transfers

	<u>Transfer In:</u>	
	<u>General Fund</u>	<u>Capital Projects Fund</u>
Transfer Out:		
General Fund		\$ 1,481,600
Latchkey Enterprise Fund	\$ 275,000	
Adult Education Enterprise Fund	<u>125,000</u>	<u>-</u>
	<u>\$ 400,000</u>	<u>\$ 1,481,600</u>

The above transfers are the result of revenues earned or fund equity available in one fund to finance expenditures in another fund.

**SOUTH PLAINFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Operating Leases

The District leases copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2015 were \$126,272. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2016	\$ 126,212
2017	121,632
2018	114,946
2019	<u>19,158</u>
Total	<u>\$ 381,948</u>

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2015 are comprised of the following issues:

\$9,765,000, 2009 Refunding Bonds, due in annual installments of \$910,000 to \$1,195,000 through July 15, 2021, interest at 3.00% to 5.00%	<u>\$7,325,000</u>
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The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

<u>Year Ended June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2016	\$ 910,000	\$ 308,588	\$ 1,218,588
2017	960,000	264,238	1,224,238
2018	995,000	225,287	1,220,287
2019	1,040,000	188,006	1,228,006
2020	1,085,000	141,275	1,226,275
2021-2023	<u>2,335,000</u>	<u>118,125</u>	<u>2,453,125</u>
	<u>\$ 7,325,000</u>	<u>\$ 1,245,519</u>	<u>\$ 8,570,519</u>

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2015 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 148,991,335
Less: Net Debt	<u>7,325,000</u>
Remaining Borrowing Power	<u>\$ 141,666,335</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Balance, July 1, 2014 (Restated)	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, 2015	Within One Year
Governmental Activities:					
Serial Bonds Payable	\$ 8,195,000		\$ 870,000	\$ 7,325,000	\$ 910,000
Add: Premium	<u>370,203</u>	-	<u>73,326</u>	<u>296,877</u>	-
Total Bonds Payable	8,565,203	-	943,326	7,621,877	910,000
Compensated Absences	1,006,457		64,560	941,897	-
Net Pension Liability	<u>11,657,411</u>	<u>98,954</u>	<u>246,451</u>	<u>11,509,914</u>	<u>534,686</u>
Governmental Activity Long-Term Liabilities	<u>\$ 21,229,071</u>	<u>\$ 98,954</u>	<u>\$ 1,254,337</u>	<u>\$ 20,073,688</u>	<u>\$ 1,444,686</u>

For the governmental activities, the liabilities for compensated absences and net pension liability are generally liquidated by the general fund.

**SOUTH PLAINFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the New Jersey Schools Insurance Group (NJSIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group attributable to a membership year during which they were a member.

NJSIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the Group are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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

<u>Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2015	\$ 1,084	\$ 50,210	\$ 25,436	\$ 641,170
2014	6,427	34,296	4,824	612,878
2013	61,368	48,765	47,668	576,832

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2015, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2015, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 billion, respectively.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**SOUTH PLAINFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

During the fiscal years ended June 30, 2015, 2014 and 2013 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2015	\$ 506,796	\$ 1,347,938	None
2014	459,587	1,063,986	None
2013	497,901	1,680,144	None

For fiscal years 2014/2015 and 2012/2013, the state contributed \$1,347,938 and \$1,680,144, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$1,063,986 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,001,968 during the fiscal year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

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

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$11,509,914 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share 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 governmental entities, actuarially determined. At June 30, 2014, the District's proportionate share was .06148 percent, which was an increase of .00048 percent from its proportionate share measured as of June 30, 2013.

**SOUTH PLAINFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$605,750 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 361,933	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 685,928
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>77,544</u>	<u>-</u>
Total	<u>\$ 439,477</u>	<u>\$ 685,928</u>

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

Fiscal Year Ending <u>June 30,</u>	
2016	\$ (90,696)
2017	(90,696)
2018	(90,696)
2019	(90,696)
2020	80,786
Thereafter	<u>35,547</u>
	<u>\$ (246,451)</u>

**SOUTH PLAINFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
	Based on Age
Thereafter	3.15-5.40%
	Based on Age
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**SOUTH PLAINFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%

**SOUTH PLAINFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to Pensions (Continued)**

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

PERS

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2033
Municipal Bond Rate *	From July 1, 2033 and Thereafter

* The municipal bond return rate used is 4.29%. 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.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	1% Decrease <u>(4.39%)</u>	Current Discount Rate <u>(5.39%)</u>	1% Increase <u>(6.39%)</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 14,479,817</u>	<u>\$ 11,509,914</u>	<u>\$ 9,015,946</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2014. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/trasury/pensions.

**SOUTH PLAINFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to Pensions (Continued)**

Teachers Pension and Annuity Fund (TPAF)

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$7,233,242 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$134,423,412. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 - June 30, 2012
Study Upon Which Actuarial	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (Continued)**

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (Continued)**

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.68%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

TPAF

Period of Projected Benefit

Payments for which the Following
Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2027

Municipal Bond Rate * From July 1, 2027
and Thereafter

* The municipal bond return rate used is 4.29%. 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.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.68%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$161,676,054</u>	<u>\$ 134,423,412</u>	<u>\$ 111,756,343</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2014. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2014.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2015, 2014 and 2013 were \$2,139,852, \$1,744,538 and \$1,899,818, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 5 RESTATEMENT

On July 1, 2014, the South Plainfield Board of Education implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The South Plainfield Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$11,657,411. v

The financial statements for June 30, 2014 have also been restated to reflect an updated inventory of the District's capital assets as provided by an independent consultant. The effect of this restatement results in a net increase of \$357,592 in governmental activities capital assets with a corresponding increase in the net investment in capital assets component of net position at June 30, 2014 from the amounts as originally reported for the effects of the adjustments to capital assets.

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 RESTATEMENT (Continued)

The results of these restatements is to reduce total net position of Governmental Activities as of June 30, 2014 from \$17,467,612, as originally reported to \$6,167,793. The effects of these restatements are as follows:

	<u>Beginning Balance Prior to Restatement</u>	<u>Restatement</u>	<u>Beginning Balance Restated</u>
<u>Governmental Activities:</u>			
ASSETS			
Capital Assets Being Depreciated, Net	\$ 19,948,975	\$ 357,592	\$ 20,306,567
Total Capital Assets, Net	21,350,996	357,592	21,708,588
Total Assets	27,260,182	357,592	27,617,774
Total Assets and Deferred Outflows of Resources	27,620,585	357,592	27,978,177
LIABILITIES			
Noncurrent Liabilities	9,571,660	11,657,411	21,229,071
Total Liabilities	10,152,973	11,657,411	21,810,384
Total Liabilities and Deferred Inflows of Resources	10,152,973	11,657,411	21,810,384
NET POSITION			
Net Investment in Capital Assets	13,146,196	357,592	13,503,788
Unrestricted	1,772,868	(11,657,411)	(9,884,543)
Total Net Position	\$ 17,467,612	\$ (11,299,819)	\$ 6,167,793

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

**SOUTH PLAINFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 43,653,001		\$ 43,653,001	\$ 43,653,001	
Transportation Fees	150,000		150,000	198,711	\$ 48,711
Miscellaneous	150,000	-	150,000	136,703	(13,297)
Total Local Revenues	<u>43,953,001</u>	<u>-</u>	<u>43,953,001</u>	<u>43,988,415</u>	<u>35,414</u>
State Sources					
Equalization Aid	6,660,858	-	6,660,858	6,660,858	-
Special Education Aid	2,204,418	-	2,204,418	2,204,418	-
Security Aid	97,143	-	97,143	97,143	-
Transportation Aid	100,859	-	100,859	100,859	-
Extraordinary Aid	150,000	-	150,000	246,674	96,674
Parcc Readiness Aid	34,410	-	34,410	34,410	-
Per Pupil Growth Aid	34,410	-	34,410	34,410	-
Non-Public Transportation Aid	-	-	-	26,100	26,100
On Behalf TPAF Contributions (Non Budgeted)					
Pension Contribution - NCGI Premium				90,469	90,469
Pension Benefit Contribution				1,257,469	1,257,469
Post Retirement Medical Benefit Contribution				2,139,852	2,139,852
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	2,001,968	2,001,968
Total State Revenues	<u>9,282,098</u>	<u>-</u>	<u>9,282,098</u>	<u>14,894,630</u>	<u>5,612,532</u>
Federal Sources					
Medicaid Reimbursement	25,790	-	25,790	68,769	42,979
Total Federal Revenues	<u>25,790</u>	<u>-</u>	<u>25,790</u>	<u>68,769</u>	<u>42,979</u>
Total Revenues	<u>53,260,889</u>	<u>-</u>	<u>53,260,889</u>	<u>58,951,814</u>	<u>5,690,925</u>
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Preschool	136,753	\$ (2,551)	134,202	134,202	-
Kindergarten	1,111,160	(226,737)	884,423	884,423	-
Grades 1-5	6,121,943	(375,533)	5,746,410	5,746,410	-
Grades 6-8	3,839,563	79,618	3,919,181	3,919,181	-
Grades 9-12	5,410,399	(197,784)	5,212,615	5,212,615	-
Regular Programs - Home Instruction					
Salaries of Teachers	30,000	(3,285)	26,715	26,144	571
Purchased Professional/Educational Services	-	24,993	24,993	22,560	2,433
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	82,206	(56,497)	25,709	25,709	-
Purchased Professional/Educational Services	14,000	563,077	577,077	567,883	9,194
Purchased Technical Services	118,171	(4,900)	113,271	113,257	14
Other Purchased Services	133,650	46,889	180,539	158,742	21,797
General Supplies	661,592	33,875	695,467	660,714	34,753
Textbooks	29,796	(10,578)	19,218	17,915	1,303
Other Objects	9,955	-	9,955	5,379	4,576
Total Regular Programs	<u>17,699,188</u>	<u>(129,413)</u>	<u>17,569,775</u>	<u>17,495,134</u>	<u>74,641</u>
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	255,888	(6,055)	249,833	244,252	5,581
Other Salaries for Instruction	87,036	(3,465)	83,571	82,156	1,415
Total Learning / Language Disabilities	<u>342,924</u>	<u>(9,520)</u>	<u>333,404</u>	<u>326,408</u>	<u>6,996</u>

**SOUTH PLAINFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Visually Impaired					
Other Salaries for Instruction	-	\$ 11,224	\$ 11,224	\$ 11,224	-
Total Visually Impaired	-	11,224	11,224	11,224	-
Multiple Disabilities					
Salaries of Teachers	\$ 275,468	116,318	391,786	388,498	\$ 3,288
Other Salaries for Instruction	89,376	(3,846)	85,530	82,516	3,014
Purchased Professional/Educational Services	-	2,460	2,460	588	1,872
General Supplies	8,600	-	8,600	4,142	4,458
Total Multiple Disabilities	373,444	114,932	488,376	475,744	12,632
Resource Room / Resource Center					
Salaries of Teachers	2,776,383	(184,779)	2,591,604	2,591,604	-
Other Salaries for Instruction	760,542	(10,000)	750,542	743,573	6,969
Purchased Professional/Educational Services	-	92,813	92,813	71,681	21,132
General Supplies	18,663	(7,212)	11,451	10,117	1,334
Textbooks	-	3,712	3,712	1,673	2,039
Total Resource Room / Resource Center	3,555,588	(105,466)	3,450,122	3,418,648	31,474
Preschool Disabilities - Full - Time					
Salaries of Teachers	124,553	840	125,393	125,352	41
Other Salaries for Instruction	213,925	(840)	213,085	204,758	8,327
General Supplies	2,500	-	2,500	2,169	331
Total Preschool Disabilities - Full - Time	340,978	-	340,978	332,279	8,699
Home Instruction					
Salaries of Teachers	30,000	(15,000)	15,000	9,106	5,894
Purchased Professional/Educational Services	20,000	(16,960)	3,040	1,726	1,314
Total Home Instruction	50,000	(31,960)	18,040	10,832	7,208
Total Special Education	4,662,934	(20,790)	4,642,144	4,575,135	67,009
Basic Skills/Remedial					
Salaries of Teachers	507,175	(24,504)	482,671	481,966	705
Total Basic Skills/Remedial	507,175	(24,504)	482,671	481,966	705
Bilingual Education					
Salaries of Teachers	288,620	(35,170)	253,450	249,569	3,881
Total Bilingual Education	288,620	(35,170)	253,450	249,569	3,881
School Sponsored Co-Curricular Activities					
Salaries	134,686	1,500	136,186	130,179	6,007
Purchased Services	-	1,500	1,500	1,500	-
Supplies and Materials	22,750	5,000	27,750	14,687	13,063
Other Objects	9,380	6,000	15,380	5,285	10,095
Total School Sponsored Co-Curricular Activities	166,816	14,000	180,816	151,651	29,165
School Sponsored Athletics - Instruction					
Salaries	654,391	(60,464)	593,927	585,374	8,553
Purchased Services	150,205	(9,735)	140,470	117,538	22,932
Supplies and Materials	53,851	13,613	67,464	66,732	732
Other Objects	41,286	-	41,286	35,560	5,726
Total School Sponsored Athletics - Instruction	899,733	(56,586)	843,147	805,204	37,943
Total - Instruction	24,224,466	(252,463)	23,972,003	23,758,659	213,344

**SOUTH PLAINFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Regular	\$ 6,000	\$ 1,790	\$ 7,790	\$ 6,000	\$ 1,790
Tuition - Other LEA's Within State - Special	216,874	(107,145)	109,729	106,205	3,524
Tuition to County Special Services - School Districts & Regional Day Schools	820,750	98,626	919,376	813,006	106,370
Tuition to Private Schools - Disabled Within State	316,333	207,361	523,694	494,736	28,958
Tuition - State Facilities	17,699	(14,808)	2,891	2,890	1
Tuition - Other	-	106,626	106,626	106,626	-
Total Undistributed Expenditures - Instruction	1,377,656	292,450	1,670,106	1,529,463	140,643
Attendance and Social Work Services					
Salaries	90,184	12,540	102,724	102,723	1
Total Attendance and Social Work Services	90,184	12,540	102,724	102,723	1
Health Services					
Salaries	679,859	-	679,859	672,002	7,857
Purchased Professional and Technical Services	12,060	-	12,060	7,110	4,950
Other Purchased Services	2,000	(383)	1,617	145	1,472
Supplies and Materials	17,900	178	18,078	15,803	2,275
Other Objects	805	205	1,010	902	108
Total Health Services	712,624	-	712,624	695,962	16,662
Speech, OT, PT and Related Services					
Salaries	461,769	(20,924)	440,845	435,526	5,319
Purchased Professional-Educational Services	569,405	126,503	695,908	641,780	54,128
Supplies and Materials	8,700	(2,200)	6,500	6,403	97
Total Speech, OT, PT and Related Services	1,039,874	103,379	1,143,253	1,083,709	59,544
Other Support Services-Students-Extra Services					
Salaries	155,462	47,253	202,715	202,384	331
Purchased Professional-Educational Services	161,000	7,977	168,977	141,128	27,849
Supplies and Materials	5,800	4,500	10,300	9,434	866
Total Other Support Services-Extra	322,262	59,730	381,992	352,946	29,046
Guidance					
Salaries of Other Professional Staff	1,100,439	(126,403)	974,036	966,515	7,521
Salaries of Secretarial and Clerical Assistants	145,876	300	146,176	146,176	-
Purchased Professional and Technical Services	2,500	-	2,500	-	2,500
Other Purchased Services	14,219	(428)	13,791	11,413	2,378
Supplies and Materials	43,615	(5,404)	38,211	36,139	2,072
Other Objects	2,850	5	2,855	2,855	-
Total Guidance	1,309,499	(131,930)	1,177,569	1,163,098	14,471
Child Study Team					
Salaries of Other Professional Staff	709,682	2,900	712,582	711,523	1,059
Salaries of Secretarial and Clerical Assistants	139,776	(2,900)	136,876	134,324	2,552
Other Salaries	101,439	(101,439)	-	-	-
Purchased Professional-Educational Services	25,000	10,010	35,010	33,683	1,327
Other Purchased Professional/Technical Services	7,500	9,885	17,385	17,295	90
Other Purchased Services	-	8,710	8,710	5,423	3,287
Miscellaneous Purchased Services	13,500	(2,728)	10,772	9,650	1,122
Supplies and Materials	15,000	1,540	16,540	16,088	452
Other Objects	500	(282)	218	218	-
Total Child Study Team	1,012,397	(74,304)	938,093	928,204	9,889

**SOUTH PLAINFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	\$ 490,301	\$ 85,425	\$ 575,726	\$ 575,724	\$ 2
Salaries of Other Professional Staff	33,792	(33,792)	-	-	-
Salaries of Secretarial and Clerical Assistants	-	34,299	34,299	34,298	1
Other Salaries	146,320	-	146,320	109,658	36,662
Other Purchased Services	55,491	(25,022)	30,469	22,910	7,559
Supplies and Materials	115,202	12,458	127,660	98,216	29,444
Other Objects	5,380	(507)	4,873	1,195	3,678
Total Improvement of Instruction Services	846,486	72,861	919,347	842,001	77,346
Educational Media Services/School Library					
Salaries	469,627	(4,000)	465,627	462,942	2,685
Purchased Professional and Technical Services	1,030	-	1,030	829	201
Other Purchased Services	39,805	2,710	42,515	39,068	3,447
Supplies and Materials	36,529	790	37,319	36,488	831
Other Objects	250	-	250	-	250
Total Educational Media Services/School Library	547,241	(500)	546,741	539,327	7,414
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	266,944	-	266,944	264,414	2,530
Salaries of Secretarial and Clerical Assistants	16,967	32	16,999	16,999	-
Other Salaries	-	-	-	-	-
Purchased Professional-Educational Services	27,500	(10,000)	17,500	9,050	8,450
Other Purchased Services	29,250	10,000	39,250	7,258	31,992
Supplies and Materials	3,650	-	3,650	40	3,610
Other Objects	5,375	(32)	5,343	619	4,724
Total Instructional Staff Training Services	349,686	-	349,686	298,380	51,306
Support Services General Administration					
Salaries	363,060	(6,449)	356,611	355,777	834
Legal Services	190,000	(25,520)	164,480	74,990	89,490
Audit Fees	50,000	-	50,000	41,475	8,525
Architectural/Engineering Services	35,000	22,000	57,000	7,923	49,077
Other Purchased Professional Services	4,100	-	4,100	4,040	60
Communications/Telephone	148,000	-	148,000	117,360	30,640
BOE Other Purchased Services	16,700	-	16,700	5,284	11,416
Miscellaneous Purchased Services	281,587	-	281,587	240,073	41,514
General Supplies	10,610	-	10,610	1,948	8,662
BOE In House Training/Meeting Supplies	1,800	-	1,800	1,333	467
Miscellaneous Expenditures	10,979	-	10,979	9,686	1,293
BOE Membership Dues and Fees	26,112	-	26,112	22,821	3,291
Total Support Services General Administration	1,137,948	(9,969)	1,127,979	882,710	245,269
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	1,493,878	430,515	1,924,393	1,924,388	5
Salaries of Secretarial and Clerical Assistants	632,701	3,908	636,609	636,607	2
Other Purchased Services	42,172	(3,725)	38,447	35,915	2,532
Supplies and Materials	29,484	664	30,148	26,949	3,199
Other Objects	10,147	(3,938)	6,209	5,768	441
Total Support Services School Administration	2,208,382	427,424	2,635,806	2,629,627	6,179

**SOUTH PLAINFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Central Services					
Salaries	\$ 557,975	\$ 9,285	\$ 567,260	\$ 566,846	\$ 414
Purchased Professional Services	18,900	2,595	21,495	12,040	9,455
Purchased Technical Services	15,500	725	16,225	16,220	5
Miscellaneous Purchased Services	87,000	8,906	95,906	86,265	9,641
Supplies and Materials	63,350	(13,050)	50,300	43,735	6,565
Other Objects	4,700	(150)	4,550	3,822	728
Total Central Services	747,425	8,311	755,736	728,928	26,808
Admin. Info. Tech					
Salaries	347,974	61,308	409,282	407,707	1,575
Purchased Technical Services	252,081	(20,813)	231,268	223,122	8,146
Other Purchased Services	1,500	7,988	9,488	8,549	939
Supplies and Materials	7,200	98,067	105,267	28,027	77,240
Total Admin. Info. Tech	608,755	146,550	755,305	667,405	87,900
Required Maintenance for School Facilities					
Salaries	-	16,140	16,140	16,140	-
Cleaning, Repair & Maintenance Services	723,000	31,449	754,449	738,120	16,329
General Supplies	130,050	(3,407)	126,643	102,540	24,103
Total Required Maintenance for School Facilities	853,050	44,182	897,232	856,800	40,432
Custodial Services					
Salaries	235,978	(235,978)	-	-	-
Salaries of Non-Instructional Aides	-	255,018	255,018	254,284	734
Purchased Professional & Technical Services	92,310	104,520	196,830	161,462	35,368
Cleaning, Repair and Maintenance Services	1,705,950	(112,839)	1,593,111	1,556,337	36,774
Other Purchased Property Services	136,170	425	136,595	136,593	2
Insurance	139,655	11,243	150,898	150,898	-
General Supplies	43,005	(14,464)	28,541	11,252	17,289
Energy (Natural Gas)	444,250	(68,910)	375,340	330,990	44,350
Energy (Electricity)	845,530	28,910	874,440	873,396	1,044
Other Objects	14,508	(10,933)	3,575	196	3,379
Total Custodial Services	3,657,356	(43,008)	3,614,348	3,475,408	138,940
Care and Upkeep of Grounds					
Cleaning, Repair & Maintenance Services	472,060	(91,050)	381,010	275,313	105,697
General Supplies	65,263	25,000	90,263	67,034	23,229
Total Care and Upkeep of Grounds	537,323	(66,050)	471,273	342,347	128,926
Security					
Salaries	36,406	(7,451)	28,955	28,954	1
Purchased Professional and Technical Services	-	-	-	38,232	(38,232)
General Supplies	255	35	290	290	-
Total Security	36,661	(7,416)	29,245	67,476	(38,231)

**SOUTH PLAINFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
Student Transportation Services					
Salaries of Non-Instructional Aides	\$ 141,830	\$ 8,090	\$ 149,920	\$ 149,350	\$ 570
Salaries for Pupil Transportation (Between Home and School) - Regular	536,704	16,450	553,154	548,564	4,590
Salaries for Pupil Transportation (Between Home and School) - Special	339,770	(43,850)	295,920	286,895	9,025
Salaries for Pupil Transportation (Other Than Between Home & School)	100,000	4,000	104,000	99,158	4,842
Cleaning, Repair and Maintenance Services	144,800	(4,444)	140,356	132,788	7,568
Aid in Lieu Payments - NonPublic Schools	119,340	(20,696)	98,644	98,644	-
Aid in Lieu Payments - Charter Schools	3,536	(1,768)	1,768	1,768	-
Contracted Services (Other Than Between Home and School) - Vendors	20,000	-	20,000		20,000
Contracted Services (Special Education Students) - Joint Agreements	140,000	28,395	168,395	80,761	87,634
Contracted Services (Spec Ed) - ESC's & CTSA's	205,000	170,995	375,995	335,338	40,657
Miscellaneous Purchased Services - Transportation	81,000	(4,000)	77,000	73,641	3,359
General Supplies	15,000	-	15,000	13,861	1,139
Transportation Supplies	154,200	(75,000)	79,200	66,074	13,126
Other Objects	7,171	(412)	6,759	4,391	2,368
Total Student Transportation Services	2,008,351	77,760	2,086,111	1,891,233	194,878
Unallocated Benefits					
Social Security Contributions	710,000	-	710,000	522,960	187,040
Other Retirement Contributions - PERS	565,000	(58,204)	506,796	506,796	-
Unemployment Compensation	85,000	(1)	84,999	1,084	83,915
Miscellaneous Purchased Services	-	-	-	-	-
Workmen's Compensation	174,948	401	175,349	175,348	1
Health Benefits	9,500,000	(525,125)	8,974,875	8,561,538	413,337
Tuition Reimbursement	10,000	28,365	38,365	38,365	-
Other Employee Benefits	59,923	(28,765)	31,158	250	30,908
Total Unallocated Benefits	11,104,871	(583,329)	10,521,542	9,806,341	715,201
On Behalf TPAF Contributions (Non Budgeted)					
Pension Contribution - NCGI Premium		-		90,469	(90,469)
Pension Benefit Contribution				1,257,469	(1,257,469)
Post Retirement Medical Benefit Contribution		-		2,139,852	(2,139,852)
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	2,001,968	(2,001,968)
Total On-Behalf Contributions	-	-	-	5,489,758	(5,489,758)
Total Undistributed Expenditures	30,508,031	328,681	30,836,712	34,373,846	(3,537,134)
Total Expenditures - Current Expenditures	54,732,497	76,218	54,808,715	58,132,505	(3,323,790)

**SOUTH PLAINFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CAPITAL OUTLAY					
Equipment					
Grades 9-12		\$ 268,397	\$ 268,397	\$ 268,397	-
School Sponsored Athletics		15,559	15,559	5,094	\$ 10,465
Support Services					
Health		3,855	3,855	3,855	-
Required Maintenance		5,999	5,999	5,999	-
Non-Instructional - Food Service		6,746	6,746	6,746	-
School Buses - Special	\$ 65,000	(190)	64,810	64,527	283
Total Equipment	<u>65,000</u>	<u>300,366</u>	<u>365,366</u>	<u>354,618</u>	<u>10,748</u>
Facilities Acquisition and Construction Services					
Architectural/Engineer Services	444,000	(434,042)	9,958	7,785	2,173
Construction Services	426,400	(249,325)	177,075	7,655	169,420
Other Objects	64,257	-	64,257	64,257	-
Total Facilities Acquis. and Const. Services	<u>934,657</u>	<u>(683,367)</u>	<u>251,290</u>	<u>79,697</u>	<u>171,593</u>
Total Capital Outlay	<u>999,657</u>	<u>(383,001)</u>	<u>616,656</u>	<u>434,315</u>	<u>182,341</u>
Charter Schools					
Transfer To Charter Schools	55,480	(11,063)	44,417	19,452	24,965
Total Transfer to Charter Schools	<u>55,480</u>	<u>(11,063)</u>	<u>44,417</u>	<u>19,452</u>	<u>24,965</u>
Total Expenditures	<u>55,787,634</u>	<u>(317,846)</u>	<u>55,469,788</u>	<u>58,586,272</u>	<u>(3,116,484)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,526,745)	317,846	(2,208,899)	365,542	2,574,441
Other Financing Sources (Uses)					
ROD Grants - State Share	870,000	(870,000)	-	-	-
Transfers Out - Capital Projects Fund	(1,305,600)	(176,000)	(1,481,600)	(1,481,600)	-
Transfers In - Enterprise Funds	400,000	-	400,000	400,000	-
Total Other Financing Sources (Uses)	<u>(35,600)</u>	<u>(1,046,000)</u>	<u>(1,081,600)</u>	<u>(1,081,600)</u>	<u>-</u>
Net Change in Fund Balances	<u>(2,562,345)</u>	<u>(728,154)</u>	<u>(3,290,499)</u>	<u>(716,058)</u>	<u>2,574,441</u>
Fund Balances, Beginning of Year	<u>6,517,201</u>	<u>-</u>	<u>6,517,201</u>	<u>6,517,201</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 3,954,856</u>	<u>\$ (728,154)</u>	<u>\$ 3,226,702</u>	<u>\$ 5,801,143</u>	<u>\$ 2,574,441</u>
Recapitulation					
Restricted					
Capital Reserve				\$ 1,033,879	
Maintenance Reserve				449,481	
Emergency Reserve				196,533	
Reserved Excess Surplus				1,214,259	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				926,879	
Committed					
Year End Encumbrances				169,420	
Assigned					
Year End Encumbrances				290,092	
SEMI - ARRA				8,143	
Designated for Subsequent Year's Expenditures				298,121	
Unassigned				1,214,336	
				5,801,143	
Reconciliation to Governmental Funds Statements (GAAP)					
Less State Aid Revenue Not Recognized on GAAP Basis				(1,126,446)	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 4,674,697</u>	

**SOUTH PLAINFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 225,443	\$ 105,462	\$ 330,905	\$ 188,861	\$ (142,044)
Federal	1,083,000	326,718	1,409,718	966,479	(443,239)
Local Sources					
Miscellaneous	-	79,360	79,360	48,378	(30,982)
Total Revenues	<u>\$ 1,308,443</u>	<u>\$ 511,540</u>	<u>\$ 1,819,983</u>	<u>\$ 1,203,718</u>	<u>\$ (616,265)</u>
EXPENDITURES					
Instruction					
Salaries	\$ 385,267	\$ (80,736)	\$ 304,531	\$ 73,892	\$ 230,639
Purchased Professional / Technical Services	109,000	110,756	219,756	166,011	53,745
Other Purchased Services	800,000	72,720	872,720	793,174	79,546
General Supplies		160,095	160,095	67,179	92,916
Textbooks	-	32,485	32,485	32,485	-
Total Instruction	<u>1,294,267</u>	<u>295,320</u>	<u>1,589,587</u>	<u>1,132,741</u>	<u>456,846</u>
Support Services - Instruction					
Purchased Professional / Technical Services	14,176	205,548	219,724	69,510	150,214
Other Purchased Services		9,205	9,205	-	9,205
Supplies and Materials	-	1,467	1,467	1,467	-
Total Support Services	<u>14,176</u>	<u>216,220</u>	<u>230,396</u>	<u>70,977</u>	<u>159,419</u>
Total Expenditures	<u>1,308,443</u>	<u>511,540</u>	<u>1,819,983</u>	<u>1,203,718</u>	<u>616,265</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION - PART II**

**SOUTH PLAINFIELD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Funds 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 reports.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 58,951,814	\$ 1,203,718
Difference - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2014-2015)	(1,126,446)	(5,280)
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2013-2014)	1,023,054	5,280
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2015		(17,395)
Encumbrances, June 30, 2014	-	12,047
	<u> </u>	<u> </u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 58,848,422</u>	<u>\$ 1,198,370</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 58,586,272	\$ 1,203,718
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances , June 30, 2015		(17,395)
Encumbrances , June 30, 2014	-	12,047
	<u> </u>	<u> </u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 58,586,272</u>	<u>\$ 1,198,370</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

**SOUTH PLAINFIELD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Two Fiscal Years*

	<u>2015</u>		<u>2014</u>	
District's Proportion of the Net Position Liability (Asset)	0.06148	%	0.06100	%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 11,509,914		\$ 11,657,411	
District's Covered-Employee Payroll	\$ 4,280,395		\$ 4,226,933	
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	268.90	%	275.79	%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08	%	48.72	%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**SOUTH PLAINFIELD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Two Fiscal Years

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 506,796	\$ 459,587
Contributions in Relation to the Contractually Required Contribution	<u>506,796</u>	<u>459,587</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$4,280,395	\$4,226,933
Contributions as a Percentage of Covered-Employee Payroll	11.84%	10.87%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**SOUTH PLAINFIELD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Two Fiscal Years*

	2015	2014
District's Proportion of the Net Position Liability (Asset)	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>134,423,412</u> ^v	<u>131,412,811</u> ^v
Total	<u>\$ 134,423,412</u>	<u>\$ 131,412,811</u>
District's Covered-Employee Payroll	\$ 25,542,258	\$ 24,719,460
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**SOUTH PLAINFIELD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Change of Benefit Terms: None.

Change of Assumptions: The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

SCHOOL LEVELS SCHEDULES

GENERAL FUND

NOT APPLICABLE

SPECIAL REVENUE FUND

SOUTH PLAINFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Other Local Programs	Nonpublic Textbook	Nonpublic Nursing	Chapter 192			Chapter 193			Preschool Education Aid	Nonpublic Technology	Other (Exhibit E-1a)	Total 2015
				Nonpublic Compensatory Education	Nonpublic English as a Second Language	Nonpublic Transportation	Nonpublic Exam & Classification	Nonpublic Corrective Speech	Nonpublic Suppl. Inst.				
REVENUES													
Intergovernmental													
State		\$ 32,485	\$ 51,830	\$ 30,765	\$ 20,097	\$ 10,898	\$ 7,927	\$ 9,719	\$ 7,847	\$ -	\$ 17,293	\$ 188,861	
Federal												\$ 966,479	
Other Sources	\$ 48,378	-	-	-	-	-	-	-	-	-	-	48,378	
Total Revenues	\$ 48,378	\$ 32,485	\$ 51,830	\$ 30,765	\$ 20,097	\$ 10,898	\$ 7,927	\$ 9,719	\$ 7,847	\$ -	\$ 17,293	\$ 1,203,718	
EXPENDITURES													
Instruction													
Salaries										\$ -	\$ 73,892	\$ 73,892	
Purchased Professional / Technical Services				\$ 30,765	\$ 20,097	\$ 10,898	\$ 7,927	\$ 9,719	\$ 7,847	\$ -	\$ 17,293	\$ 166,011	
Other Purchased Services												\$ 793,174	
General Supplies	\$ 46,911											\$ 20,268	
Textbooks		\$ 32,485											
Total Instruction	46,911	32,485	-	30,765	20,097	10,898	7,927	9,719	7,847	-	17,293	948,799	
Support Services													
Purchased Professional / Technical Services			\$ 51,830									\$ 17,680	
Supplies and Materials	1,467												
Total Support Services	1,467	-	51,830	-	-	-	-	-	-	-	-	17,680	
Total Expenditures	\$ 48,378	\$ 32,485	\$ 51,830	\$ 30,765	\$ 20,097	\$ 10,898	\$ 7,927	\$ 9,719	\$ 7,847	\$ -	\$ 17,293	\$ 966,479	

SOUTH PLAINFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>IDEA - Basic</u> <u>2014/2015</u>	<u>2013/2014</u>	<u>NCLB Title I</u> <u>2014/2015</u>	<u>IDEA</u> <u>Preschool</u>	<u>NCLB Title IIA</u> <u>2014/2015</u>	<u>Title III</u> <u>Emergency Immigrant</u> <u>2014/2015</u>	<u>NCLB Title III</u> <u>2014/2015</u>	<u>Total</u> <u>Exhibit</u> <u>E-1a</u>
REVENUES								
Intergovernmental								
Federal	\$ 717,601	\$ 14,228	\$ 123,962	\$ 25,000	\$ 60,969	\$ 9,090	\$ 15,629	\$ 966,479
Total Revenues	<u>\$ 717,601</u>	<u>\$ 14,228</u>	<u>\$ 123,962</u>	<u>\$ 25,000</u>	<u>\$ 60,969</u>	<u>\$ 9,090</u>	<u>\$ 15,629</u>	<u>\$ 966,479</u>
EXPENDITURES								
Instruction								
Salaries			\$ 67,415			\$ 3,178	\$ 3,299	\$ 73,892
Purchased Professional / Technical Services		\$ 14,228			\$ 47,237			61,465
Other Purchased Services	\$ 699,921		47,006	\$ 25,000	11,495	3,548	6,204	793,174
General Supplies	-	-	9,541	-	2,237	2,364	6,126	20,268
Total Instruction	<u>699,921</u>	<u>14,228</u>	<u>123,962</u>	<u>25,000</u>	<u>60,969</u>	<u>9,090</u>	<u>15,629</u>	<u>948,799</u>
Support Services								
Purchased Professional / Technical Services	17,680	-	-	-	-	-	-	17,680
Total Support Services	<u>17,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,680</u>
Total Expenditures	<u>\$ 717,601</u>	<u>\$ 14,228</u>	<u>\$ 123,962</u>	<u>\$ 25,000</u>	<u>\$ 60,969</u>	<u>\$ 9,090</u>	<u>\$ 15,629</u>	<u>\$ 966,479</u>

**SOUTH PLAINFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Instruction:			
Salaries of Teachers	\$ 102,267	\$ -	\$ 102,267
 Total Instruction/Expenditures	 <u>\$ 102,267</u>	 <u>\$ -</u>	 <u>\$ 102,267</u>
 Total Revised 2014-2015 Preschool Education Aid Allocation			 \$ 52,800
Add: Actual Preschool Aid Carryover (June 30, 2014)			65,767
Add: Budgeted Transfer from the General Fund 2014-2015			<u>-</u>
Total Preschool Education Aid Funds Available for 2014-2015 Budget			118,567
Less: Budgeted Preschool Education Aid			<u>(102,267)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015			16,300
Add: June 30, 2015 Unexpended Preschool Education Aid			<u>102,267</u>
2014-2015 Carryover - Preschool Education Aid			<u>\$ 118,567</u>
 2014-2015 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2015-2016			 <u>\$ -</u>

CAPITAL PROJECTS FUND

**SOUTH PLAINFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Project Title/Description</u>	<u>Expenditures to Date</u>			<u>Balance June 30, 2015</u>
	<u>Revised Appropriations</u>	<u>Prior Years</u>	<u>Current Year</u>	
Franklin School Security Upgrade	\$ 56,994		\$ 51,270	\$ 5,724
Kennedy School Security Upgrade	56,894		50,696	6,198
Riley School Security Upgrade	57,394		51,666	5,728
Roosevelt School Security Upgrade	24,000		14,918	9,082
Grant School Security Upgrade	54,369		47,742	6,627
Middle School Security Upgrade	39,110		34,395	4,715
High School Security Upgrade	135,239		133,158	2,081
Roosevelt Building Boiler Replacement	85,000		78,360	6,640
Kennedy School Boiler Replacement	85,000		65,360	19,640
Franklin School Fire Alarm Replacement	166,000		100,641	65,359
Kennedy School Fire Alarm Replacement	166,000		121,489	44,511
Riley School Fire Alarm Replacement	166,000		145,719	20,281
Grant School Partial Roof Replacement	<u>1,260,000</u>	<u>-</u>	<u>983,777</u>	<u>276,223</u>
	<u>\$ 2,352,000</u>	<u>\$ -</u>	<u>\$ 1,879,191</u>	<u>\$ 472,809</u>

Recapitulation of GAAP

Project Balance - June 30, 2015	\$ 472,809
Less: Unearned Grant Awards	<u>(176,694)</u>
Fund Balance - June 30, 2015 - GAAP Basis	<u>\$ 296,115</u>

Recapitulation of Fund Balance

Restricted for Capital Projects:	
Year End Encumbrances	\$ 45,535
Available for Capital Projects	<u>250,580</u>
Total Fund Balance - Restricted for Capital Projects	<u>\$ 296,115</u>

**SOUTH PLAINFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues and Other Financing Sources

State Sources - SDA Grant	\$ 870,400
Transfer - Capital Reserve	<u>1,481,600</u>
 Total Revenues	 <u>2,352,000</u>

Expenditures and Other Financing Uses

Purchased Professional and Technical Services	13,065
Construction Services	<u>1,866,126</u>
 Total Expenditures and Other Financing Uses	 <u>1,879,191</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	472,809
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Fund Balance, July 1, 2014	<u>-</u>
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Fund Balance, June 30, 2015	<u>\$ 472,809</u>
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Reconciliation to Governmental Fund Statements (GAAP):

Fund Balance - June 30, 2015 - Budgetary Basis	\$ 472,809
Less: Unearned Grant Awards	<u>(176,694)</u>
Fund Balance- June 30, 2015 - GAAP Basis	<u>\$ 296,115</u>

**SOUTH PLAINFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
FRANKLIN SCHOOL SECURITY UPGRADE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 17,600	\$ 17,600	\$ 17,600
Transfer from Capital Reserve	-	39,394	39,394	39,394
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	56,994	56,994	56,994
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	-	-	9,000
Construction Services	-	51,270	51,270	47,994
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	51,270	51,270	56,994
Excess of Revenues Over Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	\$ -	\$ 5,724	\$ 5,724	\$ -

Additional Project Information:

Project Number	4910-060-14-G1XQ
Grant Date	8/22/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 44,000
Additional Authorized Cost	\$ 12,994
Revised Authorized Cost	\$ 56,994

Percentage Increase Over Original Authorized Cost	29.53%
Percentage Completion	90%
Original Target Completion Date	6/30/15
Revised Target Completion Date	6/30/15

**SOUTH PLAINFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
KENNEDY SCHOOL SECURITY UPGRADE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 17,600	\$ 17,600	\$ 17,600
Transfer from Capital Reserve	-	39,294	39,294	39,294
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	56,894	56,894	56,894
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	-	-	9,000
Construction Services	-	50,696	50,696	47,894
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	50,696	50,696	56,894
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 6,198</u>	<u>\$ 6,198</u>	<u>\$ -</u>

Additional Project Information:

Project Number	4910-55-14-GIXM
Grant Date	8/22/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 44,000
Additional Authorized Cost	\$ 12,894
Revised Authorized Cost	\$ 56,894

Percentage Increase Over Original Authorized Cost	29.30%
Percentage Completion	89%
Original Target Completion Date	6/30/15
Revised Target Completion Date	6/30/15

**SOUTH PLAINFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RILEY SCHOOL SECURITY UPGRADE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 17,600	\$ 17,600	\$ 17,600
Transfer from Capital Reserve	-	39,794	39,794	39,794
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	57,394	57,394	57,394
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	-	-	9,000
Construction Services	-	51,666	51,666	48,394
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	51,666	51,666	57,394
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 5,728</u>	<u>\$ 5,728</u>	<u>\$ -</u>

Additional Project Information:

Project Number	4910-058-14-G1XO
Grant Date	8/22/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 44,000
Additional Authorized Cost	\$ 13,394
Revised Authorized Cost	\$ 57,394

Percentage Increase Over Original Authorized Cost	30.44%
Percentage Completion	90%
Original Target Completion Date	6/30/15
Revised Target Completion Date	6/30/15

**SOUTH PLAINFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
ROOSEVELT SCHOOL SECURITY UPGRADE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 9,600	\$ 9,600	\$ 9,600
Transfer from Capital Reserve	-	14,400	14,400	14,400
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	24,000	24,000	24,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	-	-	5,000
Construction Services	-	14,918	14,918	19,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	14,918	14,918	24,000
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 9,082</u>	<u>\$ 9,082</u>	<u>\$ -</u>

Additional Project Information:

Project Number	4910-080-14-G1XT
Grant Date	8/22/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 24,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 24,000

Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	62%
Original Target Completion Date	6/30/15
Revised Target Completion Date	6/30/15

**SOUTH PLAINFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
GRANT SCHOOL SECURITY UPGRADE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 16,400	\$ 16,400	\$ 16,400
Transfer from Capital Reserve	-	37,969	37,969	37,969
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	54,369	54,369	54,369
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	-	-	9,000
Construction Services	-	47,742	47,742	45,369
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	47,742	47,742	54,369
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 6,627</u>	<u>\$ 6,627</u>	<u>\$ -</u>

Additional Project Information:

Project Number	4910-070-14-G1XS
Grant Date	8/22/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 41,000
Additional Authorized Cost	\$ 13,369
Revised Authorized Cost	\$ 54,369

Percentage Increase Over Original

Authorized Cost	32.61%
Percentage Completion	88%
Original Target Completion Date	6/30/15
Revised Target Completion Date	6/30/15

**SOUTH PLAINFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MIDDLE SCHOOL SECURITY UPGRADE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 5,200	\$ 5,200	\$ 5,200
Transfer from Capital Reserve	-	33,910	33,910	33,910
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	39,110	39,110	39,110
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	-	-	3,000
Construction Services	-	34,395	34,395	36,110
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	34,395	34,395	39,110
Excess of Revenues Over Expenditures	<hr/> <u>\$ -</u>	<hr/> <u>\$ 4,715</u>	<hr/> <u>\$ 4,715</u>	<hr/> <u>\$ -</u>

Additional Project Information:

Project Number	4910-053-14-G1XJ
Grant Date	8/22/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 13,000
Additional Authorized Cost	\$ 26,110
Revised Authorized Cost	\$ 39,110

Percentage Increase Over Original Authorized Cost	200.85%
Percentage Completion	88%
Original Target Completion Date	6/30/15
Revised Target Completion Date	6/30/15

**SOUTH PLAINFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL SECURITY UPGRADE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 15,200	\$ 15,200	\$ 15,200
Transfer from Capital Reserve	-	120,039	120,039	120,039
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	135,239	135,239	135,239
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	-	-	8,000
Construction Services	-	133,158	133,158	127,239
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	133,158	133,158	135,239
Excess of Revenues Over Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	\$ -	\$ 2,081	\$ 2,081	\$ -

Additional Project Information:

Project Number	4910-050-14-G1XI
Grant Date	8/22/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 38,000
Additional Authorized Cost	\$ 97,239
Revised Authorized Cost	\$ 135,239

Percentage Increase Over Original Authorized Cost	255.89%
Percentage Completion	98%
Original Target Completion Date	6/30/15
Revised Target Completion Date	6/30/15

**SOUTH PLAINFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
ROOSEVELT PRE K/ADMINISTRATION BUILDING BOILER REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 34,000	\$ 34,000	\$ 34,000
Transfer from Capital Reserve	-	51,000	51,000	51,000
Total Revenues	<u>-</u>	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	360	360	19,000
Construction Services	-	78,000	78,000	66,000
Total Expenditures	<u>-</u>	<u>78,360</u>	<u>78,360</u>	<u>85,000</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 6,640</u>	<u>\$ 6,640</u>	<u>\$ -</u>

Additional Project Information:

Project Number	4910-085-14-G1XU
Grant Date	8/22/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 85,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 85,000

Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	92%
Original Target Completion Date	6/30/15
Revised Target Completion Date	6/30/15

**SOUTH PLAINFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
KENNEDY SCHOOL BOILER REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 34,000	\$ 34,000	\$ 34,000
Transfer from Capital Reserve	-	51,000	51,000	51,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	85,000	85,000	85,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	360	360	19,000
Construction Services	-	65,000	65,000	66,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	65,360	65,360	85,000
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 19,640</u>	<u>\$ 19,640</u>	<u>\$ -</u>

Additional Project Information:

Project Number	4910-055-14-G1XK
Grant Date	8/22/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 85,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 85,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	77%
Original Target Completion Date	6/30/15
Revised Target Completion Date	6/30/15

**SOUTH PLAINFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
FRANKLIN SCHOOL FIRE ALARM REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 66,400	\$ 66,400	\$ 66,400
Transfer from Capital Reserve	-	99,600	99,600	99,600
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	166,000	166,000	166,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	750	750	34,000
Construction Services	-	99,891	99,891	132,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	100,641	100,641	166,000
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 65,359</u>	<u>\$ 65,359</u>	<u>\$ -</u>

Additional Project Information:

Project Number	4910-055-14-G1XP
Grant Date	8/22/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 166,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 166,000

Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	61%
Original Target Completion Date	6/30/15
Revised Target Completion Date	6/30/15

**SOUTH PLAINFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
KENNEDY SCHOOL FIRE ALARM REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 66,400	\$ 66,400	\$ 66,400
Transfer from Capital Reserve	-	99,600	99,600	99,600
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	166,000	166,000	166,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	750	750	34,000
Construction Services	-	120,739	120,739	132,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	121,489	121,489	166,000
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 44,511</u>	<u>\$ 44,511</u>	<u>\$ -</u>

Additional Project Information:

Project Number	4910-058-14-G1XL
Grant Date	8/22/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 166,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 166,000

Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	73%
Original Target Completion Date	6/30/15
Revised Target Completion Date	6/30/15

**SOUTH PLAINFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RILEY SCHOOL FIRE ALARM REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 66,400	\$ 66,400	\$ 66,400
Transfer from Capital Reserve	-	99,600	99,600	99,600
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	166,000	166,000	166,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	750	750	34,000
Construction Services	-	144,969	144,969	132,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	145,719	145,719	166,000
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 20,281</u>	<u>\$ 20,281</u>	<u>\$ -</u>

Additional Project Information:

Project Number	4910-058-14-G1XN
Grant Date	8/22/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 166,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 166,000

Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	88%
Original Target Completion Date	6/30/15
Revised Target Completion Date	6/30/15

**SOUTH PLAINFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
GRANT SCHOOL PARTIAL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 504,000	\$ 504,000	\$ 504,000
Transfer from Capital Reserve	-	756,000	756,000	756,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	1,260,000	1,260,000	1,260,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	10,095	10,095	39,487
Construction Services	-	973,682	973,682	1,220,513
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	983,777	983,777	1,260,000
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 276,223</u>	<u>\$ 276,223</u>	<u>\$ -</u>

Additional Project Information:

Project Number	4910-070-14-G1XR
Grant Date	8/22/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,260,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,260,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	78%
Original Target Completion Date	6/30/15
Revised Target Completion Date	6/30/15

PROPRIETARY FUNDS

EXHIBIT G-1

**SOUTH PLAINFIELD BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS
AGENCY FUNDS

**SOUTH PLAINFIELD BOARD OF EDUCATION
AGENCY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 128,915	\$ 386,471	\$ 515,386
Total Assets	<u>\$ 128,915</u>	<u>\$ 386,471</u>	<u>\$ 515,386</u>
LIABILITIES			
Due to Student Groups	\$ 128,915		\$ 128,915
Payroll Deductions and Withholdings		\$ 349,126	349,126
Accrued Salaries and Wages		3,312	3,312
Interfund Accounts Payable	<u>-</u>	<u>34,033</u>	<u>34,033</u>
Total Liabilities	<u>\$ 128,915</u>	<u>\$ 386,471</u>	<u>\$ 515,386</u>

SOUTH PLAINFIELD BOARD OF EDUCATION
 FIDUCIARY FUNDS
 NONEXPENDABLE TRUST FUND
 COMBINING STATEMENT OF CHANGES IN
 FIDUCIARY NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOT APPLICABLE

STUDENT ACTIVITY AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance, July 1, <u>2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2015</u>
GRANT SCHOOL STUDENT COUNCIL	\$ 6,070	\$ 1,128	\$ 827	\$ 6,371
MIDDLE SCHOOL STUDENT ACTIVITY	31,654	177,067	159,403	49,318
HIGH SCHOOL STUDENT ACTIVITY	<u>68,753</u>	<u>148,449</u>	<u>143,976</u>	<u>73,226</u>
	<u>\$ 106,477</u>	<u>\$ 326,644</u>	<u>\$ 304,206</u>	<u>\$ 128,915</u>

**SOUTH PLAINFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, <u>2015</u>
ASSETS				
Cash	\$ 1,231,855	\$ 36,251,229	\$ 37,096,613	\$ 386,471
Total Assets	<u>\$ 1,231,855</u>	<u>\$ 36,251,229</u>	<u>\$ 37,096,613</u>	<u>\$ 386,471</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 406,762	\$ 16,479,173	\$ 16,536,809	\$ 349,126
Accrued Salaries and Wages	1,570	19,738,023	19,736,281	3,312
Due to Other Funds				
General Fund	<u>823,523</u>	<u>34,033</u>	<u>823,523</u>	<u>34,033</u>
Total Liabilities	<u>\$ 1,231,855</u>	<u>\$ 36,251,229</u>	<u>\$ 37,096,613</u>	<u>\$ 386,471</u>

LONG-TERM DEBT

**SOUTH PLAINFIELD BOARD OF EDUCATION
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2014</u>	<u>Decreased</u>	<u>Balance, June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds	7/15/2009	\$ 9,765,000	7/15/2015	\$ 910,000	4.50%	<u>\$ 8,195,000</u>	<u>\$ 870,000</u>	<u>\$ 7,325,000</u>
			7/15/2016	960,000	5.00%			
			7/15/2017	995,000	3.00%			
			7/15/2018	1,040,000	4.25%			
			7/15/2019	1,085,000	4.50%			
			7/15/2020	1,140,000	5.00%			
			7/15/2021	1,195,000	5.00%			
					<u>\$ 8,195,000</u>	<u>\$ 870,000</u>	<u>\$ 7,325,000</u>	
						<u>\$ 870,000</u>		
					Paid by Budget Appropriation	<u>\$ 870,000</u>		

**SOUTH PLAINFIELD BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

**SOUTH PLAINFIELD BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,216,563	-	\$ 1,216,563	\$ 1,216,563	-
Total Revenues	<u>1,216,563</u>	<u>-</u>	<u>1,216,563</u>	<u>1,216,563</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	870,000		870,000	870,000	-
Interest	<u>346,563</u>	<u>-</u>	<u>346,563</u>	<u>345,975</u>	\$ 588
Total Expenditures	<u>1,216,563</u>	<u>-</u>	<u>1,216,563</u>	<u>1,215,975</u>	<u>588</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	-	-	-	588	(588)
Fund Balance, Beginning of Year	<u>588</u>	<u>-</u>	<u>588</u>	<u>588</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 588</u>	<u>\$ -</u>	<u>\$ 588</u>	<u>\$ 1,176</u>	<u>\$ (588)</u>
Recapitulation of Fund Balance					
Restricted For Debt Services:					
Undesignated				<u>\$ 1,176</u>	
Total Fund Balances Restricted For Debt Services				<u>\$ 1,176</u>	

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government'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 government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government 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 for the relevant year.

SOUTH PLAINFIELD BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Invested in capital assets, net of related debt	\$ 2,760,586	\$ 4,393,358	\$ 4,687,615	\$ 5,943,343	\$ 7,499,986	\$ 6,784,851	\$ 7,082,547	\$ 12,268,014	\$ 13,503,788	\$ 15,516,546
Restricted			5,917,921	6,950,391	5,861,710	5,156,707	3,386,689	3,489,765	2,548,548	1,780,651
Unrestricted	696,887	1,689,210	(195,897)	(825,142)	(349,647)	(708,454)	2,386,482	1,833,466	(9,884,543)	(9,657,745)
Total governmental activities net position	<u>\$ 3,457,473</u>	<u>\$ 6,082,568</u>	<u>\$ 10,409,639</u>	<u>\$ 12,068,592</u>	<u>\$ 13,012,049</u>	<u>\$ 11,233,104</u>	<u>\$ 12,855,718</u>	<u>\$ 17,591,245</u>	<u>\$ 6,167,793</u>	<u>\$ 7,639,452</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 95,208	\$ 97,677	\$ 90,356	\$ 83,035	\$ 90,092	\$ 77,411	\$ 219,204	\$ 244,255	\$ 219,324	\$ 194,393
Restricted										
Unrestricted	348,620	430,615	654,732	873,446	1,057,047	1,148,665	1,253,294	1,338,934	1,353,804	944,768
Total business-type activities net position	<u>\$ 443,828</u>	<u>\$ 528,292</u>	<u>\$ 745,088</u>	<u>\$ 956,481</u>	<u>\$ 1,147,139</u>	<u>\$ 1,226,076</u>	<u>\$ 1,472,498</u>	<u>\$ 1,583,189</u>	<u>\$ 1,573,128</u>	<u>\$ 1,139,161</u>
District-wide										
Invested in capital assets, net of related debt	\$ 2,855,794	\$ 4,491,035	\$ 4,777,971	\$ 6,026,378	\$ 7,590,078	\$ 6,862,262	\$ 7,301,751	\$ 12,512,269	\$ 13,723,112	\$ 15,710,939
Restricted			5,917,921	6,950,391	5,861,710	5,156,707	3,386,689	3,489,765	2,548,548	1,780,651
Unrestricted	1,045,507	2,119,825	458,835	48,304	707,400	440,211	3,639,776	3,172,400	(8,530,739)	(8,712,977)
Total district net position	<u>\$ 3,901,301</u>	<u>\$ 6,610,860</u>	<u>\$ 11,154,727</u>	<u>\$ 13,025,073</u>	<u>\$ 14,159,188</u>	<u>\$ 12,459,180</u>	<u>\$ 14,328,216</u>	<u>\$ 19,174,434</u>	<u>\$ 7,740,921</u>	<u>\$ 8,778,613</u>

Note 1 - Net Position at June 30, 2012 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities" and recording of amounts related to the District's 2009 refunding bonds and governmental activities capital assets.

Note 2- Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions"

SOUTH PLAINFIELD BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (Unaudited)
 (accrual basis of accounting)

	2006	2007	2008	2009	Fiscal Year Ending June 30,		2012	2013	2014	2015
					2010	2011				
Expenses										
Governmental activities										
Instruction										
Regular	\$ 17,814,248	\$ 24,943,639	\$ 23,899,746	\$ 23,907,312	\$ 24,613,371	\$ 24,293,199	\$ 24,701,312	\$ 25,895,594	\$ 26,744,764	\$ 29,815,485
Special Education	3,996,562	7,128,497	6,090,215	5,990,400	7,502,098	7,674,924	8,395,082	8,361,993	9,076,153	10,104,837
Other Instruction	937,506	1,134,712	1,954,057	1,763,815	1,920,632	1,815,960	1,079,829	1,122,688	971,985	1,496,543
School Sponsored Activities and Athletics							1,180,725	1,312,462	1,461,816	1,248,712
Support Services:										
Tuition	1,251,452	-	1,195,973	1,189,630	1,252,047	1,134,463				
Student and Instruction Related Services	4,968,106	7,208,508	6,195,047	6,149,740	6,341,027	5,901,185	6,613,391	7,591,031	7,957,459	8,991,136
School Administrative Services	1,539,825	2,222,792	2,538,731	2,871,127	3,013,615	3,022,552	3,380,066	1,906,861	1,158,319	1,278,897
General Administrative Services	1,880,559	2,155,173	2,596,816	2,088,527	2,143,004	2,414,733	1,238,685	2,937,397	2,858,028	4,310,696
Central and Support Services				573,256	381,523	361,669	1,453,217	1,570,824	1,907,567	1,793,830
Plant Operations and Maintenance	4,706,569	5,192,664	5,416,830	5,700,095	5,562,928	4,811,259	4,504,179	4,775,302	5,124,060	4,899,308
Pupil Transportation	1,388,192	1,821,280	1,976,627	1,943,771	2,048,352	1,896,057	2,316,150	2,577,641	2,365,993	2,503,270
Special Schools	302,977		527,197	496,766	605,641	42,468				
Charter Schools			4,478	28,669	32,262	8,044				
Other Unallocated Expenses	10,902,530									
Debt Service Assessment							68,734			
Interest on long-term debt	703,000	697,772	603,100	567,011	416,205	428,703	393,844	378,663	361,722	327,992
Total governmental activities expenses	<u>50,391,526</u>	<u>52,505,037</u>	<u>52,998,817</u>	<u>53,270,119</u>	<u>55,832,705</u>	<u>53,873,930</u>	<u>55,256,480</u>	<u>58,230,456</u>	<u>59,987,866</u>	<u>66,770,706</u>
Business-type activities:										
Food service	1,035,844	1,121,588	1,140,614	1,186,806	1,163,548	1,209,946	1,302,832	1,237,900	1,311,366	1,375,120
Preschool Program			207,069	203,323	219,024	240,804	222,473	267,259	299,362	316,139
Latchkey Program	114,868	240,540	377,681	373,795	333,947	391,479	341,000	390,769	506,713	533,733
Adult Education Program	489,180	571,671	222,133	262,138	269,589	272,749	193,861	176,723	143,464	145,097
Total business-type activities expense	<u>1,639,892</u>	<u>1,933,799</u>	<u>1,947,497</u>	<u>2,026,062</u>	<u>1,986,108</u>	<u>2,114,978</u>	<u>2,060,166</u>	<u>2,072,651</u>	<u>2,260,905</u>	<u>2,370,089</u>
Total district expenses	<u>\$ 52,031,418</u>	<u>\$ 54,438,836</u>	<u>\$ 54,946,314</u>	<u>\$ 55,296,181</u>	<u>\$ 57,818,813</u>	<u>\$ 55,988,908</u>	<u>\$ 57,316,646</u>	<u>\$ 60,303,107</u>	<u>\$ 62,248,771</u>	<u>\$ 69,140,795</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Tuition						\$ 535,779	\$ 53,092	\$ -	\$ -	\$ -
Transportation						208,468	209,680	202,237	218,941	198,711
Operating grants and contributions		10,052,012	10,759,447	8,505,200	8,354,394	8,369,423	8,503,754	9,491,962	8,870,576	15,229,636
Capital grants and contributions						58,154		21,856	2,030	693,706
Interest on long-term debt										
Unallocated Benefits	3,760,692									
Total governmental activities program revenues	<u>3,760,692</u>	<u>10,052,012</u>	<u>10,759,447</u>	<u>8,505,200</u>	<u>8,354,394</u>	<u>9,113,670</u>	<u>8,824,680</u>	<u>9,716,055</u>	<u>9,091,547</u>	<u>16,122,053</u>
Business-type activities:										
Charges for services										
Food service	\$ 823,703	\$ 804,496	\$ 795,171	\$ 846,811	\$ 751,141	\$ 770,978	\$ 764,153	\$ 704,980	\$ 758,727	\$ 802,982
Preschool Program			239,418	263,628	304,575	288,641	356,161	274,011	289,016	257,751
Latchkey Program	148,629	296,227	473,314	515,361	394,804	383,424	454,134	421,823	528,822	554,312
Adult Education Program	643,156	654,852	262,396	283,090	271,505	303,827	226,534	224,107	153,180	174,100
Operating grants and contributions	242,663	288,812	297,316	328,564	422,602	442,431	505,606	491,431	520,893	541,313
Total business type activities program revenues	<u>1,858,151</u>	<u>2,044,387</u>	<u>2,067,615</u>	<u>2,237,454</u>	<u>2,144,627</u>	<u>2,189,301</u>	<u>2,306,588</u>	<u>2,116,352</u>	<u>2,250,638</u>	<u>2,330,458</u>
Total district program revenues	<u>\$ 5,618,843</u>	<u>\$ 12,096,399</u>	<u>\$ 12,827,062</u>	<u>\$ 10,742,654</u>	<u>\$ 10,499,021</u>	<u>\$ 11,302,971</u>	<u>\$ 11,131,268</u>	<u>\$ 11,832,407</u>	<u>\$ 11,342,185</u>	<u>\$ 18,452,511</u>
Net (Expense)/Revenue										
Governmental activities	\$ (46,630,834)	\$ (42,453,025)	\$ (42,239,370)	\$ (44,764,919)	\$ (47,478,311)	\$ (44,760,260)	\$ (46,431,800)	\$ (48,514,401)	\$ (50,896,319)	\$ (50,648,653)
Business-type activities	218,259	110,588	120,118	211,392	158,519	74,323	246,422	43,701	(10,267)	(39,631)
Total district-wide net expense	<u>\$ (46,412,575)</u>	<u>\$ (42,342,437)</u>	<u>\$ (42,119,252)</u>	<u>\$ (44,553,527)</u>	<u>\$ (47,319,792)</u>	<u>\$ (44,685,937)</u>	<u>\$ (46,185,378)</u>	<u>\$ (48,470,700)</u>	<u>\$ (50,906,586)</u>	<u>\$ (50,688,284)</u>

(01)

SOUTH PLAINFIELD BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	2006	2007	2008	2009	Fiscal Year Ending June 30,		2012	2013	2014	2015
					2010	2011				
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 36,378,618	\$ 38,070,174	\$ 40,097,815	\$ 39,108,513	\$ 39,255,222	\$ 39,438,003	\$ 40,139,182	\$ 41,446,285	\$ 42,499,893	\$ 43,653,001
Property taxes levied for debt service, net	969,369	917,169	411,654	642,994	609,775	751,885	1,193,115	1,113,113	1,216,825	1,216,563
Unrestricted Aid and contributions	8,023,263	5,429,916	5,603,884	6,205,879	9,538,921	4,452,378	6,330,568	6,616,348	6,655,971	6,714,045
Restricted grants and contributions	1,938,698									
Tuition	16,618		3,984		10,584					
Transportation Fees				112,190	120,604					
Investment earnings		415,312	301,285	113,338	134,801	24,138				
Miscellaneous income	370,574	219,429	147,081	240,959	505,619	120,296	391,449	840,148	399,997	136,703
Transfers		-			(124,993)					400,000
Special Items		26,123			(1,753,758)					
Total governmental activities	47,697,140	45,078,123	46,565,703	46,423,873	48,421,768	44,661,707	48,054,314	50,015,894	50,772,686	52,120,312
Business-type activities:										
Investment earnings					8,876	4,614			206	5,664
Special Items		(26,123)			23,263					
Transfers										(400,000)
Total business-type activities	-	(26,123)	-	-	32,139	4,614	-	-	206	(394,336)
Total district-wide	\$ 47,697,140	\$ 45,052,000	\$ 46,565,703	\$ 46,423,873	\$ 48,453,907	\$ 44,666,321	\$ 48,054,314	\$ 50,015,894	\$ 50,772,892	\$ 51,725,976
Change in Net Position										
Governmental activities	\$ 1,066,306	\$ 2,625,098	\$ 4,326,333	\$ 1,658,954	\$ 943,457	\$ (98,553)	\$ 1,622,514	\$ 1,501,493	\$ (123,633)	\$ 1,471,659
Business-type activities	218,259	84,465	120,118	211,392	190,658	78,937	246,422	43,701	(10,061)	(433,967)
Total district	\$ 1,284,565	\$ 2,709,563	\$ 4,446,451	\$ 1,870,346	\$ 1,134,115	\$ (19,616)	\$ 1,868,936	\$ 1,545,194	\$ (133,694)	\$ 1,037,692

**SOUTH PLAINFIELD BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
*(modified accrual basis of accounting)***

	Fiscal Year Ending June 30.									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 877,182	\$ 1,785,276	\$ 6,210,036	\$ 7,064,506	\$ 2,590,394					
Unreserved	521,874	597,639	587,805	164,847	748,915					
Restricted						\$ 2,541,016	\$ 4,016,409	\$ 5,367,848	\$ 4,578,117	\$ 3,821,051
Committed								228,600	292,322	169,420
Assigned						986,078	1,104,018	865,067	543,468	596,356
Unassigned						348,942	69,032	52,506	80,240	87,890
Total general fund	<u>\$ 1,399,056</u>	<u>\$ 2,382,915</u>	<u>\$ 6,797,841</u>	<u>\$ 7,229,353</u>	<u>\$ 3,339,309</u>	<u>\$ 3,876,036</u>	<u>\$ 5,189,459</u>	<u>\$ 6,514,021</u>	<u>\$ 5,494,147</u>	<u>\$ 4,674,697</u>
All Other Governmental Funds										
Reserved	\$ 132,988									
Unreserved	\$ (973)	\$ (12,613)	\$ (19,782)	(5,279)	\$ 3,308,168					
Restricted						\$ 1,685,608	\$ 1,685,608	\$ 588	\$ 588	\$ 297,291
Unassigned						(55,995)				
Total all other governmental funds	<u>\$ 132,015</u>	<u>\$ (12,613)</u>	<u>\$ (19,782)</u>	<u>\$ (5,279)</u>	<u>\$ 3,308,168</u>	<u>\$ 1,629,613</u>	<u>\$ 1,685,608</u>	<u>\$ 588</u>	<u>\$ 588</u>	<u>\$ 297,291</u>

Beginning with Fiscal Year 2012, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Type Definitions." The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required

SOUTH PLAINFIELD BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property Tax levy	\$ 37,347,987	\$38,987,343	\$ 41,113,292	\$ 40,318,518	\$ 40,281,202	\$ 40,621,123	\$ 41,332,297	\$ 42,559,398	\$ 43,716,718	\$ 44,869,564
Tuition charges	16,618	5,300	3,984		10,584	535,779	53,092	-		
Transportation Fees				112,190	120,604	208,468	209,680	202,237	218,941	198,711
Interest Earnings			301,285	113,337	134,801	24,139				
Miscellaneous	370,574	524,492	147,081	240,959	505,619	120,295	462,389	870,158	427,637	185,081
State Sources	12,428,235	14,282,271	14,695,722	12,957,956	14,480,558	10,847,991	12,973,298	14,852,429	14,232,200	15,673,852
Federal Sources	1,294,419	1,192,605	1,063,786	1,186,112	2,996,551	1,542,575	1,848,238	1,247,727	1,268,737	1,029,853
Total revenue	51,457,833	54,992,011	57,325,150	54,929,072	58,529,919	53,900,370	56,878,994	59,731,949	59,864,233	61,957,061
Expenditures										
Instruction										
Regular Instruction	17,863,594	24,692,329	16,878,859	17,721,073	18,171,974	17,343,994	24,293,097	25,405,012	26,358,792	25,655,145
Special Education Instruction	3,346,802	7,135,880	4,497,062	4,590,153	5,892,110	5,852,406	8,010,610	7,908,699	8,713,538	8,970,020
Other Instruction	649,760	1,136,298	1,502,790	1,419,635	1,533,100	1,405,314	1,078,811	1,121,091	972,115	1,321,975
School Sponsored Activities and Athletics							1,172,711	1,302,039	1,462,105	1,250,156
Support Services:										
Tuition	1,251,452		1,195,973	1,189,630	1,252,047	1,134,464				
Student & Inst. Related Services	5,913,887	7,208,568	4,590,296	4,803,498	4,864,503	4,395,094	6,420,096	7,359,777	7,932,585	8,280,195
General Administrative Services	2,252,752	2,147,996	2,059,322	1,656,844	1,710,942	1,853,214	1,225,955	1,891,794	1,070,823	1,092,798
School Administrative Services	1,539,825	2,216,477	1,694,404	2,130,476	2,174,202	2,155,640	3,375,506	2,931,523	2,856,089	3,848,209
Central Services and Info Tech.				573,256	402,246	366,467	1,451,515	1,568,005	407,865	1,795,797
Plant Operations and Maintenance	5,049,308	4,516,340	4,740,506	4,972,103	4,760,982	4,064,956	4,495,180	4,764,414	5,089,219	4,864,744
Pupil Transportation	1,748,498	1,800,677	1,637,749	1,804,484	1,690,550	1,627,767	2,139,404	2,169,915	2,222,966	2,335,545
Employee Benefits	9,976,944		11,823,855	10,266,779	11,397,191	12,201,279				
Charter Schools			4,478	28,669	32,262	8,044				
Special Schools	302,977		388,857	425,925	449,499	30,266				
Capital Outlay	288,373	630,141	805,420	1,690,526	3,651,217	1,273,541	295,569	2,557,613	1,081,185	2,249,249
Debt Service:										
Principal	350,000	2,086,795	495,000	630,000	660,000	690,000	730,000	725,000	845,000	870,000
Interest and Other Charges	637,679	796,401	603,823	580,005	463,691	446,125	412,400	387,525	371,825	345,975
Debt Service Assessment						68,734				
Total expenditures	51,171,851	54,367,902	52,918,394	54,483,056	59,106,516	54,917,305	55,100,854	60,092,407	60,884,107	62,879,808
Excess (Deficiency) of revenues over (under) expenditures	285,982	624,109	4,406,756	446,016	(576,597)	(1,016,935)	1,778,140	(360,458)	(1,019,874)	(922,747)
Other Financing sources (uses)										
Capital leases (non-budgeted)		\$ 190,000								
SDA Grant Cancelled						(78,400)		-	-	-
Uncollectible Prior Year State Aid										
Transfers in	180,000	159,111			3,603,074	554,761		1,085,548		1,881,600
Transfers out		(132,988)			(3,603,074)	(601,354)		(1,085,548)		(1,481,600)
Total other financing sources (uses)	180,000	216,123	-	-	-	(124,993)	-	-	-	400,000
Net change in fund balances	\$ 465,982	\$ 840,232	\$ 4,406,756	\$ 446,016	\$ (576,597)	\$ (1,141,928)	\$ 1,778,140	\$ (360,458)	\$ (1,019,874)	\$ (522,747)
Debt service as a percentage of noncapital expenditures	0.69%	3.88%	0.95%	1.19%	1.19%	1.41%	2.08%	1.93%	2.03%	2.01%

* Noncapital expenditures are total expenditures less capital outlay.

**SOUTH PLAINFIELD BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Tuition	Interest on Investments	Athletic Receipts	Prior Year Refunds	Rentals	Transportation Fees	Prior Year Voided Checks	Miscellaneous	Total
2006	\$ 16,618	\$ 236,770	\$ 26,546		\$ 7,070	\$ 57,090		\$ 18,808	\$ 362,902
2007	5,300	415,312	26,546		19,148	57,090		34,243	557,639
2008	3,984	301,285	604		11,940	106,768		27,768	452,349
2009	5,010	113,338		\$ 49,593		112,190		160,487	440,618
2010	10,584	134,801	16,753	92,775		120,604		35,094	410,611
2011	535,779	8,785	20,063	30,497		208,468		65,949	869,541
2012	53,092	10,537	26,236	66,420		209,680		288,256	654,221
2013	-	8,553	32,959	86,755	8,100	202,237	\$ 379,009	324,772	1,042,385
2014		5,869	28,923	96,417	16,600	218,941		252,188	618,938
2015		32,232	32,290	48,986	13,608	198,711		9,587	335,414

**SOUTH PLAINFIELD BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2006	\$ 19,915,200	\$ 852,080,900	\$ 82,500	\$ 165,082,100	\$ 359,648,800	\$ 19,000,000	\$ 1,415,809,500	\$ 2,960,863	\$ 1,418,770,363	\$ 3,206,134,955	\$ 3
2007	18,675,700	861,041,900	82,500	176,902,300	354,383,000	22,000,000	1,433,085,400	2,719,361	1,435,804,761	3,553,294,856	2.790
2008	23,492,800	867,210,700	82,500	175,644,400	337,224,500	22,000,000	1,425,654,900	2,560,394	1,428,215,294	3,842,735,580	2.850
2009	18,865,200	874,160,200	82,500	175,920,110	333,379,600	21,875,000	1,424,282,610	2,612,373	1,426,894,983	3,965,358,298	2.824
2010	16,567,800	877,722,100	82,500	177,034,700	332,261,600	21,875,000	1,425,543,700	2,358,981	1,427,902,681	4,066,052,539	2.798
2011	16,010,600	881,938,600	82,500	167,989,000	328,349,700	21,875,000	1,416,245,400	2,138,401	1,418,383,801	4,073,891,820	2.889
2012	15,865,600	888,708,750	82,500	167,861,900	327,276,400	21,875,000	1,421,670,150	2,138,401	1,423,808,551	3,960,742,778	2.961
2013	16,255,800	875,415,360	82,500	165,630,900	321,530,251	18,277,800	1,397,192,611	2,055,443	1,399,248,054	3,653,543,945	3.083
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	3,714,283,185	3.177
2015	18,131,100	880,542,206	82,500	165,745,351	306,447,490	18,277,800	1,389,226,447	1,850,510	1,391,076,957	3,832,729,139	3.272

Source: County Abstract of Ratables

a Tax rates are per \$100

SOUTH PLAINFIELD BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per \$100 of assessed value)

Calendar Year	Total Direct School Tax Rate		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Local School District	Municipality of South Plainfield	Municipal Public Library	County of Middlesex		
2006	\$ 2.733	\$ 0.903		\$ 0.674	\$ 4.310	
2007	2.790	0.890		0.710	4.390	
2008	2.850	1.044		0.774	4.668	
2009	2.824	1.374		0.820	5.018	
2010	2.798	1.226		0.863	4.887	
2011	2.889	1.116	\$ 0.095	0.964	4.969	
2012	2.961	1.201	0.092	0.990	5.152	
2013	3.083	1.217	0.092	0.995	5.295	
2014	3.177	1.214	0.088	1.054	5.445	
2015	3.272	1.255	0.091	1.079	5.606	

Source: County Abstract of Ratables

N/A - Not Available

**SOUTH PLAINFIELD BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
LAST YEAR AND EIGHT YEARS AGO
(Unaudited)**

Taxpayer	2015		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Jayne Enterprises	\$ 18,268,400	1.31%	\$ 18,454,800	1.29%
Office Two Limited/o Ntl Tlt Devl	13,772,700	0.99%	13,528,800	0.95%
Nakash 200 Helen	12,500,000	0.90%	N/A	
EQR - South Plainfield LLP	12,000,000	0.86%	16,000,000	1.12%
Harris Realty LLC	11,124,200	0.80%	11,001,100	0.77%
AG-WP Oak Park Owner, LLC	11,052,800	0.79%	N/A	
GBR Middlesex LLC	10,238,100	0.74%	10,000,000	0.70%
Plainfield Associates LLC	8,618,000	0.62%	11,144,000	0.78%
Oak Tree Associates c/Odenholtz Association	6,970,000	0.50%	N/A	
Favorite Realty North, LTD	6,913,300	0.50%	N/A	
	<u>\$ 111,457,500</u>	<u>8.01%</u>		

Note:

Note:

GASB requires that the principal property taxpayers from last year and nine years ago data be presented. The principal property taxpayers from nine years ago was not available only from eight years ago.

Source: Municipal Tax Assessor

**SOUTH PLAINFIELD BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 37,347,987	\$ 37,347,987	100.00%	
2007	28,987,343	28,987,343	100.00%	
2008	39,458,273	39,458,273	100.00%	
2009	39,751,507	39,751,507	100.00%	
2011	39,864,997	39,864,997	100.00%	
2012	40,189,888	39,532,742	98.36%	\$ 657,146
2013	41,332,297	40,332,287	97.58%	1,000,010
2014	42,559,398	39,012,771	91.67%	3,546,627
2015	43,716,718	43,716,708	100.00%	10
2016	44,869,564	44,869,554	100.00%	10

SOUTH PLAINFIELD BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases			
2006	\$ 12,476,000	\$ 770,000		\$ 13,246,000	22,472	589
2007	12,421,000	460,000		12,881,000	22,442	574
2008	12,386,000			12,386,000	22,516	550
2009	11,756,000			11,756,000	22,626	520
2010	11,185,000			11,185,000	23,435	477
2011	10,495,000			10,495,000	23,519	446
2012	9,765,000			9,765,000	23,679	412
2013	9,040,000			9,040,000	23,837	379
2014	8,195,000			8,195,000	23,960	342
2015	7,325,000			7,325,000	23,960 (E)	306

(E) - Estimate

Source: District records

**SOUTH PLAINFIELD BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita
	General Obligation Bonds	Deductions			
2006	\$ 13,246,000	\$ -	\$ 13,246,000	0.93%	\$589
2007	12,881,000	-	12,881,000	0.90%	\$574
2008	12,386,000	-	12,386,000	0.87%	\$550
2009	11,756,000	-	11,756,000	0.82%	\$520
2010	11,185,000	-	11,185,000	0.78%	\$477
2011	10,495,000	-	10,495,000	0.74%	\$446
2012	9,765,000		9,765,000	0.69%	\$412
2013	9,040,000		9,040,000	0.65%	\$379
2014	8,195,000		8,195,000	0.59%	\$342
2015	7,325,000		7,325,000	0.53%	\$306

Source: District records

**SOUTH PLAINFIELD BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
South Plainfield School District (as of June 30, 2015)	\$ 7,325,000
Borough of South Plainfield (as of December 31, 2014)	<u>16,277,676</u>
Total Direct Debt	<u>23,602,676</u>
Overlapping Debt Apportioned to the Municipality:	
Middlesex County: (as of December 31, 2014)	
County of Middlesex(A)	<u>22,386,154</u>
Total Overlapping Debt	<u>22,386,154</u>
Total Direct and Overlapping Debt	<u><u>\$ 45,988,830</u></u>

Source:

(1) Borough's 2014 Annual Debt Statement

(A) The debt for this entity was apportioned to the municipality by dividing the municipality's 2014 equalized value by the total 2014 equalized value for Middlesex County.

**SOUTH PLAINFIELD BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized valuation basis
	2014 \$ 3,811,407,659
	2013 3,697,254,858
	2012 3,665,687,613
	<u>\$ 11,174,350,130</u>
Average equalized valuation of taxable property	<u>\$ 3,724,783,377</u>
Debt limit (4 % of average equalization value)	\$ 148,991,335
Total Net Debt Applicable to Limit	<u>7,325,000</u>
Legal debt margin	<u>\$ 141,666,335</u>

Fiscal Year Ending June 30,

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 114,414,996	\$ 127,117,783	\$ 139,885,060	\$ 150,311,972	\$ 161,601,454	\$ 161,601,454	\$ 161,573,431	\$ 155,468,274	\$ 150,582,425	\$ 148,991,335
Total net debt applicable to limit	<u>12,476,000</u>	<u>12,421,000</u>	<u>12,386,000</u>	<u>11,756,000</u>	<u>11,185,000</u>	<u>11,185,000</u>	<u>9,765,000</u>	<u>9,040,000</u>	<u>8,195,000</u>	<u>7,325,000</u>
Legal debt margin	<u>\$ 101,938,996</u>	<u>\$ 114,696,783</u>	<u>\$ 127,499,060</u>	<u>\$ 138,555,972</u>	<u>\$ 150,416,454</u>	<u>\$ 150,416,454</u>	<u>\$ 151,808,431</u>	<u>\$ 146,428,274</u>	<u>\$ 142,387,425</u>	<u>\$ 141,666,335</u>
Total net debt applicable to the limit as a percentage of debt limit	10.90%	9.77%	8.85%	7.82%	6.92%	6.92%	6.04%	5.81%	5.44%	4.92%

Source: Annual Debt Statements

**SOUTH PLAINFIELD BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2006	22,472	\$ 44,806	3.40%
2007	22,442	47,386	3.00%
2008	22,516	49,007	4.10%
2009	22,626	47,235	6.40%
2010	23,435	47,598	6.40%
2011	23,519	50,267	6.20%
2012	23,679	51,730	6.30%
2013	23,837	52,291	8.40%
2014	23,960	52,291 (E)	6.10%
2015	23,960 (E)	N/A	N/A

Source: New Jersey State Department of Education

(E) - Estimate

N/A - Not Available

**SOUTH PLAINFIELD BOARD OF EDUCATION
 PRINCIPAL EMPLOYERS,
 CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)**

	<u>2015</u>		<u>2006</u>	
		Percentage of Total Municipal Employment		Percentage of Total Municipal Employment
<u>Employer</u>	<u>Employees</u>		<u>Employees</u>	<u>Employment</u>

INFORMATION IS NOT AVAILABLE

SOUTH PLAINFIELD BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST NINE FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction									
Regular	262	253	255	244	228	227	228	233	227
Special Education	48	48	49	61	49	50	50	54	48
Other Instruction	9	10	10	10	12	12	12	14	20
Support Services:									
Student & instruction related services	45	51	51	49	45	45	50	118	117
General administrative	13	12	12	7	7	9	10	4	2
School administrative services	12	9	9	11	12	12	12	25	29
Other Administrative Services	29	20	20	31	31	30	30		
Central services	9	13	14	14	14	14	15	9	9
Other support services	58	36	38	79	70	70	70	29	30
Pupil transportation	25	55	55	36	32	31	33	36	36
Total	<u>510</u>	<u>507</u>	<u>513</u>	<u>542</u>	<u>500</u>	<u>500</u>	<u>510</u>	<u>522</u>	<u>518</u>

Source: District Personnel Records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only nine years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

SOUTH PLAINFIELD BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
2006	3,783	\$ 49,895,799	\$ 13,189	5.77%	294.2	16.70	14	15	3,791	3,619	34.00%	95.46%
2007	3,889	51,807,265	13,321	1.00%	307.0	9.40		14	3,797	3,623	0.16%	95.42%
2008	3,710	52,395,717	14,123	6.02%	N/A	N/A	N/A	N/A	3,721	3,557	-2.00%	95.59%
2009	3,708	52,703,108	14,213	0.64%	N/A	N/A	N/A	N/A	3,705	3,536	-0.43%	95.44%
2010	3,764	54,331,608	14,435	1.56%	N/A	N/A	N/A	N/A	3,739	3,585	0.92%	95.88%
2011	3,753	52,438,805	13,973	-3.20%	N/A	N/A	N/A	N/A	3,714	3,551	-0.67%	95.61%
2012	3,641	53,662,885	14,739	5.48%	N/A	N/A	N/A	N/A	3,630	3,490	-2.26%	96.14%
2013	3,564	56,422,269	15,831	7.41%	291.0	N/A	N/A	N/A	3,558	3,408	-1.99%	95.79%
2014	3,468	58,586,097	16,893	14.62%	293.0	12.6	10.7	12.6	3,461	3,322	-2.72%	95.98%
2015	3,530	59,414,584	16,831	6.32%	343.0	11.0	8.2	10.4	3,576	3,416	3.32%	95.53%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
 - b Operating expenditures equal total expenditures less debt service and capital outlay.
 - c Cost per pupil represents operating expenditures divided by enrollment.

**SOUTH PLAINFIELD BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
District Building										
<u>Grant Elementary (1961)</u>										
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	591	590	564	564	547	544	536	515	500	542
<u>Franklin Heights (1957)</u>										
Square Feet	39,629	39,629	39,629	39,629	39,629	39,629	39,629	39,629	39,629	39,629
Capacity (students)	371	371	371	371	371	371	371	371	371	371
Enrollment	356	360	329	329	317	312	312	327	299	268
<u>Kennedy (1959)</u>										
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	275	275	270	270	275	280	275	261	270	257
<u>Riley (1966)</u>										
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	323	331	319	319	334	331	330	347	336	334
<u>Roosevelt (2003)</u>										
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	358	351	346	346	400	373	397	400	384	391
<u>Middle School (1948)</u>										
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	605	613	619	619	586	554	557	557	556	515
<u>High School (1974)</u>										
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	1,233	1,224	1,217	1,217	1,191	1,178	1,173	1,103	1,082	1,103
<u>Other - Roosevelt Administration Building</u>										
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, 2015
 Elementary - 5
 Middle School - 1
 Senior High School = 1
 Other - 1

Source: District Records

**SOUTH PLAINFIELD BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)**

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
School Facilities											
South Plainfield High School	\$ 47,681	\$ 209,025	\$ 163,544	\$ 157,703	\$ 438,039	\$ 396,543	\$ 192,987	\$ 189,702	\$ 330,573	\$ 347,829	\$ 306,562
South Plainfield Middle School	19,247	84,375	66,016	63,673	176,871	186,191	90,614	89,072	155,216	163,318	143,942
J.F.K. School	6,834	29,957	23,439	22,588	62,798	70,708	34,412	33,826	58,945	62,022	54,664
John E. Riley School	7,050	30,905	24,180	23,310	64,786	71,595	34,843	34,250	59,684	62,800	55,349
Franklin School	6,671	29,244	22,881	22,072	61,303	72,038	35,059	34,462	60,053	63,188	55,691
Grant School	9,290	40,727	31,865	30,736	117,989	128,671	62,621	61,555	107,265	112,864	99,474
Roosevelt Administration					66,750	68,048	33,117	32,554	56,728	59,689	52,608
Roosevelt School	7,160	31,387	24,558	23,723	114,155	114,486	55,719	54,770	95,442	100,424	88,510
Grand Total	<u>\$ 103,933</u>	<u>\$ 455,620</u>	<u>\$ 356,483</u>	<u>\$ 343,805</u>	<u>\$ 1,102,691</u>	<u>\$ 1,108,280</u>	<u>\$ 539,372</u>	<u>\$ 530,191</u>	<u>\$ 923,906</u>	<u>\$ 972,134</u>	<u>\$ 856,800</u>

Source: District Records

**SOUTH PLAINFIELD BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2015
(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)	\$ 350,000,000	\$ 5,000
Electronic Data Processing	1,500,000	1,000
Environmental Package	1,000,000	10,000
Comprehensive General Liability	16,000,000	
School Leaders Errors and Omissions Liability	16,000,000	5,000
Automobile Liability	16,000,000	1,000
Faithful Performance Crime Coverage	500,000	1,000
Workers Compensation and Employees Liability	2,000,000	
Surety Bond - Treasurer of School Monies	350,000	
Surety Bond - Business Administrator/Board Secretary -	350,000	

Source: School District's records

SINGLE AUDIT



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

DEBRA GOLLE, CPA
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MARK SACO, CPA
SHERYL M. NICOLosi, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
South Plainfield Board of Education
South Plainfield, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements 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, each major fund, and the aggregate remaining fund information of the South Plainfield Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the South Plainfield Board of Education's basic financial statements and have issued our report thereon dated November 24, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the South Plainfield of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the South Plainfield Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the South Plainfield Board of Education'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of schedule of findings and questioned costs as item 2015-001 that we consider to be a significant deficiency in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the South Plainfield Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 and which are described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the South Plainfield Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 24, 2015.

South Plainfield Board of Education's Response to Finding

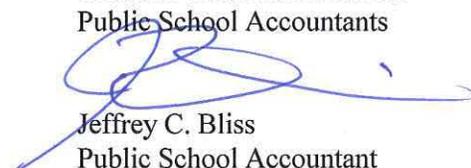
The South Plainfield Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The South Plainfield Board of Education's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 South Plainfield Board of Education'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 South Plainfield Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Leach, Vinci & Higgins, LLP

LERCH, VINCI & HIGGINS, LLP
 Certified Public Accountants
 Public School Accountants


 Jeffrey C. Bliss
 Public School Accountant
 PSA Number CS00932

Fair Lawn, New Jersey
 November 24, 2015



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY U.S. OMB CIRCULAR A-133 AND
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY
OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Trustees
South Plainfield Board of Education
South Plainfield, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the South Plainfield Board of Education’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/ Grant Compliance Supplement that could have a direct and material effect on each of South Plainfield Board of Education’s major federal and state programs for the fiscal year ended June 30, 2015. The South Plainfield Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the South Plainfield Board of Education’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether

noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the South Plainfield Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the South Plainfield Board of Education 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 fiscal year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as items, 2015-003 and 2015-004. Our opinion on each major federal and state program is not modified with respect to these matters.

The South Plainfield Board of Education's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The South Plainfield Board of Education's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the South Plainfield Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the South Plainfield Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the South Plainfield Board of Education's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-003 that we consider to be a significant deficiency.

The South Plainfield Board of Education's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The South Plainfield Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedules of Expenditures of Federal Awards Required by U.S. OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the South Plainfield Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 24, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 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 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 schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & HIGGINS, LLP

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
November 24, 2015

SOUTH PLAINFIELD BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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Federal/Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2014			(A/R) Carryover Amount	Deferred Rev) Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	June 30, 2015			Memo GAAP Receivable
					Accounts Receivable	Deferred Revenue	Due Grantor						(Accounts Receivable)	Deferred Revenue/	Due to Grantor	
U.S. Department of Agriculture																
Passed-through State Department of Education																
National School Lunch Program-Non-Cash Assis	10.555	N/A	7/1/14-6/30/15	\$ 94,807					\$ 94,807	\$ 88,718			\$ 6,089			
National School Lunch Program-Non-Cash Assis	10.555	N/A	7/1/13-6/30/14	82,466	\$ 3,843					3,843						
National School Lunch Program-Cash Assistance	10.555	N/A	7/1/14-6/30/15	398,043					367,123	398,043		\$ (30,920)		\$ (30,920)		
National School Lunch Program-Cash Assistance	10.555	N/A	7/1/13-6/30/14	395,694	\$ (30,637)				30,637							
School Breakfast Program	10.553	N/A	7/1/14-6/30/15	36,981					33,452	36,981		(3,529)		(3,529)		
School Breakfast Program	10.553	N/A	7/1/13-6/30/14	29,826	(2,763)				2,763							
Total U.S. Department of Agriculture					(33,400)	3,843			528,782	527,585		(34,449)	6,089	(34,449)		
U.S. Department of Education passed-through State Department of Education																
General Fund																
Medicaid Assistance Program - ARRA	93.778	N/A	10/1/08-12/31/10	8,143					8,143	8,143						
Medicaid Assistance Program	93.778	N/A	7/1/14-6/30/15	60,626					60,626	60,626						
									68,769	68,769						
Special Revenue Fund																
I.A.S.A. Consolidated Grant/NCLB																
Title I	84.010A	NCLB219009	7/1/14-6/30/15	293,417			\$ (21,005)	\$ 21,005		123,962		(314,422)	190,460	(123,962)		
Title I	84.010A	NCLB219009	7/1/13-6/30/14	233,800	(21,005)	35,924		21,005	(21,005)		\$ (14,919)					
Title III -Emergency Immigrant Assistance	84.365A	NCLB219009	9/1/12-8/31/13	17,942		10,770					(10,770)					
Title III - Emergency Immigrant Assistance	84.365A	NCLB219009	7/1/14-6/30/15	15,538						9,090		(15,538)	6,448	(9,090)		
Title II A	84.367A	NCLB219009	7/1/14-6/30/15	69,740			(32,141)	32,141		60,969		(101,881)	40,912	(60,969)		
Title II A	84.367A	NCLB219009	7/1/13-6/30/14	68,051	(39,276)	42,498		32,141	(32,141)	7,135		(10,357)				
Title III	84.365A	NCLB219009	7/1/14-6/30/15	16,629			(1,072)	1,072		15,629		(17,701)	2,072	(15,629)		
Title III	84.365A	NCLB219009	7/1/13-6/30/14	13,906	(5,680)	1,653		1,072	(1,072)			4,027				
Planning for the Next Pandemic Program	93.069	11-100-034-5064-197	4/15/11-7/15/11	50,000	(50)	1,160						(1,110)				
I.D.E.A. Part B																
Basic Regular	84.027	IDEA219009	9/1/14-6/30/15	866,391					600,000	717,601		(266,391)	148,790	(117,601)		
Basic Regular	84.027	IDEA219009	7/1/13-6/30/14	831,055	(694,366)	58,007			694,366	14,228		(43,779)				
Basic Regular - ARRA	84.391	IDEA219009	9/1/09-8/31/11	885,619		11,016						(11,016)				
Preschool	84.173	IDEA219009	9/1/14-6/30/15	27,330					25,000	25,000		(2,330)	2,330			
Preschool	84.173	IDEA219009	7/1/13-6/30/14	28,700	(35,754)	35,027			34,464			(33,737)				
Race to the Top	84.415A	N/A	7/15/12-9/30/12	24,827	(20)	20										
Total U.S. Department of Education					(796,151)	196,075			1,360,965	966,479		(121,661)	(718,263)	391,012		
Total					\$ (829,551)	\$ 199,918	\$ -	\$ -	\$ -	\$ 1,958,516	\$ 1,562,833	\$ (121,661)	\$ (752,712)	\$ 397,101	\$ (361,700)	

SOUTH PLAINFIELD BOARD OF EDUCATION
 SCHEDULE OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2015			Memo Only Cumulative		
									(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Total Expenditures	
State Department of Education														
General Fund														
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	\$ 6,660,858			\$ 6,019,215	\$ 6,660,858		\$ (641,643)		*		\$ 6,660,858	
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	6,660,858	(632,642)		632,642			-		*		-	
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	2,204,418	-		1,992,001	2,204,418		(212,417)		*		2,204,418	
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	2,204,418	(209,460)		209,460			-		*		-	
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	100,859	-		91,140	100,859		(9,719)		*		100,859	
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	100,859	(9,583)		9,583			-		*		-	
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	97,143	-		87,782	97,143		(9,361)		*		97,143	
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	97,143	(9,230)		9,230			-		*		-	
Parce Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	34,410	-		31,094	34,410		(3,316)		*		34,410	
Per Pupil Ggrowth Aid	15-495-034-5120-097	7/1/14-6/30/15	34,410	-		31,094	34,410		(3,316)		*		34,410	
Extraordinary Special Education Costs Aid	15-100-034-5120-473	7/1/14-6/30/15	246,674	-			246,674		(246,674)		*		246,674	
Extraordinary Special Education Costs Aid	14-100-034-5120-473	7/1/13-6/30/14	162,139	(162,139)		162,139			-		*		-	
Non Public Transportation Reimb.	N/A	7/1/14-6/30/15	26,100	-			26,100		(26,100)		*	\$ (26,100)	26,100	
Non Public Transportation Reimb.	N/A	7/1/11-6/30/12	23,495	(23,495)		23,495			-		*		-	
On-Behalf TPAF Pension System-NCGI Prem.	15-495-034-5094-007	7/1/14-6/30/15	90,469	-		90,469	90,469		-		*		90,469	
On-Behalf TPAF Pension Benefit Contributions Normal Costs	15-495-034-5094-006	7/1/14-6/30/15	1,257,469	-		1,257,469	1,257,469		-		*		1,257,469	
On-Behalf TPAF Pest Retirement-Medical	15-495-034-5094-001	7/1/14-6/30/15	2,139,852	-		2,139,852	2,139,852		-		*		2,139,852	
T.P.A.F. - Social Security	15-100-034-5094-003	7/1/14-6/30/15	2,001,968	-		1,903,154	2,001,968		(98,814)		*	(98,814)	2,001,968	
T.P.A.F. - Social Security	14-100-034-5095-002	7/1/13-6/30/14	1,974,944	(97,945)		97,945			-		*		-	
Total General Fund				(1,144,494)		14,787,764	14,894,630		(1,251,360)				(124,914)	14,894,630
Special Revenue Fund														
Preschool Education Aid	15-495-034-5120-086	7/1/14-6/30/15	52,800	-	\$ 65,767	47,520			(5,280)	\$ 118,567	*		-	
Preschool Education Aid	14-495-034-5120-086	7/1/13-6/30/14	52,800	60,487	(65,767)	5,280			-		*		-	
New Jersey Nonpublic Aid:											*		-	
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	32,709	-		32,709	32,485			\$ 224	*		32,485	
Textbook Aid	14-100-034-5120-064	7/1/13-6/30/14	27,809	50				\$ 50			*		-	
Nursing Services	15-100-034-5120-070	7/1/14-6/30/15	53,021	-		53,021	51,830			1,191	*		51,830	
Nursing Services	13-100-034-5120-070	7/1/12-6/30/13	43,417	1,188						1,188	*		-	
Nursing Services	14-100-034-5120-070	7/1/13-6/30/14	39,989	817				\$ 817			*		-	
Technology	15-100-034-5120-373	7/1/14-6/30/15	17,568	-		17,568	17,293			275	*		17,293	
Technology	14-100-034-5120-373	7/1/13-6/30/14	10,140	74					74		*		-	
Auxiliary Services:											*		-	
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	51,956	-		51,956	30,765			21,191	*		30,765	
Compensatory Education	14-100-034-5120-067	7/1/13-6/30/14	72,758	35,952				35,952			*		-	
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	27,405	-		27,405	20,097			7,308	*		20,097	
Transportation	14-100-034-5120-068	7/1/14-6/30/15	10,898	-		10,898	10,898			-	*		10,898	
Home Instruction	14-100-034-5120-067	7/1/13-6/30/14	1,912	(1,912)							*		-	
Handicapped Services:											*		-	
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	17,107	-		17,107	7,927			9,180	*		7,927	
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	14,176	2,235				2,235			*		-	
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	17,968	7,812				7,812			*		-	
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	11,486	-		11,486	9,719			1,767	*		9,719	
Supplemental Instruction	14-100-034-5120-066	7/1/13-6/30/14	14,571	6,245				6,245			*		-	
Supplemental Instruction	15-100-034-5120-066	7/1/12-6/30/13	11,771	-		11,771	7,847			3,924	*		7,847	
Total Special Revenue Fund				112,948		288,633	188,861	53,185	(5,280)	118,567			188,861	
State Department of Agriculture														

SOUTH PLAINFIELD BOARD OF EDUCATION
 SCHEDULE OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2015			Memo Only Cumulative		
									(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Total Expenditures	
Enterprise Fund														
National School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	\$ 13,728	\$ -	-	\$ 12,643	\$ 13,728	-	\$ (1,085)	-	-	*	\$ (1,085)	\$ 13,728
National School Lunch Program	14-100-010-3350-023	7/1/13-6/30/14	13,509	(1,057)	-	1,057	-	-	-	-	-	*	-	-
Total Enterprise Fund				(1,057)	-	13,700	13,728	-	(1,085)	-	-	*	(1,085)	13,728
State of New Jersey Educational Facilities Construction and Financing														
Franklin School Security Upgrade	4910-060-14-G1XQ	N/A	17,600	-	-	-	17,600	-	(17,600)	-	-	*	(17,600)	17,600
Kennedy School Security Upgrade	4910-055-14-G1XM	N/A	17,600	-	-	-	17,600	-	(17,600)	-	-	*	(17,600)	17,600
Riley School Security Upgrade	4910-058-14-G1XO	N/A	17,600	-	-	-	17,600	-	(17,600)	-	-	*	(17,600)	17,600
Roosevelt School Security Upgrade	4910-080-14-G1XT	N/A	9,600	-	-	9,600	5,967	-	(9,600)	3,633	-	*	(9,600)	5,967
Grant School Security Upgrade	4910-070-14-G1XS	N/A	16,400	-	-	-	16,400	-	(16,400)	-	-	*	(16,400)	16,400
Middle School Security Upgrade	4910-053-14-G1XJ	N/A	5,200	-	-	-	5,200	-	(5,200)	-	-	*	(5,200)	5,200
High School Security Upgrade	4910-050-14-G1XI	N/A	15,200	-	-	-	15,200	-	(15,200)	-	-	*	(15,200)	15,200
Administration/Pre-K Building Boiler Replacement	4910-085-14-G1XU	N/A	34,000	-	-	-	31,344	-	(34,000)	2,656	-	*	(34,000)	31,344
Kennedy School Boiler Replacement	4910-055-14-G1XK	N/A	34,000	-	-	-	26,144	-	(34,000)	7,856	-	*	(34,000)	26,144
Franklin School Fire Alarm Replacement	4910-060-14-G1XP	N/A	66,400	-	-	-	40,256	-	(66,400)	26,144	-	*	(66,400)	40,256
Kennedy School Fire Alarm Replacement	4910-055-14-G1XL	N/A	66,400	-	-	-	48,596	-	(66,400)	17,804	-	*	(66,400)	48,596
Riley School Fire Alarm Replacement	4910-058-14-G1XN	N/A	66,400	-	-	-	58,288	-	(66,400)	8,112	-	*	(66,400)	58,288
Grant School Partial Roof Replacement	4910-070-14-G1XR	N/A	504,000	-	-	-	393,511	-	(504,000)	110,489	-	*	(504,000)	393,511
Total Capital Projects Fund				-	-	-	693,706	-	(870,400)	176,694	-	*	(870,400)	693,706
Grand Total				(1,032,603)	-	15,090,097	15,790,925	\$ 53,185	(2,128,125)	\$ 295,261	\$ 46,248	*	(996,399)	15,790,925
Subject to State Single Audit														
Less On-Behalf TPAF Contributions Not Subject to State Single Audit														
On-Behalf TPAF Pension - NCGI Prem.	15-495-034-5094-007	7/1/14-6/30/15	90,469	-	-	90,469	90,469	-	-	-	-	*	-	90,469
On-Behalf TPAF Pension Benefit Contributions	15-495-034-5094-006	7/1/14-6/30/15	1,257,469	-	-	1,257,469	1,257,469	-	-	-	-	*	-	1,257,469
On-Behalf TPAF Post Retire. - Medical	15-495-034-5094-001	7/1/14-6/30/15	2,139,852	-	-	2,139,852	2,139,852	-	-	-	-	*	-	2,139,852
Total for State Financial Assistance Determination				\$ (1,032,603)	\$ -	\$ 11,602,307	\$ 12,303,135	\$ 53,185	\$ (2,128,125)	\$ 295,261	\$ 46,248	*	\$ (996,399)	\$ 12,303,135

**SOUTH PLAINFIELD BOARD OF EDUCATION
 NOTES TO THE SCHEDULES OF EXPENDITURES OF
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the South Plainfield Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal 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 are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain 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 revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed 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 a decrease of \$103,392 for the general fund and a decrease of \$5,348 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 68,769	\$ 14,791,238	\$ 14,860,007
Special Revenue Fund	961,084	188,908	1,149,992
Capital Projects Fund	-	693,706	693,706
Food Service Fund	<u>527,585</u>	<u>13,728</u>	<u>541,313</u>
 Total Financial Assistance	 <u>\$ 1,557,438</u>	 <u>\$ 15,687,580</u>	 <u>\$ 17,245,018</u>

**SOUTH PLAINFIELD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015****NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$2,001,968 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$1,347,938 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,139,852 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

**SOUTH PLAINFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? X yes none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards Section

Internal Control over major programs:

(1) Material weakness(es) identified? yes X no

(2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? yes X no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>84.027</u>	<u>IDEA - Basic</u>
<u>84.173</u>	<u>IDEA - Preschool</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? yes X no

**SOUTH PLAINFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over major programs:

(1) Material weakness(es) identified?

_____ yes X no

(2) Significant deficiencies identified that are not considered to be material weakness(es)?

 X yes _____ no

Type of auditor's report issued on compliance for major programs

Unmodified _____

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?

 X yes _____ no

Identification of major state programs:

GMIS Number(s)	Name of State Program
15-495-034-5120-078	Equalization Aid
15-495-034-5120-089	Special Education Aid
15-495-034-5120-084	Security Aid
15-495-034-5120-098	PARCC Readiness Aid
15-495-034-5120-097	Per Pupil Growth Aid
15-100-034-5094-003	Reimbursed TPAF Social Security Contributions
4910-050 to 085-14-G1X	SDA Facilities Construction Financing Act Grants

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 369,094

Auditee qualified as low-risk auditee?

_____ yes X no

**SOUTH PLAINFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 2 – Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Finding 2015-001

Finding – Our audit noted the following:

- There were several amounts encumbered at year end in the amount of \$172,724 that should have been classified as accounts payable.
- There were unrecorded purchase orders at June 30, 2015 in the amount of \$125,258 that should have been set up as reserve for encumbrances and/or accounts payable.
- There were several instances where approved change orders in the net amount of \$25,489 were not reflected in the open purchase order balance at June 30, 2015.

Criteria or specific requirement

State Department of Education's GAAP Technical Systems Manual, and Generally Accepted Accounting Principles.

Condition

Reserve for encumbrances and accounts payable balances were not properly stated at June 30, 2015.

Questioned Costs

None.

Context

See Finding 2015-001.

Effect

Financial statements may be misstated for encumbrances and accounts payable balances that are not properly reported in the District's financial records.

Recommendation

It is recommended that year end closing procedures be reviewed and enhanced to ensure open purchase orders are properly classified as accounts payable or encumbrances and that they are complete at year end.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**SOUTH PLAINFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 2 – Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Finding 2015-002

Our audit noted that the reimbursement requests and final expenditure reports for the NCLB grant programs were not in agreement with the District's accounting records.

Criteria or specific requirement

The State Department of Education's GAAP Technical Systems Manual

Condition

The amounts claimed on the reimbursement requests and the final expenditure reports did not agree with the expenditures reported in the District's budget reports for the NCLB grant program.

Questioned Costs

None.

Context

The following differences were noted:

- Title I – The carryover balance per the accounting records was \$190,460 and \$203,467 per the final expenditure report.
- Title III – The carryover balance per the accounting records was \$2,072 and \$1,573 per the final expenditure report.
- Title II – Immigrant – The carryover balance per the accounting records was \$6,448 and \$6,864 per the final expenditure report.

Effect

The final expenditure reports were not in agreement with the District's accounting records..

Recommendation

Reimbursement requests and final expenditure reports for the NCLB grant programs be reconciled to and in agreement with the District's accounting records prior to their submission.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**SOUTH PLAINFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

**SOUTH PLAINFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

Finding 2015-003

Our audit revealed the following:

- There were two instances where transportation expenses for trips in the Adult School exceeded the quote threshold where quotes were not obtained. In addition, the vendor was paid \$64,660 in the aggregate for the school year.
- Our review of invoices for bus repairs revealed certain per unit labor costs and the markup in parts were not in accordance with the bid award terms.
- There was insufficient documentation to support the District's assertion that the alarm system was purchased through the use of a State contract.

State Program Information

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084
PARCC Readiness Aid	495-034-5120-098
Per Pupil Growth Aid	495-034-1520-097

Criteria or Specific Requirement

State Grant Compliance Supplements
N.J.S.A. 18:18A-4 Contracts and Agreements Requiring Advertising
N.J.S.A. 52:15C-10

Condition

See Finding 2015-003.

Questioned Cost

Undeterminable.

Context

See Finding 2015-003.

**SOUTH PLAINFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS (Continued)

Finding 2015-003 (Continued)

Effect

The District is not in compliance with Public School Contracts Law.

Cause

Unknown

Recommendation

It is recommended that internal control procedures be reviewed and enhanced to ensure purchases and contract awards in excess of the bid or quote threshold are made in accordance with the Public School Contracts Law.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**SOUTH PLAINFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

Finding 2015-004:

Our audit noted that expenditures for security projects were charged to the Capital Projects Fund that were not allowable project expenditures. An audit adjustment was subsequently made to reclassify those expenditures to the General Fund.

State program Information:

SDA Facilities Construction Financing Act Grants 4910-050 to 085-14-61X

Criteria or Specific Requirement:

State of New Jersey Compliance Supplement.

Condition:

See Finding 2015-005.

Questioned Costs:

None – Audit adjustment was made.

Context:

Expenditures in the amount of \$38,232 were originally charged to the Capital Projects Fund. An audit entry reclassified those expenses to the General Fund.

Cause:

Unknown.

Effect:

The Capital Projects Fund expenditure reports did not accurately reflect all allowable project costs.

Recommendation:

Only allowable project expenditures be charged to the Capital Projects Fund.

View of Responsible Officials and Planned Corrective Action:

Management has reviewed this finding and has indicated that corrective action will be taken.

**SOUTH PLAINFIELD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND
QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2014-001

It was noted that the General Fund modified budget as reported in the District's financial records was not in agreement with the total of the original budget, reappropriation of prior year encumbrances and approved adjustments by \$501,581. This was caused by the untimely rollover of prior year open orders in the 13/14 fiscal year.

Current Status

Corrective action has been taken.

Finding 2014-002

We noted the District's payroll purchase order was charged for an amount in excess of the available balance, resulting in a negative encumbrance at June 30, 2014. The adjustment of this purchase order resulted in several salary budget line accounts to be overexpended.

Current Status

Corrective action has been taken.

Finding 2014-003

Our audit noted that the reimbursement requests and final expenditure reports for the NCLB grant programs were not in agreement with the District's accounting records.

Current Status

See Finding 2015-002.

Finding 2014-004

Our audit noted that the reimbursement requests and final expenditure reports for the IDEA grant programs were not in agreement with the District's accounting records.

Current Status

Corrective action has been taken.

**SOUTH PLAINFIELD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND
QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 15-08

STATUS OF PRIOR YEAR FINDINGS

Finding 2014-005

Our audit noted that the salaries of certain Directors and Supervisors were not charged to the proper budget account code.

Current Status

Corrective action has been taken.

Finding 2014-006:

The monthly and year to date 10% transfer reports were not submitted to the Executive County Superintendent for approval. We noted certain budget transfers that required Executive County Superintendent approval.

Current Status

Corrective action has been taken.

Finding 2014-007

Our audit noted several instances where an incorrect budget account code was charged for a travel and expense reimbursement.

Current Status

Corrective action has been taken.

Finding 2014-008

Our audit revealed:

- There were two instances where transportation expenses for trips in the Adult School exceeded the quote threshold where quotes were not obtained. In addition, the vendor was paid \$55,335 in the aggregate for the school year.
- Our review of invoices for bus repairs revealed certain per unit labor costs and the markup in parts were not in accordance with the bid award terms.
- The District did not obtain bids for garbage disposal services even though the vendor was paid \$43,700 for the school year.

Current Status

See Finding 2015-003.

**SOUTH PLAINFIELD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND
QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2014-009:

Our audit of the District's Application for State School Aid (ASSA) revealed that amounts reported were not always in agreement with supporting workpapers and documentation for the respective categories.

Current Status

Corrective action has been taken.