

**Comprehensive Annual  
Financial Report**

**of the**

**Borough of Alpine School District  
County of Bergen**

**Alpine, New Jersey**

**For the Fiscal Year Ended June 30, 2016**

**Prepared by**

**Borough of Alpine School District  
Finance Department**



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**INTRODUCTORY SECTION**

**ALPINE SCHOOL DISTRICT  
500 HILLSIDE AVENUE  
ALPINE, NEW JERSEY 07620**

*Phillip Simotas  
President  
Board of Education*

*Dan Hauser  
Business Administrator/  
Board Secretary*

Date: October 31, 2016

Honorable President and  
Members of the Board of Education  
Alpine School District  
County of Bergen, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Alpine School District for the fiscal year ended June 30, 2016 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Business Office of the Board of Education. To the best of my 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 and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and 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 Federal Uniform Guidance and the State Treasury Circular Letter OMB 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". 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.



**3) REPORTING ENTITY AND ITS SERVICES:** Alpine School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Alpine Board of Education and its school constitute the District's reporting entity.

The District provided a full range of educational services appropriate to regular students grade levels K through 8. The District completed the 2015-2016 fiscal year with an enrollment of 156 regular students. The following details the changes in the student enrollment of the District over the last ten years.

Fiscal Year	Average Daily Enrollment	
	Student Enrollment	Percent Change
2006-07	136.0	0.00%
2007-08	135.0	-1.03%
2008-09	141.0	+4.61%
2009-10	142.0	+0.78%
2010-11	154.0	+8.39%
2011-12	146.0	-5.40%
2012-13	146.0	0.00%
2013-14	160.0	+9.97%
2014-15	156.0	-.025%
2015-16	152.0	-.026%

In addition, the district sent approximately 60 students to Tenafly High School, a relationship that has endured for over 50 years.

**2) ECONOMIC CONDITION AND OUTLOOK:** The Borough of Alpine has emerged from the effects of the recession of several years ago. Housing prices are relatively high when compared to the rest of the State.

**3) MAJOR INITIATIVES:** During the 2015-2016 school year many initiatives were undertaken. In conjunction with our ever evolving technology, complete sets of i-Pads were provided for third and fourth graders. The skill of keyboarding was brought down to the primary grades with special keyboards for small hands.

Social Skills classes were expanded from lower grades to the middle school, Grades 5-8. Weekly lessons were provided.

A focus was placed upon increasing the level of students' responsibility for their own learning. Relevant strategies were implemented in all content areas. Students led parent-teacher conferences in Grades 4-8.

The teacher evaluation system was expanded to make teachers and administrators develop criteria for evaluating Charlotte Danielson's Domain I, Planning and Preparation and Domain IV, Professional Responsibilities. The Danielson model is the District's evaluation format.

The Middle School math program was re-evaluated and revised so that 95% of the students will complete Algebra I by the end of Eighth Grade.

Three (3) additional writing periods were added to the K-4 schedules. Teachers were trained at Columbia University's "Writers Workshop." Music and Art teachers were integrated into the ELA classes to serve as writing coaches.

Middle School enrichment classes were held for five (5) days with students having two elective choices. The primary grades had five (5) weeks of art enrichment.

Lastly, a \$4 million dollar construction project continued with funding from the Alpine Foundation. Completion and occupancy are expected in the Autumn of 2016.

The district has begun several initiatives for 2016-2017. The Professional Development focus is on student engagement. Several PLC's are working on programs to assist this effort.

Financial literacy has been implemented in all grade levels. Science Olympiad is reinstated for grades 4-6 and added in grade 3. Enrichment will continue, but be enhanced with an additional program in the spring.

The next generation science standards will be integrated into the curriculum for grades 6-8 including activities in science, technology, engineering, arts, and math (STEAM).

**4) 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 these objectives are met. The concept of reasonable assurance recognizes that:

- (1) the cost of a control should not exceed the benefits likely to be derived; and
- (2) the evaluation of costs and benefits requires estimates and judgments by management.

As a 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.

**5) 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, and the special revenue fund. The district has no debt service fund.

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 re-appropriated are reported as reservations of fund balance at June 30, 2016.

**6) ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements" Note 1.

**7) FINANCIAL INFORMATION AT FISCAL YEAR-END:** 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.

**8) DEBT ADMINISTRATION:** At June 30, 2016 the district had no outstanding debt. The Board, after a defeated referendum in December of 1992, made a commitment to fund capital projects on an annual basis taking care of the most urgent repairs first. This commitment may need to be revisited during the 2015-2016 school year as recent legislation has severely restricted the district's ability to fund capital projects on an annual basis.

**9) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 and was revised in 2009 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. Each year the Board designates its official depository at its reorganization meeting.

**10) RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, and fidelity bonds. The Board participates in the North East Bergen County School Board Insurance Group (NESBIG).

The insurance pool is self-insured for Workers' Compensation claims. It is the model for insurance pools in New Jersey and the pool is audited annually by an independent auditing firm. Its funds are conservatively invested.

**11) OTHER INFORMATION:**

**Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee, Clooney and Company, CPAs, 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 Federal Uniform Guidance State Treasury Circular Letter OMB 15-08. The auditor's report on the basic financial statements and combining of individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

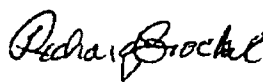
**12) ACKNOWLEDGMENTS:**

We would like to express appreciation to the members of the Alpine Board of Education for their commitment to provide fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the maintenance of the school district's financial operation.

Respectfully submitted,



Dan Hauser  
Board Secretary/Business Administrator



Dr. Richard Brockel  
Chief School Administrator

**ALPINE BOARD OF EDUCATION  
ALPINE, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2016**

<b><u>Members of the Board of Education</u></b>	<b>Term Expires</b>
Philip Simotas, President	2017
Srinivas Dhulipala, Vice President	2017
Sharon Kurtz	2016
Richard Serko	2018
Kathleen Martinelli	2018

**Other Officials:**

Dr. Richard Brockel - Chief School Administrator

Dan Hauser - School Business Admin./Board Secretary

Marilyn Hayward - Treasurer

**BOROUGH OF ALPINE SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS  
JUNE 30, 2016**

**Architect**

Lan Associates  
445 Godwin Avenue  
Midland Park, NJ 07432

**Audit Firm**

Suplee, Clooney & Company  
308 East Broad Street  
Westfield, NJ 07090

**Attorney**

Fogarty and Hara  
16-00 Route 208 South  
Fair Lawn, NJ 07410

**Official Depository**

Capital One Bank  
500 Hillside Ave.  
Alpine, NJ 07620

**FINANCIAL SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Borough of Alpine School District  
County of Bergen  
Alpine, New Jersey 07620

### **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 Borough of Alpine School District, County of Bergen, New Jersey as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

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



## SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

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 Borough of Alpine School District, County of Bergen, New Jersey as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information in Exhibit C-1 through C-3 and the pension schedules in Exhibit L-1 through L-4 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 Borough of Alpine School District's basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

**SUPLEE, CLOONEY & COMPANY**

The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the State of New Jersey, Department of Education, Division of Finance 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. 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 records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information, such as the introductory and statistical sections, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated October 31, 2016 on our consideration of the Borough of Alpine School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Borough of Alpine School District's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

October 31, 2016

  
PUBLIC SCHOOL ACCOUNTANT NO. 948

**REQUIRED SUPPLEMENTARY INFORMATION – Part I**

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

**BOROUGH OF ALPINE SCHOOL DISTRICT  
ALPINE, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED**

The discussion and analysis of Alpine Board of Education District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. 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 basic financial statements and notes to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2015-2016) and the prior year (2014-2015) is required to be presented in the MD&A.

### **Financial Highlights**

Key financial highlights for 2016 are as follows:

- In total, for the 2015-2016 school year net position increased \$31,895.23, which represents a 1 percent increase from 2014-2015. "Net position" is comprised of capital assets (such as building and improvements), restricted funds for capital improvements and unrestricted balances less current and long term liabilities.
- General revenues accounted for \$6,040,318.55 in revenue, or 84 percent of all revenues. Program specific revenues in the form of charges for services, operating grants including on-behalf State FICA and TPAF post retirement medical contributions accounted for \$1,124,993.91 in revenue or the remaining 16 percent of total revenues.
- The School District had \$7,133,417.24 in expenses; only \$1,124,993.91 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily tax levy and unrestricted state aid) of \$6,040,318.55 were used to provide for these programs.
- Business-type activities had \$1,541.61 in revenues and \$1,144.81 in expenses. Business-type net position increased \$927.80.

**BOROUGH OF ALPINE SCHOOL DISTRICT  
ALPINE, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED**

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and explanatory notes. The report is organized so that the reader can first understand the Borough of Alpine School District as a financial whole. The financial operations of each individual fund are also described in detail later in the report.

*The Statement of Net Position and Statement of Activities:* The purpose of the Statement of Net Position and Statement of Activities is to combine financial data of all individual fund operations to present information about the activities of the School District as a whole. Activities are broken down into two broad categories: Governmental Activities and Business-Type Activities. The most significant activity for the Borough of Alpine School District occurs in the category of Governmental Activities.

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While the CAFR report contains detail of all individual funds used by the School District to provide programs and activities, the most significant statements are the Statement of Net Position and Activities. These statements include all assets, liabilities and activities using the accrual basis of accounting. The accrual basis of accounting reflects recognition of revenues and expenditures when earned rather than received.

The Statements of Assets and Activities report the School District's net position and changes in those assets. This change in net position is important because it tells the reader whether the financial position of the School District has improved or diminished. The causes of this change may be attributable to non-financial factors such as: The School District's property tax base, changes in current State law, facility conditions, mandated educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District's operating activities are divided into two distinct types:

- *Government Activities* - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- *Business-Type Activities* – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service program is business-type activity.

**BOROUGH OF ALPINE SCHOOL DISTRICT  
ALPINE, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED**

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

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

**Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows through those funds and the balances left at year-end. These funds are reported using an accounting method referred to as the modified accrual basis of accounting, which recognizes revenue and expenditures when they become both measurable and available. 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 the reader determine the availability of 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. These statements closely resemble financial statements of a private sector business entity.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. The District's financial position is the product of numerous financial transactions including the net results of activities, the issuance and repayment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**BOROUGH OF ALPINE SCHOOL DISTRICT  
ALPINE, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED**

*Table 1* provides a summary of the School District's net position for 2016 and 2015.

**Table 1 - Net Position**

The District's combined net position was \$6,035,266.99 on June 30, 2016. This was an increase of 1 percent from the prior year.

	<u>2016</u>	<u>2015</u>
Assets		
Current and Other Assets	\$1,741,117.54	\$4,404,963.28
Capital Assets	<u>6,125,814.69</u>	<u>2,830,863.25</u>
Total Assets	7,866,932.23	7,235,826.53
Deferred Outflows		
Deferred pension	<u>455,554.00</u>	<u>85,043.00</u>
Liabilities		
Other Liabilities	680,281.24	131,594.77
Long-Term Liabilities	<u>1,439,026.00</u>	<u>951,801.00</u>
Total Liabilities	2,119,307.24	1,083,395.77
DEFERRED INFLOW:		
Deferred Pension	<u>167,912.00</u>	<u>234,102.00</u>
Net Position		
Net Investment in Capital Assets	6,125,814.69	2,830,863.25
Restricted	911,378.11	4,031,838.90
Unrestricted (Deficit)	<u>(1,001,925.81)</u>	<u>(859,330.39)</u>
Total Net Position	<u><u>\$6,035,266.99</u></u>	<u><u>\$6,003,371.76</u></u>



BOROUGH OF ALPINE SCHOOL DISTRICT  
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*Table 2* illustrates changes in net position for fiscal years 2016 and 2015.

Table 2- Changes in Net Position

	<u>2016</u>	<u>2015</u>
Revenues		
Program Revenues:		
Charges for Services	1,541.60	\$2,847.20
Operating Grants and Contributions	1,123,452.31	1,093,310.95
General Revenues:		
Property Taxes	5,934,795.00	5,818,441.00
Other	<u>105,523.55</u>	<u>3,547,276.23</u>
Total Revenues	<u>7,165,312.46</u>	<u>10,461,875.38</u>
Program Expenses		
Instruction	4,854,659.74	4,563,145.84
Support Services:		
Student and Instruction Related	1,164,973.69	1,235,957.25
General & School Administration; Central Services; Operations & Maintenance of Facilities	820,070.82	723,509.06
Student Transportation	233,868.36	193,120.59
Business Type Activities	1,144.81	3,052.79
Other	<u>58,699.83</u>	<u>20,837.26</u>
Total Expenses	<u>7,133,417.24</u>	<u>6,739,622.80</u>
Increase/ (Decrease) in Net Position	<u>\$31,895.22</u>	<u>\$3,722,252.58</u>

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

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**Governmental Activities**

The nature of funding public education primarily through property taxes in New Jersey creates the legal requirement to annually seek voter approval for the School District budget. Property taxes made up 58 percent of revenues for governmental activities for the Borough of Alpine School District for fiscal year 2016. Property tax revenues increased by \$116,354.00, a 2 percent increase from the prior year. The District's total revenues for governmental activities were \$7,165,312.46 for the year ended June 30, 2016. Federal and state aid accounted for 15 percent of revenue.

Instruction comprises 68 percent of district expenses. Support Services costs make up 31 percent of the total expenditures.

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

Table 3

	<u>Total Cost of Services 2016</u>	<u>Total Cost of Services 2015</u>	<u>Net Cost of Services 2016</u>	<u>Net Cost of Services 2015</u>
Instruction	4,854,659.74	4,563,145.84	3,920,499.11	\$3,779,686.11
Support Services:				
Students and Instruction				
Related	1,164,973.69	1,235,957.25	1,038,070.96	989,868.40
General Administration, School				
& Central Administration				
Maintenance of Facilities	820,070.82	723,509.06	812,586.86	714,816.69
Student Transportation	233,868.36	193,120.59	179,494.36	138,050.59
Other	1,144.81	3,052.79	37,970.75	29,598.61
Business-Type Activities	58,699.83	20,837.26	(927.80)	205.58
Total Net Cost of Services	<u>\$7,133,417.24</u>	<u>\$6,739,622.80</u>	<u>\$5,987,694.24</u>	<u>\$5,652,225.98</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

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Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

General administration, school administration and central 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 condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services.

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

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.

The School District relies mainly upon property tax revenues to function. The community, as a whole, is the primary support for the Borough of Alpine School District. Approximately 90% of the overall program is supported by local property taxes.

**Business-Type Activities**

Revenues for the District's business-type activities were comprised charges for the special milk program. The following are some highlights of our business type activities:

- Business type revenues exceeded expenses by \$927.80.
- Revenues consist of \$1,541.61 in operating revenue from charges for services and \$531.00 in non-operating revenue from Federal sources.

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**Business-Type Activities (continued)**

<b>Revenues</b>	<b>2016</b>	<b>2015</b>
Program Revenues:		
Charges for services	\$ 1,541.61	\$ 2,006.10
Other	531.00	841.11
Total Revenues	2,072.61	2,847.21
<b>Program Expenses</b>		
Food Services	1,144.81	3,052.79
Total Expenses	1,144.81	3,052.79
<b>Increase / (Decrease) in Net Position</b>	<b>\$ 927.80</b>	<b>\$ (205.58)</b>

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund and capital projects fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$6,754,680.64 and expenditures were \$9,939,929.65.

As demonstrated by the various statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2016 and the amount and percentage of increase and decrease in relation to prior year revenues.

The increase in state sources is due to an increase in state aid and On-behalf contributions.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase(Decrease) from FY 2015</u>	<u>Percent Increase (Decrease)</u>
Local Sources	6,040,318.55	89.42%	(\$3,325,398.68)	-35.51%
State Sources	632,816.10	9.37%	(9,050.50)	-1.41%
Federal Sources	81,545.99	1.21%	31,697.99	63.59%
Total	<u>\$6,754,680.64</u>	<u>100.00%</u>	<u>(\$3,302,751.19)</u>	<u>-5.98%</u>

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The following schedule represents a summary of general fund, special revenue fund, and capital projects fund expenditures for the fiscal year ended June 30, 2016, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase(Decrease) from FY 2015</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$4,302,520.45	43.29%	\$110,676.45	2.64%
Support Services	2,234,920.68	22.48%	187,656.11	9.17%
Capital Outlay	<u>3,402,488.52</u>	<u>34.23%</u>	<u>2,349,647.91</u>	<u>223.17%</u>
Total	<u>\$9,939,929.65</u>	<u>100.00%</u>	<u>\$2,647,980.47</u>	<u>4.92%</u>

Changes in expenditures were the results of varying factors. Capital Outlay expense increased which comprise the largest expenditure category due to the completion of a major capital project.

**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 a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

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

- Transfers made to administration lines to cover employee salaries and benefits were offset by savings in tuition due to fewer placements and underutilization of substitutes and supply budgets.
- TPAF, which is the State's contribution to the pension and post-retirement benefits fund and the employer's share of FICA costs, is neither a budgeted revenue nor expenditure item. The School District is required to present this information in the revenue and expenditure sections of the report in accordance with GASB financial reporting guidance.
- Excess operating funds were allowed to flow into surplus and become available for transfer into our capital reserve account.

**BOROUGH OF ALPINE SCHOOL DISTRICT  
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**Capital Assets**

At the end of the fiscal year 2016, the School District had \$6,125,814.69 invested in land, building, furniture, equipment and vehicles. *Table 5* illustrates fiscal year 2016 balances compared to 2015.

**Table 5  
Capital Assets (Net of Depreciation) at June 30, 2016**

	<u>2016</u>	<u>2015</u>
Governmental Activities Capital Assets, Net:		
Construction in Progress	\$4,460,596.64	\$1,068,232.12
Building and Building Improvements	1,547,817.47	1,625,814.57
Machinery and Equipment	<u>117,400.58</u>	<u>136,816.56</u>
Total Governmental Activities Capital Assets, Net	<u>6,125,814.69</u>	<u>2,830,863.25</u>
Total Capital Assets, Net	<u><u>\$6,125,814.69</u></u>	<u><u>\$2,830,863.25</u></u>

Overall capital assets increased \$3,294,951.44 from fiscal year 2015 to fiscal year 2016. The increase is due to the building construction on the school.

**Negotiations**

The Alpine Board of Education has an approved labor agreement with the teachers through the 2016 fiscal year.

**BOROUGH OF ALPINE SCHOOL DISTRICT  
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**Contacting the School District's Financial Management Office**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact Dan Hauser, Business Administrator/Board Secretary, Borough of Alpine School District, 500 Hillside Avenue, Alpine, NJ 07620. Also, please visit our website to learn more about our School District.

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2016



## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

BOROUGH OF ALPINE SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2016

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$ 791,282.23	\$ 3,049.22	\$ 794,331.45
Receivables, net	531,934.99	29.00	531,963.99
Restricted assets:			
Restricted cash and cash equivalents	414,822.10		414,822.10
Capital assets:			
Non Depreciable	4,460,596.64		4,460,596.64
Depreciable - Net	<u>1,665,218.05</u>		<u>1,665,218.05</u>
Total Assets	<u>7,863,854.01</u>	<u>3,078.22</u>	<u>7,866,932.23</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Pension Related	<u>455,554.00</u>		<u>455,554.00</u>
	455,554.00		455,554.00
LIABILITIES:			
Unearned revenue	556,957.24		556,957.24
Accounts payable	55,924.00		55,924.00
Noncurrent liabilities:			
Due beyond one year:			
Compensated Absences	67,400.00		67,400.00
Net Pension Liability	<u>1,439,026.00</u>		<u>1,439,026.00</u>
Total liabilities	<u>2,119,307.24</u>		<u>2,119,307.24</u>
DEFERRED INFLOW OF RESOURCES:			
Pension Related	167,912.00		167,912.00
NET POSITION:			
Net investment in capital assets	6,125,814.69		6,125,814.69
Restricted for:			
Capital Projects	861,378.11		861,378.11
Other purposes	50,000.00		50,000.00
Unrestricted ( Unrestricted)	<u>(1,005,004.03)</u>	<u>3,078.22</u>	<u>(1,001,925.81)</u>
TOTAL NET POSITION	<u>\$ 6,032,188.77</u>	<u>\$ 3,078.22</u>	<u>\$ 6,035,266.99</u>

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

BOROUGH OF ALPINE SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
JUNE 30, 2016

Functions/Programs	Expenses	Indirect Expenses Allocation	Charges for Services	Programs Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
						Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	\$ 2,497,856.27	\$ 1,026,537.32	\$	\$ 573,794.52	\$	\$ (2,950,599.07)	\$	\$ (2,950,599.07)
Special	658,563.78	186,381.17		238,475.53		(606,469.43)		(606,469.43)
Other instruction	273,526.01	213,824.59		122,221.69		(365,128.90)		(365,128.90)
Support services:								
Tuition	-	-		-		-		-
Student and instruction related services	855,320.56	305,740.81		126,805.11		(1,034,256.26)		(1,034,256.26)
School administrative services	81,471.50	26,144.99		-		(107,616.49)		(107,616.49)
General administrative services	40,614.77	5,078.72		7,483.96		(38,209.53)		(38,209.53)
Central services	132,074.46	62,313.82		-		(194,388.28)		(194,388.28)
Plant operations and maintenance	437,266.51	56,801.62		-		(494,068.13)		(494,068.13)
Pupil transportation	226,737.82	13,023.80		54,374.00		(185,387.62)		(185,387.62)
Unallocated Benefits	1,824,708.18	(1,824,708.18)		-		-		-
Unallocated depreciation	104,366.08	(71,138.68)		-		(33,227.40)		(33,227.40)
Total governmental activities	7,132,505.94			1,123,154.82		(6,009,351.12)		(6,009,351.11)
Central services								
Business-type activities								
Food service	1,144.81		1,541.61	531.00			927.80	927.80
Total business-type activities	1,144.81		1,541.61	531.00			927.80	927.80
Total primary government	\$ 7,133,650.75		\$ 1,541.61	\$ 1,123,685.82		(6,009,351.12)	\$ 927.80	\$ (6,008,423.31)
General Revenues:								
Taxes:								
Property taxes, levied for general purposes, net						\$ 5,934,795.00	\$	\$ 5,934,795.00
Federal and state aid not restricted								-
Private Donations						54,250.00		54,250.00
Miscellaneous income						51,273.55		51,273.55
Total general revenues						6,040,318.55		6,040,318.55
Change in Net Position						30,967.43	927.80	31,895.24
Net Position - beginning						6,001,221.34	2,150.42	6,003,371.76
Net Position ending						\$ 6,032,188.77	\$ 3,078.22	\$ 6,035,266.99

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

## **MAJOR FUND FINANCIAL STATEMENTS**

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

BOROUGH OF ALPINE SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 303,018.97	\$ 8,047.25	\$ 480,216.01	\$ 791,282.23
Cash, capital reserve	414,822.10			414,822.10
Receivables from other governments	16,685.00	10,956.99	198,000.00	225,641.99
Receivables from local sources		9,293.00	297,000.00	306,293.00
	<u>734,526.07</u>	<u>28,297.24</u>	<u>975,216.01</u>	<u>1,738,039.32</u>
<b>Total assets</b>	<b>\$ 734,526.07</b>	<b>\$ 28,297.24</b>	<b>\$ 975,216.01</b>	<b>\$ 1,738,039.32</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Unearned Revenue	\$	\$ 28,297.24	\$ 528,660.00	\$ 556,957.24
		<u>28,297.24</u>	<u>528,660.00</u>	<u>556,957.24</u>
<b>Total liabilities</b>		<b>28,297.24</b>	<b>528,660.00</b>	<b>556,957.24</b>
<b>Fund balances:</b>				
<b>Restricted:</b>				
Capital reserve account	414,822.10			414,822.10
Emergency reserve	50,000.00			50,000.00
Capital Projects Fund			52,902.44	52,902.44
<b>Committed:</b>				
Encumbrances			393,653.57	393,653.57
<b>Assigned:</b>				
Encumbrances	22,514.97			22,514.97
Unassigned	247,189.00			247,189.00
	<u>734,526.07</u>		<u>446,556.01</u>	<u>1,181,082.08</u>
<b>Total fund balances</b>	<b>734,526.07</b>		<b>446,556.01</b>	<b>1,181,082.08</b>
<b>Total liabilities and fund balances</b>	<b>\$ 734,526.07</b>	<b>\$ 28,297.24</b>	<b>\$ 975,216.01</b>	<b>\$ 1,738,039.32</b>

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

BOROUGH OF ALPINE SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

Total Fund Balances (Brought Forward)		\$1,181,082.08
<p>Amounts Reported for Governmental Activities in the Statement  of Net Position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial  resources and therefore are not reported in the funds.</p>		
Cost of Assets	\$8,280,400.79	
Accumulated Depreciation	<u>(2,154,586.10)</u>	6,125,814.69
<p>Long term liabilities, including bonds payable, and other related  amounts that are not due and payable in the current period  and therefore are not reported as liabilities in the funds.</p>		
Net Pension Liability	(1,439,026.00)	
Compensated Absences	<u>(67,400.00)</u>	(1,506,426.00)
<p>Deferred Outflows and Inflows of resources are applicable  to future periods and therefore are not reported in the funds.</p>		
Pensions:		
Deferred Outflows		
Pension related		455,554.00
<p>Deferred Inflows:</p>		
Pension related		(167,912.00)
<p>Certain liabilities are not due and payable in the current period  and therefore, are not reported in the governmental funds.</p>		
Accounts Payable - Pension Related		<u>(55,924.00)</u>
Net Position of Governmental Activities		<u><u>\$6,032,188.77</u></u>

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

BOROUGH OF ALPINE SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Local sources:				
Local tax levy	\$ 5,934,795.00	\$		\$ 5,934,795.00
Private Contributions	4,250.00		50,000.00	54,250.00
Miscellaneous	51,273.55	9,310.53		60,584.08
Total - local sources	5,990,318.55	9,310.53	50,000.00	6,049,629.08
State sources	623,505.57			623,505.57
Federal sources		81,545.99		81,545.99
Total revenues	6,613,824.12	90,856.52	50,000.00	6,754,680.64
EXPENDITURES:				
Current expense:				
Regular instruction	1,472,851.79			1,472,851.79
Special instruction	231,602.15	50,262.00		281,864.15
Other Instruction	273,526.01			273,526.01
Support services:				
Tuition	1,398,533.11			1,398,533.11
Student and instruction related services	817,965.04	37,355.52		855,320.56
School administrative services	81,471.50			81,471.50
General administration	40,614.77			40,614.77
Plant operations and maintenance	437,266.51			437,266.51
Central services	132,074.46			132,074.46
Pupil transportation	226,737.82			226,737.82
Unallocated Benefits	1,337,180.45			1,337,180.45
Capital outlay	6,885.00	3,239.00	3,392,364.52	3,402,488.52
Total expenditures	6,456,708.61	90,856.52	3,392,364.52	9,939,929.65
Excess (deficiency) of revenues over (under) expenditures	157,115.51		(3,342,364.52)	(3,185,249.01)
Other financing sources (uses):				
Transfers in/(out)	(237,000.00)		237,000.00	
Total other financing sources (uses)	(237,000.00)		237,000.00	
Net change in fund balances	(79,884.49)		(3,105,364.52)	(3,185,249.01)
Fund balances, July 1, 2015	814,410.56		3,551,920.53	4,366,331.09
Fund balances, June 30, 2016	\$ 734,526.07	\$ -0-	\$ 446,556.01	\$ 1,181,082.08

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

BOROUGH OF ALPINE SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Total net change in fund balances - governmental funds (from B-2) \$ (3,185,249.01)

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

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

Depreciation expense	\$ (104,366.08)	
Capital outlays	3,402,488.52	
Less: Capital outlays not capitalized	<u>(3,171.00)</u>	3,294,951.44

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

District pension contributions	55,113.00	
Less: Pension expense	<u>(106,448.00)</u>	(51,335.00)

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

	<u>(27,400.00)</u>	
Change in net position of governmental activities	\$ <u><u>30,967.43</u></u>	

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



**OTHER FUNDS**

BOROUGH OF ALPINE SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016

	<u>FOOD SERVICE FUND (NON-MAJOR) TOTAL</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 3,049.22
Accounts receivable:	
Federal	<u>29.00</u>
Total current assets	<u>3,078.22</u>
Total assets	\$ <u><u>3,078.22</u></u>
NET POSITION:	
Unrestricted	\$ <u>3,078.22</u>
Total net position	\$ <u><u>3,078.22</u></u>

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

BOROUGH OF ALPINE SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>FOOD SERVICE FUND (NON-MAJOR) TOTAL</u>
OPERATING REVENUES:	
Charges for services:	
Daily sales - reimbursable programs	\$ <u>1,541.61</u>
Total operating revenues	<u>1,541.61</u>
OPERATING EXPENSES:	
Cost of sales	<u>1,144.81</u>
Total operating expenses	<u>1,144.81</u>
Operating income	<u>396.80</u>
NONOPERATING REVENUES (EXPENSES):	
Federal sources	
Special milk program	<u>531.00</u>
Total nonoperating revenues (expenses)	<u>531.00</u>
Change in net position	927.80
Total net position - beginning	<u>2,150.42</u>
Total net position - ending	<u>\$ <u>3,078.22</u></u>

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

BOROUGH OF ALPINE SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>FOOD SERVICE FUND (NON-MAJOR) TOTAL</u>
Cash flows from operating activities:	
Receipts from customers	\$ 1,541.61
Payments to suppliers	<u>(1,144.81)</u>
Net cash provided by (used for) operating activities	<u>396.80</u>
Cash flows from noncapital financing activities:	
Federal Sources	<u>562.95</u>
Net cash provided by noncapital financing activities:	<u>562.95</u>
Net increase in cash and cash equivalents	959.75
Cash and cash equivalents, July 1, 2015	<u>2,089.47</u>
Cash and cash equivalents, June 30, 2016	<u>\$ 3,049.22</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income	\$ <u>396.80</u>
Net cash provided by (used for) operating activities	<u>\$ 396.80</u>

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

BOROUGH OF ALPINE SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>SECURITY DEPOSIT TRUST FUND</u>	<u>STATE UNEMPLOYMENT COMPENSATION TRUST FUND</u>	<u>AGENCY FUNDS</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ <u>6,550.00</u>	\$ <u>2,542.35</u>	\$ <u>62,420.50</u>
Total Assets	\$ <u><u>6,550.00</u></u>	\$ <u><u>2,542.35</u></u>	\$ <u><u>62,420.50</u></u>
<b>LIABILITIES:</b>			
Payroll deductions and withholdings	\$	\$	\$ 59,423.11
Security deposits	6,550.00		
Due to student groups	<u>                    </u>	<u>                    </u>	<u>2,997.39</u>
Total liabilities	\$ <u><u>6,550.00</u></u>	\$ <u>                    </u>	\$ <u><u>62,420.50</u></u>
<b>NET POSITION:</b>			
Held in trust for unemployment claims and other purposes		\$ <u><u>2,542.35</u></u>	

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

BOROUGH OF ALPINE SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>STATE UNEMPLOYMENT COMPENSATION TRUST FUND</u>
ADDITIONS:	
Contributions:	
Other	\$ <u>14,047.46</u>
Total contributions	<u>14,047.46</u>
Total additions	<u>14,047.46</u>
DEDUCTIONS:	
Unemployment claims	<u>15,987.72</u>
Total deductions	<u>15,987.72</u>
Change in net position	<u>(1,940.26)</u>
Net position beginning of year	<u>4,482.61</u>
Net position end of year	\$ <u><u>2,542.35</u></u>

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

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

The District is a Type II District located in Bergen County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education of the Alpine School District, comprised of five elected individuals, is the primary governing authority of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

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

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

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

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

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation**

The District's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

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

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

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



**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Funds**

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. U.S. Generally Accepted Accounting Principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to the current expense by Board resolution; in certain instances approval by the County Superintendent of Schools may also be required.

**Special Revenue Fund** The special revenue fund is used to account for the proceeds of specific revenue sources from State and Federal Government (other than those for major capital projects, debt service or proprietary funds) and local appropriations that are restricted or committed to expenditures for specified purposes.

**Capital Projects Funds** The capital projects fund is used to account for and report all financial resources that are restricted, committed or assigned to expenditures for capital outlays including the acquisition or construction of major capital facilities or other capital assets.

**Proprietary Funds**

**Enterprise Fund** The enterprise fund accounts for all revenues and expenses pertaining to the District's Food Service program operations. These funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (*i.e.* expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fiduciary Funds**

**Agency Funds** The agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District. The agency funds included are as follows:

**Payroll and Student Activities Funds** These are agency funds used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

**Private Purpose Trust Funds** These fiduciary funds are used to account for assets that will provide for payments for non-governmental purposes.

**Unemployment Insurance Trust Funds** An expendable fiduciary fund used to account for unemployment compensation claims as they arise.

**Basis of Accounting-Measurement Focus**

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

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

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting-Measurement Focus (Continued)**

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

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control (Continued)**

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of one or more deferred State Aid payments for budgetary purposes only due to the State deferral of such payments into the subsequent budget year and the accounting treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**Encumbrance Accounting**

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

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

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

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Interfunds**

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

**Inventories and Prepaid Expenses**

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

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

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

**Capital Assets**

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

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

In fiscal year 2016, the District implemented GASB 72. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, Measurement of Elements of Financial Statements, and other relevant literature. Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Lives</u></b>
School Buildings	50
Building Improvements	20
Land Improvements	20
Machinery and Equipment	5-20

**Compensated Absences**

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

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

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

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences (Continued)**

For the district-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

**Unearned Revenue**

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

**Accrued Liabilities and Long-Term Obligations**

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

**Net Position**

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance**

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

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

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

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education. The District reports amounts Designated for Subsequent Year's Expenditures as Committed Fund Balance and Encumbrances.

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

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

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



**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues Exchange and Non-Exchange Transactions**

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

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

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

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Allocation of Indirect Expenses**

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

**Extraordinary and Special Items**

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

**Management Estimates**

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

**Accounting and Financial Reporting for Pensions**

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

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounting and Financial Reporting for Pensions (Continued)**

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

**Deferred Outflows/Inflows of Resources**

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

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

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Deposits**

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Borough of Alpine School District had the following cash and cash equivalents at June 30, 2016:

		<u>Checking Accounts</u>		<u>Total</u>
Cash on Deposit	\$	1,722,012.24	\$	1,722,012.24
Add: Deposit in Transit		2,224.73		2,224.73
Less: Outstanding Checks		<u>443,570.57</u>		<u>443,570.57</u>
 Net Cash	 \$	 <u>1,280,666.40</u>	 \$	 <u>1,280,666.40</u>

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

Custodial Credit Risk- Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2016, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$1,722,012.24, \$250,000.00 was covered by Federal Depository Insurance and \$1,472,012.24 was covered under the provisions of NJGUDPA.

**Investments**

The types of investments which may be purchased by the District are strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Investments (Continued)**

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

At June 30, 2016 the District had no outstanding investments.

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

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 3: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities:			
Capital assets not being depreciated:			
Construction in progress	\$ 1,068,232.12	\$ 3,392,364.52	\$ 4,460,596.64
Total Capital Assets not being depreciated	<u>1,068,232.12</u>	<u>3,392,364.52</u>	<u>4,460,596.64</u>
Site improvements	206,900.00		206,900.00
Buildings & Building Improvements	3,135,452.94		3,135,452.94
Machinery & Equipment	<u>470,498.21</u>	<u>6,953.00</u>	<u>477,451.21</u>
Totals at historical cost	<u>3,812,851.15</u>	<u>6,953.00</u>	<u>3,819,804.15</u>
Gross Assets (Memo only)	<u>4,881,083.27</u>	<u>3,399,317.52</u>	<u>8,280,400.79</u>
Less: Accumulated Depreciation			
Site improvements	(100,045.18)	(6,858.42)	(106,903.60)
Buildings & Building Improvements	(1,616,493.19)	(71,138.68)	(1,687,631.87)
Machinery & Equipment	<u>(333,681.65)</u>	<u>(26,368.98)</u>	<u>(360,050.63)</u>
Total Depreciation	<u>(2,050,220.02)</u>	<u>(104,366.08)</u>	<u>(2,154,586.10)</u>
Total capital assets being depreciated, net of depreciation	<u>1,762,631.13</u>	<u>(97,413.08)</u>	<u>1,665,218.05</u>
Total Governmental Fund Activities	<u>\$ 2,830,863.25</u>	<u>\$ 3,294,951.44</u>	<u>\$ 6,125,814.69</u>

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 3: CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functional expense areas of the District as follows:

Instruction:	
Regular	\$ 69,351.70
Support services:	
General administrative services	1,786.98
Direct Expense of various functions	<u>33,227.40</u>
	\$ <u>104,366.08</u>

**NOTE 4: LONG-TERM LIABILITIES**

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

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



**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2016:

	Net Pension <u>Liability</u>	Compensated Absences <u>Payable</u>	<u>Total</u>
Balance June 30, 2015	\$ 951,801.00	\$ 40,000.00	\$ 991,801.00
Additions	\$ <u>487,225.00</u>	<u>27,400.00</u>	<u>514,625.00</u>
Balance June 30, 2016	\$ <u>1,439,026.00</u>	<u>67,400.00</u>	\$ <u>1,506,426.00</u>

**NOTE 5: PENSION PLANS**

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

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

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 5: PENSION PLANS (CONTINUED)**

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

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

**Vesting and Benefit Provisions** The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Significant Legislation**

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

**Pension Plan Design Changes**

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

**Funding Changes**

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

**COLA Suspension**

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

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

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

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 5: PENSION PLANS (CONTINUED)**

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

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

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (*i.e.* the State of New Jersey makes the employer contribution on behalf of public school districts).

<u>Year</u> <u>June 30,</u>	<u>Three-Year Trend Information for PERS</u>		<u>Net Pension</u> <u>Obligation</u>
	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	
2016	\$60,000.00	100.00%	\$60,000.00
2015	\$41,909.00	100.00%	\$41,909.00
2014	\$46,583.00	100.00%	\$46,583.00

During the fiscal years ended June 30, 2016, 2015 and 2014, the State of New Jersey contributed \$131,151.00, \$101,721.00, and \$69,021.00, respectively to the TPAF pension system on behalf of the district.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$161,445.57 during the year ended June 30, 2016 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 68.

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Public Employees Retirement System (PERS)**

At June 30, 2016, the District reported a liability of \$951,801.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 0.0064104875 percent, which was an increase of 0.0013268226 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$106,448.00. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience		\$34,330.00
Changes of assumptions		154,540.00
Net difference between projected and actual earnings on pension plan investments	\$23,137.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	144,775.00	210,760.00
District contributions subsequent to the measurement date		<u>55,924.00</u>
	<u>\$167,912.00</u>	<u>\$455,554.00</u>

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Public Employees Retirement System (PERS) (Continued)**

The \$55,924.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>June 30</u>	<u>Amount</u>
2016	\$41,707.00
2017	\$41,707.00
2018	\$41,707.00
2019	\$55,888.00
2020	\$50,709.00

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Public Employees Retirement System (PERS) (Continued)**

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Mortality Rates**

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Public Employees Retirement System (PERS) (Continued)**

**Actuarial Assumptions (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	



**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Public Employees Retirement System (PERS) (Continued)**

**Actuarial Assumptions (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the district's proportionate share of the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2015		
	1% Decrease <u>3.90%</u>	At Current Discount Rate <u>4.90%</u>	1% Increase <u>5.90%</u>
District's proportionate share of the pension liability	1,788,533.00	1,439,026.00	1,146,002.00

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Public Employees Retirement System (PERS) (Continued)**

**Pension Plan Fiduciary Net Position**

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

**Teachers Pensions and Annuity Fund (TPAF)**

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2016 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	\$12,747,436
	<u>\$12,747,436</u>

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2015, the proportion of the TPAF net pension liability associated with the District was .0201686308% which was an increase of .0023908754 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue of \$778,346 for contributions provided by the State.

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Mortality Rates**

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class. The ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions (Continued)**

**Long-Term Expected Rate of Return (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
High Yield Bonds	2.00%	4.57%
US Equities Markets	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmlands	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.50%
Hedge Funds - Multi Strategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
	<u>100.00%</u>	

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

**Pension Plan Fiduciary Net Position**

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

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 7: GASB 45 - OTHER POST-RETIREMENT BENEFITS**

For eligible retired employees, the School District participates in the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2015 there were 107,314 retirees eligible for post-retirement medical benefits and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums 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 free 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 7: GASB 45 - OTHER POST-RETIREMENT BENEFITS (CONTINUED)**

The State will set the contribution rate based 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 Commission for the years ended June 30, 2016, 2015 and 2014 were, \$163,944.00, \$173,099.00 and \$123,158.00 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 Commission was not determined or made available by the State of New Jersey.

**NOTE 8: LITIGATION**

The District's counsel advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the School District and which might materially affect the District's financial position.

**NOTE 9: CONTINGENCIES**

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2015-2016 fiscal year were not subject to the Federal Uniform Guidance and New Jersey OMB Circular 15-08, which mandate that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$750,000. The District did not expend federal or state aid in excess of \$750,000. All grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.



**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 10: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

**New Jersey Unemployment Compensation Insurance** The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following 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>Fiscal Year</u>	<u>Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2016	\$ 14,047.46	15,987.72	\$ 2,542.35
2015	\$ 15,000.00	30,711.40	\$ 4,482.61
2014	\$ 11,476.88	1,294.63	\$ 20,194.01

**NOTE 11: COMPENSATED ABSENCES**

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

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

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 11: COMPENSATED ABSENCES (CONTINUED)**

The liability for vested compensated absences of the governmental fund types are recorded in the District-wide Statement of Net Position. As of June 30, 2016, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$67,400.00.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016 no liability existed for compensated absences in the proprietary funds.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

**NOTE 12: FUND BALANCE APPROPRIATED**

**General Fund**

Of the \$734,526.07 in General Fund Balance at June 30, 2016, \$22,514.97 is assigned for encumbrances; \$50,000.00 has been restricted for emergency purposes; \$414,822.10 has been restricted in the Capital Reserve Account; and \$247,189.00 is unassigned fund balance.

**NOTE 13: CAPITAL RESERVE ACCOUNT**

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line item appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special election dates authorized by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 13: CAPITAL RESERVE ACCOUNT (CONTINUED)**

The activity of the capital reserve during the year ended June 30, 2016, is as follows:

Balance, June 30, 2015	\$	429,918.37
Deposits:		
Board Resolution	\$	221,903.73
Withdrawals:		
Transfers to capital projects		<u>237,000.00</u>
Balance, June 30, 2016	\$	<u>414,822.10</u>

**NOTE 14: CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2007, c73 (S1701), the designation for Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent year's budget. The excess fund balance at June 30, 2016 is \$ -0-.

**NOTE 15: SUBSEQUENT EVENTS**

The Board of Education has evaluated subsequent events occurring after the financial statement date through October 31, 2016 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events that need to be disclosed.

**REQUIRED SUPPLEMENTARY INFORMATION – Part II**

**BUDGETARY COMPARISON SCHEDULES**

BOROUGH OF ALPINE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 5,934,795.00	\$	\$ 5,934,795.00	\$ 5,934,795.00	\$
Private Contributions	45,000.00		45,000.00	4,250.00	(40,750.00)
Miscellaneous- unrestricted	49,990.00		49,990.00	51,273.55	1,283.55
<b>Total-local sources</b>	<u>6,029,785.00</u>		<u>6,029,785.00</u>	<u>5,990,318.55</u>	<u>(39,466.45)</u>
State sources:					
Extraordinary aid	50,000.00		50,000.00	11,117.00	(38,883.00)
Other state aid	9,800.00		9,800.00	10,468.00	668.00
Categorical special education aid	74,257.00		74,257.00	74,257.00	
Transportation aid	48,806.00		48,806.00	48,806.00	
Security aid	15,923.00		15,923.00	15,923.00	
On-behalf TPAF post-retirement medical (non-budgeted)				163,944.00	163,944.00
NCGI-non-budgeted				6,533.00	6,533.00
On-behalf TPAF post retirement contributions (non-budgeted)				131,151.00	131,151.00
Reimbursed TPAF social security contributions (non-budgeted)				161,445.57	161,445.57
<b>Total - state sources</b>	<u>198,786.00</u>		<u>198,786.00</u>	<u>623,644.57</u>	<u>424,858.57</u>
<b>Total revenues</b>	<u>6,228,571.00</u>		<u>6,228,571.00</u>	<u>6,613,963.12</u>	<u>385,392.12</u>

BOROUGH OF ALPINE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	\$ 100,584.00	\$	\$ 100,584.00	\$ 100,584.00	\$
Grades 1-5	514,657.00		514,657.00	514,657.00	
Grades 6-8	549,188.00		549,188.00	549,187.90	0.10
Regular programs - home instruction:					
Purchased professional - educational services	3,000.00		3,000.00	3,000.00	
Regular programs - undistributed instruction:					
Other salaries for instruction	69,823.00	3,839.73	73,662.73	73,662.73	
Other purchased services (400-500 series)	64,740.00	(968.77)	63,771.23	53,350.16	10,421.07
General supplies	220,925.58	(9,145.23)	211,780.35	87,215.97	124,564.38
Textbooks	59,899.21	(4,440.00)	55,459.21	44,521.03	10,938.18
Other objects	40,374.05	6,400.00	46,774.05	46,673.00	101.05
Total regular programs	<u>1,623,190.84</u>	<u>(4,314.27)</u>	<u>1,618,876.57</u>	<u>1,472,851.79</u>	<u>146,024.78</u>
Special education:					
Resource room:					
Salaries of teachers	226,356.00	4,176.60	230,532.60	230,532.60	
General supplies	2,441.88	(822.00)	1,619.88	1,069.55	550.33
Total resource room	<u>228,797.88</u>	<u>3,354.60</u>	<u>232,152.48</u>	<u>231,602.15</u>	<u>550.33</u>
Total special education	<u>228,797.88</u>	<u>3,354.60</u>	<u>232,152.48</u>	<u>231,602.15</u>	<u>550.33</u>
Basic skills/remedial:					
Salaries of teachers	138,824.00		138,824.00	138,824.00	
General supplies	2,098.95		2,098.95	855.46	1,243.49
Total basic skills/remedial	<u>140,922.95</u>		<u>140,922.95</u>	<u>139,679.46</u>	<u>1,243.49</u>

BOROUGH OF ALPINE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Bilingual education:					
Salaries of teachers	\$ 56,419.00	\$	\$ 56,419.00	\$ 56,419.00	\$
General supplies			300.00		300.00
Total bilingual education	<u>56,419.00</u>		<u>56,719.00</u>	<u>56,419.00</u>	<u>300.00</u>
School sponsored cocurricular activities:					
Salaries	43,607.00		43,607.00	43,504.66	102.34
Total school sponsored cocurricular activities	<u>43,607.00</u>		<u>43,607.00</u>	<u>43,504.66</u>	<u>102.34</u>
School sponsored athletics:					
Salaries	29,734.00	(2,000.00)	27,734.00	27,711.70	22.30
Purchased services (300 - 500 series)	3,000.00	2,000.00	5,000.00	4,662.77	337.23
Other objects	2,000.00		2,000.00	1,548.42	451.58
Total school sponsored athletics	<u>34,734.00</u>		<u>34,734.00</u>	<u>33,922.89</u>	<u>811.11</u>
Total other instructional programs	<u>78,341.00</u>		<u>78,341.00</u>	<u>77,427.55</u>	<u>913.45</u>
Total - instruction	<u>2,127,671.67</u>	<u>(959.67)</u>	<u>2,127,012.00</u>	<u>1,977,979.95</u>	<u>149,032.05</u>
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular	1,014,940.00	221.00	1,015,161.00	1,013,103.68	2,057.32
Tuition to other LEA's within the state-special	165,287.00	42,080.00	207,367.00	207,364.18	2.82
Tuition to CSSD & Regular Day schools	55,540.00	1,340.00	56,880.00	56,880.00	
Tuition to county vocational school district-regular	18,000.00	(9,000.00)	9,000.00	8,729.80	270.20
Tuition to Private Schools Handicapped	143,434.00	(30,201.00)	113,233.00	112,455.45	777.55
Total undistributed expenditures - instruction	<u>1,397,201.00</u>	<u>4,440.00</u>	<u>1,401,641.00</u>	<u>1,398,533.11</u>	<u>3,107.89</u>
Undistributed expenditures:					
Attendance and social work services:					
Salaries	8,041.00		8,041.00	8,041.00	
Total undistributed expenditures - attend. and social work services	<u>8,041.00</u>		<u>8,041.00</u>	<u>8,041.00</u>	



BOROUGH OF ALPINE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Health services:					
Salaries	\$ 53,877.00	\$	\$ 53,877.00	\$ 53,877.00	\$
Purchased professional and technical services	1,000.00	(1,000.00)			
Supplies and materials	4,851.67	(1,615.19)	3,236.48	2,102.04	1,134.44
Other objects	200.00	2,615.19	2,815.19	2,749.42	65.77
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total health services	59,928.67		59,928.67	58,728.46	1,200.21
Other support services - speech, OT, PT and related services:					
Salaries	71,732.00		71,732.00	71,732.00	
Purchased professional - educational services	81,235.00		81,235.00	80,350.50	884.50
Supplies and materials	1,824.56		1,824.56	353.06	1,471.50
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other support services - speech, OT, PT and related services	154,791.56		154,791.56	152,435.56	2,356.00
Other support services - students - extraordinary:					
Salaries	110,732.00		110,732.00	110,732.00	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other support services - students - extraordinary	110,732.00		110,732.00	110,732.00	
Other support services - guidance:					
Other purchased professional and technical services	5,000.00		5,000.00	4,843.81	156.19
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other support services - guidance	5,000.00		5,000.00	4,843.81	156.19

BOROUGH OF ALPINE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Other support services - Child Study Team					
Salaries of other professional staff	\$ 118,093.00	\$	\$ 118,093.00	\$ 118,000.00	\$ 93.00
Salaries of secretarial and clerical assistants	24,875.00		24,875.00	24,875.00	
Purchased professional - educational services	10,600.00		10,600.00	10,110.15	489.85
Supplies and materials	5,000.00		5,000.00	4,549.00	451.00
Other objects	2,500.00		2,500.00	889.42	1,610.58
	<u>161,068.00</u>		<u>161,068.00</u>	<u>158,423.57</u>	<u>2,644.43</u>
Total other support services - Child Study Team					
Improvement of instruction services					
Salaries of supervisors of instruction	232,139.00	(9,000.00)	223,139.00	223,139.00	
Salaries of other professional staff	11,006.00	9,000.00	20,006.00	20,000.50	5.50
Supplies and materials	500.00		500.00	249.25	250.75
Other objects	3,600.00		3,600.00	2,977.58	622.42
	<u>247,245.00</u>		<u>247,245.00</u>	<u>246,366.33</u>	<u>878.67</u>
Total improvement of instruction services/ other support services-instructional staff					
Educational media services/school library:					
Salaries	47,205.00	1,695.22	48,900.22	48,900.22	
Other purchased services (400-500)	2,214.99	(42.22)	2,172.77	714.99	1,457.78
Supplies and materials	34,696.56		34,696.56	15,781.61	18,914.95
	<u>84,116.55</u>	<u>1,653.00</u>	<u>85,769.55</u>	<u>65,396.82</u>	<u>20,372.73</u>
Total educational media services/school library					
Instructional staff training services:					
Purchased professional - educational services	6,342.50	(6,342.50)			
Other purchased services (400-500)	9,000.00	4,000.00	13,000.00	12,997.49	2.51
	<u>15,342.50</u>	<u>(2,342.50)</u>	<u>13,000.00</u>	<u>12,997.49</u>	<u>2.51</u>
Total instructional staff training services					

BOROUGH OF ALPINE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Support services general administration:					
Salaries	\$ 12,851.00	\$ (78.75)	\$ 12,772.25	\$ 12,770.75	\$ 1.50
Legal services	15,000.00		15,000.00	8,605.27	6,394.73
Audit fees	15,000.00	160.00	15,160.00	15,160.00	
Other professional services		407.00	407.00	407.00	
Miscellaneous expenditures	4,000.00	(328.25)	3,671.75	3,671.75	
Total support services general administration	<u>46,851.00</u>	<u>160.00</u>	<u>47,011.00</u>	<u>40,614.77</u>	<u>6,396.23</u>
Support services school administration:					
Salaries of principals/asst. principals	56,828.00		56,828.00	56,828.00	
Salaries of secretarial and clerical assistants	22,800.00	2,979.90	25,779.90	24,643.50	1,136.40
Total support services school administration	<u>79,628.00</u>	<u>2,979.90</u>	<u>82,607.90</u>	<u>81,471.50</u>	<u>1,136.40</u>
Central services:					
Salaries	122,584.00	635.34	123,219.34	123,219.34	
Purchased technical services	4,000.00	(160.00)	3,840.00	3,308.00	532.00
Board office misc dues and fees	6,534.45	(500.00)	6,034.45	5,547.12	487.33
Total central services	<u>133,118.45</u>	<u>(24.66)</u>	<u>133,093.79</u>	<u>132,074.46</u>	<u>1,019.33</u>

BOROUGH OF ALPINE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Required maintenance for school facilities:					
Salaries	\$ 30,092.00	\$	\$ 30,092.00	\$ 30,092.00	\$
Cleaning, repair and maintenance services	84,920.00		84,920.00	70,174.36	14,745.64
General supplies	12,982.22		12,982.22	11,368.82	1,613.40
	<u>127,994.22</u>		<u>127,994.22</u>	<u>111,635.18</u>	<u>16,359.04</u>
Total required maintenance for school facilities					
Other operation and maint. of plant:					
Salaries	67,736.00	15,305.16	83,041.16	82,232.19	808.97
Purchased professional and technical services	5,000.00	(5,000.00)			
Cleaning, repair and maint. services	140,591.00	(11,587.16)	129,003.84	96,886.56	32,117.28
Other purchased property services	2,100.00		2,100.00	896.77	1,203.23
Insurance	53,363.00	(3,363.00)	50,000.00	49,519.00	481.00
General supplies	12,099.57	(1,000.00)	11,099.57	9,940.66	1,158.91
Energy (heat and electricity)	77,250.00		77,250.00	53,807.03	23,442.97
Other objects	32,500.00		32,500.00	32,349.12	150.88
	<u>390,639.57</u>	<u>(5,645.00)</u>	<u>384,994.57</u>	<u>325,631.33</u>	<u>59,363.24</u>
Total other operation and maint. of plant					
Student transportation services:					
Salaries for pupil trans. (bet. home and school) - non public	24,875.00	873.08	25,748.08	25,748.08	
Contracted services (between home and school) - vendors	112,360.00	(47,360.00)	65,000.00	59,532.79	5,467.21
Contracted services (other than between home and school) - vendors	6,500.00		6,500.00	6,035.99	464.01
Contracted services (sp. ed. stds.) - joint agreements	105,000.00	13,000.00	118,000.00	105,784.96	12,215.04
Contracted services - aid in lieu of payments		34,360.00	34,360.00	29,636.00	4,724.00
	<u>248,735.00</u>	<u>873.08</u>	<u>249,608.08</u>	<u>226,737.82</u>	<u>22,870.26</u>
Total student transportation services					

BOROUGH OF ALPINE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>BUDGET</u> <u>TRANSFERS AND</u> <u>AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE/</u> <u>(UNFAVORABLE)</u>
Unallocated benefits - employee benefits					
Social security contributions	\$ 65,000.00		\$ 65,000.00	\$ 48,739.00	\$ 16,261.00
Other retirement contributions - PERS	60,000.00	(4,848.15)	55,151.85	55,113.00	38.85
Unemployment compensation	15,000.00		15,000.00	15,000.00	
Workmen's compensation	29,825.00		29,825.00	29,825.00	
Medical Insurance	716,506.00		716,506.00	710,593.48	5,912.52
Tuition reimbursement	11,091.00		11,091.00	11,091.00	
Other employee benefits	16,042.00		16,042.00	3,745.40	12,296.60
	<u>913,464.00</u>	<u>(4,848.15)</u>	<u>908,615.85</u>	<u>874,106.88</u>	<u>34,508.97</u>
Total unallocated benefits - employee benefits					
	<u>913,464.00</u>	<u>(4,848.15)</u>	<u>908,615.85</u>	<u>874,106.88</u>	<u>34,508.97</u>
Total personal services - employee benefits					
	<u>913,464.00</u>	<u>(4,848.15)</u>	<u>908,615.85</u>	<u>874,106.88</u>	<u>34,508.97</u>
On-behalf TPAF post retirement medical (non-budgeted)				163,944.00	(163,944.00)
NCGI-non-budgeted				6,533.00	(6,533.00)
On-behalf TPAF post retirement contributions (non-budgeted)				131,151.00	(131,151.00)
Reimbursed TPAF social security contributions (non-budgeted)				161,445.57	(161,445.57)
				<u>463,073.57</u>	<u>(463,073.57)</u>
Total on-behalf contributions (non-budgeted)					
				<u>463,073.57</u>	<u>(463,073.57)</u>
Total undistributed expenditures	<u>4,183,896.52</u>	<u>(2,754.33)</u>	<u>4,181,142.19</u>	<u>4,471,843.66</u>	<u>(290,701.47)</u>
TOTAL EXPENDITURES - CURRENT EXPENSE	<u>6,311,568.19</u>	<u>(3,714.00)</u>	<u>6,308,154.19</u>	<u>6,449,823.61</u>	<u>(141,669.42)</u>
CAPITAL OUTLAY:					
Equipment:					
Undistributed expenditures:					
Instruction		3,714.00	3,714.00	3,714.00	
Total equipment		<u>3,714.00</u>	<u>3,714.00</u>	<u>3,714.00</u>	
Facilities acquisition and construction services					
Assessment for Debt Service on SDA Funding	3,171.00		3,171.00	3,171.00	
	<u>3,171.00</u>		<u>3,171.00</u>	<u>3,171.00</u>	
Total facilities acquisition and construction services	<u>3,171.00</u>		<u>3,171.00</u>	<u>3,171.00</u>	

BOROUGH OF ALPINE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
TOTAL CAPITAL OUTLAY	\$ 3,171.00	\$ 3,714.00	\$ 6,885.00	\$ 6,885.00	\$
TOTAL EXPENDITURES	<u>6,314,739.19</u>	<u></u>	<u>6,315,039.19</u>	<u>6,456,708.61</u>	<u>(141,669.42)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(86,168.19)</u>	<u></u>	<u>(86,468.19)</u>	<u>157,254.51</u>	<u>243,722.70</u>
Other financing sources (uses)					
Capital Reserve - Transfer to Capital Projects Fund				(237,000.00)	237,000.00
Total other financing sources (uses)				<u>(237,000.00)</u>	<u>237,000.00</u>
Excess of revenues and other financing sources over Expenditures and other financing sources	<u>(86,168.19)</u>	<u></u>	<u>(86,468.19)</u>	<u>(79,745.49)</u>	<u>480,722.70</u>
Fund balances, July 1	<u>822,650.56</u>	\$	<u>822,650.56</u>	<u>822,650.56</u>	<u></u>
Fund balances, June 30	<u>\$ 736,482.37</u>	<u>\$</u>	<u>\$ 736,182.37</u>	<u>\$ 742,905.07</u>	<u>\$ 480,722.70</u>
Recapitulation:					
Restricted:					
Emergency reserve				\$ 50,000.00	
Capital reserve				414,822.10	
Assigned:					
Encumbrances				22,514.97	
Unassigned fund balance				<u>255,568.00</u>	
				742,905.07	
Reconciliation to governmental funds statements (GAAP):					
Last state aid payment not recognized on GAAP basis				<u>(8,379.00)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 734,526.07</u>	

BOROUGH OF ALPINE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local sources	\$ 9,633.77	\$ 21,834.00	\$ 31,467.77	\$ 27,905.53	\$ 3,562.24
Federal sources	87,871.00	(4,422.00)	83,449.00	81,545.99	1,903.01
Total revenues	<u>97,504.77</u>	<u>17,412.00</u>	<u>114,916.77</u>	<u>109,451.52</u>	<u>5,465.25</u>
EXPENDITURES:					
Instruction:					
Purchased prof. & tech. services	2,427.00	379.00	2,806.00	2,427.00	379.00
Tuition	52,636.00	(4,801.00)	47,835.00	47,835.00	
Total instruction	<u>55,063.00</u>	<u>(4,422.00)</u>	<u>50,641.00</u>	<u>50,262.00</u>	<u>379.00</u>
Support services:					
Other purchased services	42,441.77		42,441.77	37,355.52	5,086.25
Total support services	<u>42,441.77</u>		<u>42,441.77</u>	<u>37,355.52</u>	<u>5,086.25</u>
Facilities acquisition and construction services:					
Instructional equipment		21,834.00	21,834.00	21,834.00	
Total facilities acquisition and construction serv.		<u>21,834.00</u>	<u>21,834.00</u>	<u>21,834.00</u>	
Total expenditures	<u>\$ 97,504.77</u>	<u>\$ 17,412.00</u>	<u>\$ 114,916.77</u>	<u>\$ 109,451.52</u>	<u>\$ 5,465.25</u>

BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO RS!  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note A - Explanation of difference between budgetary inflows and outflows and GAAP Revenues and Expenditures

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 6,613,963.12	\$ 109,451.52
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(18,595.00)
State aid payment recognized for GAAP statements in the current year, previously it was recognized for budgetary purposes.	8,240.00	
The last State aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(8,379.00)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 6,613,824.12</u>	<u>\$ 90,856.52</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 6,456,708.61	\$ 109,451.52
Difference - budget to GAAP:		
Adjust for encumbrances:		
Less current year encumbrances		(18,595.00)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$ 6,456,708.61</u>	<u>\$ 90,856.52</u>



**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

Borough of Alpine School District  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Public Employees Retirement System  
Last Ten Years

Measurement Date Ending <u>June 30,</u>	District's Proportion of the Net Pension <u>Liability (Asset)</u>	District's Proportionate Share of the Net Pension <u>Liability (Asset)</u>	District's Covered-Employee <u>Payroll</u>	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered- <u>Employee Payroll</u>	Plan Fiduciary Net Position as a percentage of the total <u>Pension Liability</u>
2013	0.0050836649%	\$ 1,181,576	\$ 420,898.00	280.73%	48.72%
2014	0.0061823839%	951,801	415,926.00	228.84%	52.08%
2015	0.0064104875%	1,439,026	448,306.00	212.31%	47.92%

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

Borough of Alpine School District  
Schedule of the District's Contributions  
Public Employees Retirement System  
Last Ten Years

Fiscal Year Ending <u>June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered- Employee Payroll</u>	<u>Contributions as a Percentage of Covered- Employee Payroll</u>
2014	\$ 41,909	\$ 41,909	\$ -0-	\$ 415,926.00	10.08%
2015	55,113	55,113	-0-	448,306.00	12.29%
2016	55,924	55,924	-0-	386,099.00	14.48%

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

Borough of Alpine School District  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Teachers Pension and Annuity Fund  
Last Ten Years

Measurement Date Ending <u>June 30.</u>	District's Proportion of the Net Pension <u>Liability (Asset)</u>	District's Proportionate Share of the Net Pension <u>Liability (Asset)</u>	District's Covered-Employee <u>Payroll</u>	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered- <u>Employee Payroll</u>	Plan Fiduciary Net Position as a percentage of the total <u>Pension Liability</u>
2013	0.0191225529%	\$ -0-	\$ 1,750,825.00	-0-	33.76%
2014	0.0177554175%	-0-	1,728,075.00	-0-	33.64%
2015	0.0201686308%	-0-	1,870,352.00	-0-	28.71%

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

BOROUGH OF ALPINE SCHOOL DISTRICT  
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)  
NOTE TO RSI III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions      The discount rate changed from 5.39% to 4.90% as of  
June 30, 2015.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions      The discount rate changed from 4.68% to 4.13% as of  
June 30, 2015.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**



BOROUGH OF ALPINE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>ENRICHMENT</u>	<u>SMART BOARDS</u>	<u>TITLE I</u>	<u>TITLE IIA</u>	<u>IDEA PART B BASIC</u>	<u>IDEA PART B PRESCHOOL</u>	<u>TOTAL 2016</u>
REVENUES:							
Federal sources	\$	\$	\$ 31,283.99	\$ 2,427.00	\$ 45,067.00	\$ 2,768.00	\$ 81,545.99
Local sources	6,071.53	21,834.00					27,905.53
Total revenues	<u>6,071.53</u>	<u>21,834.00</u>	<u>\$ 31,283.99</u>	<u>\$ 2,427.00</u>	<u>\$ 45,067.00</u>	<u>\$ 2,768.00</u>	<u>\$ 109,451.52</u>
EXPENDITURES:							
Instruction:							
Purchased prof. & tech. services	\$	\$	\$	\$ 2,427.00	\$	\$	\$ 2,427.00
Tuition					45,067.00	2,768.00	47,835.00
Total instruction				<u>2,427.00</u>	<u>45,067.00</u>	<u>2,768.00</u>	<u>50,262.00</u>
Support services:							
Other purchased services	6,071.53		31,283.99				37,355.52
Total support services	<u>6,071.53</u>		<u>31,283.99</u>				<u>37,355.52</u>
Facilities acquisition and construction serv.							
Instructional equipment		21,834.00					21,834.00
Total facilities acquisition and construction services		<u>21,834.00</u>					<u>21,834.00</u>
Total expenditures	<u>6,071.53</u>	<u>21,834.00</u>	<u>31,283.99</u>	<u>2,427.00</u>	<u>45,067.00</u>	<u>2,768.00</u>	<u>109,451.52</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>- 0 -</u>	\$ <u>- 0 -</u>	\$ <u>- 0 -</u>	\$ <u>- 0 -</u>	\$ <u>- 0 -</u>	\$ <u>- 0 -</u>	\$ <u>- 0 -</u>

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

BOROUGH OF ALPINE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES-BUDGETARY BASIS  
AS OF JUNE 30, 2016

<u>ISSUE/PROJECT TITLE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>UNEXPENDED PROJECT BALANCE</u>
		<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
Additions and Renovations to Alpine Elementary School	\$ 4,848,935.00	\$ 1,010,014.47	3,392,364.52	\$ 446,556.01
Emergency Generator Installations	322,000.00			322,000.00
Exterior Closure, HVAC	<u>173,000.00</u>			<u>173,000.00</u>
Totals	<u>\$ 5,343,935.00</u>	<u>\$ 1,010,014.47</u>	<u>3,392,364.52</u>	<u>\$ 941,556.01</u>

BOROUGH OF ALPINE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE-BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2016

Revenues and other Financing Sources	
Transfer from capital reserve	\$ 237,000.00
Donations- Alpine Education Foundation	<u>50,000.00</u>
Total revenues	<u>287,000.00</u>
 Expenditures and Other Financing Uses:	
Construction services	\$ <u>3,392,364.52</u>
Total expenditures	<u>3,392,364.52</u>
Excess(deficiency) of revenues over(under) expenditures	(3,105,364.52)
 Fund Balance - beginning	\$ <u>3,551,920.53</u>
Fund Balance - ending	<u>\$ 446,556.01</u>

BOROUGH OF ALPINE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
EMERGENCY GENERATOR INTALLATION  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<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	\$	\$	\$	\$ 128,800.00
Transfer from Capital Reserve				193,200.00
Total Revenues				<u>322,000.00</u>
Expenditures and Other Financing Uses				
Construction Services				<u>322,000.00</u>
Total Expenditures				<u>322,000.00</u>
Excess(Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$

Additional Project Information:

Project Number	<u>0080-010-14-G1CM</u>
Grant Date	<u>7/29/2015</u>
Bond Authorization Date	<u>n/a</u>
Bonds Authorized	<u>n/a</u>
Bonds issued	<u>n/a</u>
SDA Amount	<u>128,800.00</u>
Local Share	<u>193,200.00</u>
Original Authorized Cost	<u>322,000.00</u>

Percentage Increase Over Original Authorized Cost	<u>                    </u>
Percentage Completion	<u>                    </u>
Original Target Completion Date	<u>6/30/17</u>
Revised Target Completion Date	<u>6/30/17</u>

BOROUGH OF ALPINE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
EXTERIOR CLOSURE, HVAC  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Adjustment</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources-SDA Grant	\$	\$	\$	\$ 69,200.00
Transfer from Capital Reserve	_____	_____	_____	103,800.00
Total Revenues	_____	_____	_____	173,000.00
Expenditures and Other Financing Uses				
Equipment purchases	_____	_____	_____	173,000.00
Total Expenditures	_____	_____	_____	173,000.00
Excess(Deficiency) of Revenues Over (Under) Expenditures	\$ _____	\$ _____	\$ _____	\$ _____

Additional Project Information:

Project Number	<u>0080-010-14-G3CJ</u>
Grant Date	<u>7/29/2015</u>
Bond Authorization Date	<u>n/a</u>
Bonds Authorized	<u>n/a</u>
Bonds Issued	<u>n/a</u>
SDA Amount	<u>69,200.00</u>
Local Share	<u>103,800.00</u>
Original Authorized Cost	<u>173,000.00</u>
Percentage Increase Over Original Authorized Cost	_____
Percentage Completion	_____
Original Target Completion Date	<u>6/30/17</u>
Revised Target Completion Date	<u>6/30/17</u>

## FIDUCIARY FUNDS DETAIL STATEMENTS

**Fiduciary Funds are used to account for funds received by the district for a specific purpose:**

**Unemployment Compensation Insurance Trust Fund:** This trust fund is used to pay unemployment compensation claims as they arise.

**Security Deposit Fund** This trust fund is used to account for security deposits held by the school district

**Agency Funds are used to account for assets held by the district as an agent for another party:**

**Student Activity Fund :** This agency fund is used to account for student funds held at the schools.

**Payroll Fund:** This agency fund is used to account for the payroll transactions of the school district.

BOROUGH OF ALPINE SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2016

	SECURITY DEPOSITS	UNEMPLOYMENT COMPENSATION TRUST	TOTAL TRUST FUNDS	STUDENT ACTIVITY	AGENCY FUNDS PAYROLL AGENCY	TOTAL AGENCY FUNDS
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 6,550.00	\$ 2,542.35	\$ 9,092.35	\$ 2,997.39	\$ 59,423.11	\$ 62,420.50
<b>Total assets</b>	<u>\$ 6,550.00</u>	<u>\$ 2,542.35</u>	<u>\$ 9,092.35</u>	<u>\$ 2,997.39</u>	<u>\$ 59,423.11</u>	<u>\$ 62,420.50</u>
<b>LIABILITIES:</b>						
Payroll deductions and withholdings				\$	\$ 59,423.11	\$ 59,423.11
Security deposits	6,550.00					
Due to student groups				2,997.39		2,997.39
<b>Total liabilities</b>	<u>\$ 6,550.00</u>			<u>\$ 2,997.39</u>	<u>\$ 59,423.11</u>	<u>\$ 62,420.50</u>
<b>NET POSITION:</b>						
Held in trust for unemployment claims and other purposes		\$ 2,542.35	\$ 9,092.35			
<b>Total net position</b>		<u>\$ 2,542.35</u>	<u>\$ 9,092.35</u>			



BOROUGH OF ALPINE SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	UNEMPLOYMENT COMPENSATION TRUST	TOTAL
	<u>                    </u>	<u>                    </u>
ADDITIONS:		
Contributions:		
Other	\$ 14,047.46	\$ 14,047.46
Total contributions	<u>14,047.46</u>	<u>14,047.46</u>
Total additions	<u>14,047.46</u>	<u>14,047.46</u>
DEDUCTIONS:		
Unemployment claims	<u>15,987.72</u>	<u>15,987.72</u>
Total deductions	<u>15,987.72</u>	<u>15,987.72</u>
Change in net position	<u>(1,940.26)</u>	<u>(1,940.26)</u>
Net position beginning of year	<u>4,482.61</u>	<u>4,482.61</u>
Net position end of year	<u>\$ 2,542.35</u>	<u>\$ 2,542.35</u>

BOROUGH OF ALPINE SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>BALANCE</u> <u>JULY 1, 2015</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2016</u>
Student Council	\$ 3,553.07	\$ 9,745.00	\$ 10,813.44	\$ 2,484.63
Grade 7	6.89	14,459.90	14,466.53	0.26
Grade 8	<u>1,222.97</u>	<u>48,692.81</u>	<u>49,403.28</u>	<u>512.50</u>
Total all schools	<u>\$ 4,782.93</u>	<u>\$ 72,897.71</u>	<u>\$ 74,683.25</u>	<u>\$ 2,997.39</u>

BOROUGH OF ALPINE SCHOOL DISTRICT  
PAYROLL AGENCY FUNDS  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>BALANCE</u> <u>JULY 1, 2015</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2016</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 40,129.62	\$ 3,145,680.88	\$ 3,126,387.39	\$ 59,423.11
Total assets	<u>\$ 40,129.62</u>	<u>\$ 3,145,680.88</u>	<u>\$ 3,126,387.39</u>	<u>\$ 59,423.11</u>
<b>LIABILITIES:</b>				
Accrued salaries and wages	\$	\$ 1,619,988.99	\$ 1,619,988.99	\$
Payroll deductions and withholdings	<u>40,129.62</u>	<u>1,525,691.89</u>	<u>1,506,398.40</u>	<u>59,423.11</u>
Total liabilities	<u>\$ 40,129.62</u>	<u>\$ 3,145,680.88</u>	<u>\$ 3,126,387.39</u>	<u>\$ 59,423.11</u>

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**STATISTICAL SECTION**

**(UNAUDITED)**

BOROUGH OF ALPINE SCHOOL DISTRICT  
STATISTICAL SECTION

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

Sources

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

BOROUGH OF ALPINE SCHOOL DISTRICT  
 NET POSITION BY COMPONENT  
 LAST TEN FISCAL YEARS  
*(accrual basis of accounting)*  
 UNAUDITED

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental activities</b>										
Net investment in capital assets	\$ 6,125,815	\$ 2,830,863	\$ 1,899,491	\$ 1,816,548	\$ 1,836,200	\$ 1,855,270	\$ 1,570,204	\$ 1,353,056	\$ 1,362,303	\$ 1,383,172
Restricted	911,378	4,031,839	1,223,062	902,588	693,149	361,572	244,157	251,808	262,202	371,331
Unrestricted (Deficit)	(1,005,004)	(861,481)	337,786	303,352	239,729	174,492	248,464	294,630	241,601	180,385
<b>Total governmental activities net position</b>	<u>\$ 6,032,189</u>	<u>\$ 6,001,221</u>	<u>\$ 3,460,340</u>	<u>\$ 3,022,488</u>	<u>\$ 2,769,078</u>	<u>\$ 2,391,334</u>	<u>\$ 2,062,825</u>	<u>\$ 1,899,494</u>	<u>\$ 1,866,107</u>	<u>\$ 1,934,888</u>
<b>Business-type activities</b>										
Unrestricted	\$ 3,078	\$ 2,150	\$ 2,356	\$ 2,465	\$ 2,315	\$ 720	\$ 1,440	\$ 2,974	\$ 3,141	\$ 5,773
<b>Total business-type activities net position</b>	<u>\$ 3,078</u>	<u>\$ 2,150</u>	<u>\$ 2,356</u>	<u>\$ 2,465</u>	<u>\$ 2,315</u>	<u>\$ 720</u>	<u>\$ 1,440</u>	<u>\$ 2,974</u>	<u>\$ 3,141</u>	<u>\$ 5,773</u>
<b>District-wide</b>										
Net investment in capital assets	\$ 6,125,815	\$ 2,830,863	\$ 1,899,491	\$ 1,816,548	\$ 1,836,200	\$ 1,855,270	\$ 1,570,204	\$ 1,353,056	\$ 1,362,303	\$ 1,383,172
Restricted	911,378	4,031,839	1,223,062	902,588	693,149	361,572	244,157	251,808	262,202	371,331
Unrestricted (Deficit)	(1,001,926)	(859,330)	340,142	305,817	242,044	175,213	249,904	297,604	244,743	186,158
<b>Total district net position</b>	<u>\$ 6,035,267</u>	<u>\$ 6,003,372</u>	<u>\$ 3,462,696</u>	<u>\$ 3,024,953</u>	<u>\$ 2,771,393</u>	<u>\$ 2,392,055</u>	<u>\$ 2,064,265</u>	<u>\$ 1,902,468</u>	<u>\$ 1,869,248</u>	<u>\$ 1,940,661</u>

Source: CAFR Schedule A-1

**BOROUGH OF ALPINE SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*  
**UNAUDITED**

	Fiscal Year Ending June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 2,817,180	\$ 2,673,832	\$ 2,515,090	\$ 2,926,972	\$ 2,825,691	\$ 2,721,025	\$ 2,700,557	\$ 2,756,731	\$ 2,889,274	\$ 2,779,047
Special education	714,342	830,424	664,834	812,704	876,514	970,393	1,171,495	1,001,679	1,003,464	1,011,670
Other instruction	342,846	270,193	176,651	114,132	106,842	85,175	129,562	128,582	136,101	117,780
Support Services:										
Student and instruction related services	819,530	900,255	778,172	1,130,303	958,822	843,616	723,174	674,635	614,898	552,348
General administrative services	39,881	65,567	49,096	118,054	108,931	117,094	110,867	103,830	153,532	136,879
School administrative services	79,628	44,552	34,250	79,111	76,000	74,431	80,275	75,271	76,684	80,378
Central services and technology	131,939	158,022	156,817	221,137	189,262	171,125	193,714	180,481	182,758	179,564
Plant operations and maintenance	461,755	321,650	326,878	338,885	352,000	373,152	389,856	325,841	421,773	300,180
Pupil transportation	225,865	182,596	149,553	181,075	189,218	231,483	289,667	297,838	285,198	284,341
Unallocated benefits	1,390,197	1,188,343	990,069							
Unallocated depreciation	109,109	101,135	108,795	40,565	37,362	49,520	48,235	25,894	56,449	35,744
Total governmental activities expenses	\$ 7,132,272	\$ 6,736,570	\$ 5,950,205	\$ 5,962,939	\$ 5,720,642	\$ 5,637,014	\$ 5,837,402	\$ 5,570,782	\$ 5,820,130	\$ 5,477,931
Business-type activities:										
Food service	\$ 1,145	3,053	3,556	3,654	2,500	5,048	6,931	7,000	8,393	12,879
Total business-type activities expense	1,145	3,053	3,556	3,654	2,500	5,048	6,931	7,000	8,393	12,879
Total district expenses	\$ 7,133,417	\$ 6,739,623	\$ 5,953,761	\$ 5,966,592	\$ 5,723,142	\$ 5,642,062	\$ 5,844,333	\$ 5,577,782	\$ 5,828,523	\$ 5,490,810
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 1,122,921	\$ 1,093,311	\$ 616,308	\$ 635,598	\$ 26,116	\$ 27,300	\$ 19,740	\$ 13,650	\$ 22,720	\$ 65,000
Operating grants and contributions					564,518	410,193	637,277	617,652	442,726	436,037
Capital grants and contributions					13,898	137,986	244,713			
Total governmental activities program revenues	\$ 1,122,921	\$ 1,093,311	\$ 616,308	\$ 635,598	\$ 604,532	\$ 575,479	\$ 901,730	\$ 631,302	\$ 465,446	\$ 501,037
Business-type activities:										
Charges for services:										
Food service	\$ 1,542	2,006	2,441	2,596	2,835	3,070	3,965	4,598	3,728	3,325
Operating grants and contributions	531	841	1,006	1,208	1,259	1,258	1,432	2,235	2,034	1,673
Total business type activities program revenues	2,073	2,847	3,447	3,804	4,094	4,328	5,397	6,833	5,762	4,998
Total district program revenues	\$ 1,124,994	\$ 1,096,158	\$ 619,754	\$ 639,403	\$ 608,626	\$ 579,806	\$ 907,126	\$ 638,135	\$ 471,208	\$ 506,035
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (6,009,351)	\$ (5,643,259)	\$ (5,333,897)	\$ (5,327,341)	\$ (5,116,110)	\$ (5,061,536)	\$ (4,935,672)	\$ (4,939,480)	\$ (5,354,684)	\$ (4,976,894)
Business-type activities	928	(206)	(109)	151	1,594	(720)	(1,534)	(167)	(2,631)	(7,881)
Total district-wide net expense	\$ (6,008,423)	\$ (5,643,465)	\$ (5,334,007)	\$ (5,327,190)	\$ (5,114,516)	\$ (5,062,256)	\$ (4,937,206)	\$ (4,939,647)	\$ (5,357,315)	\$ (4,984,775)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 5,934,795	\$ 5,818,441	\$ 5,667,351	\$ 5,506,402	\$ 5,401,479	\$ 5,295,568	\$ 5,091,892	\$ 4,874,481	\$ 4,881,191	\$ 4,660,644
Unrestricted grants and contributions	54,250	3,460,730				20,867	14,817	4,666	304,164	293,392
State aid cancelled				(244)						
Miscellaneous income	51,274	86,546	104,398	74,593	92,374	73,611	83,395	146,220	100,548	164,174
Total governmental activities	\$ 6,040,319	\$ 9,365,717	\$ 5,771,749	\$ 5,580,750	\$ 5,493,853	\$ 5,390,046	\$ 5,190,103	\$ 5,025,367	\$ 5,285,903	\$ 5,118,210
<b>Change in Net Position</b>										
Governmental activities	\$ 30,967	3,722,458	437,852	253,410	377,743	328,510	254,431	85,887	(68,781)	141,316
Business-type activities	928	(206)	(109)	151	1,594	(720)	(1,534)	(167)	(2,631)	(7,881)
Total district	\$ 31,895	\$ 3,722,252	\$ 437,742	\$ 253,561	\$ 379,337	\$ 327,790	\$ 252,897	\$ 85,720	\$ (71,412)	\$ 133,435



BOROUGH OF ALPINE SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)  
 UNAUDITED

	Fiscal Year Ending June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted	464,822	479,918	1,206,071	892,905	687,819	387,819	160,886	463,010	71,486	71,486
Assigned	22,514.97	86,468	158,354	119,621	89,686	112,547				
Unassigned	247,189.00	248,024	236,423	253,414	205,373	61,945				
Unreserved							170,070	143,428	480,230	480,230
Total general fund	<u>\$ 734,526</u>	<u>\$ 814,411</u>	<u>\$ 1,600,848</u>	<u>\$ 1,265,940</u>	<u>\$ 982,878</u>	<u>\$ 562,311</u>	<u>\$ 330,956</u>	<u>\$ 606,438</u>	<u>\$ 551,716</u>	<u>\$ 551,716</u>
All Other Governmental Funds:										
Reserved/Restricted	\$ 52,902.44	\$ 43,867	\$	\$	\$	\$	\$ 329,608	\$	\$	\$
Committed	393,653.57	3,508,054				23,753				
Unreserved, reported in:										
Capital projects fund							(122,943)			
Total all other governmental funds	<u>\$ 446,556.01</u>	<u>\$ 3,551,920.53</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 23,753.08</u>	<u>\$ 206,664.84</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Source: CAFR Schedule B-1

BOROUGH OF ALPINE SCHOOL DISTRICT  
 CHANGES IN GOVERNMENTAL FUND BALANCES, GOVERNMENTAL FUNDS  
 (modified accrual basis of accounting)  
 LAST TEN FISCAL YEARS

	UNAUDITED									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
Tax levy	\$ 5,934,795	\$ 5,818,441	\$ 5,667,351	\$ 5,506,402	\$ 5,401,479	\$ 5,295,568	\$ 5,091,892	\$ 4,874,481	\$ 4,881,191	\$ 4,660,644
Private Contributions	54,250	3,460,730								
Tuition charges	-	-	-	-	26,116	27,300	13,650	13,650	22,720	65,000
Interest on capital reserve	-	-	-	-	-	327	684	1,802	46	8,790
Miscellaneous	60,584	97,113	118,582	74,593	92,374	73,283	300,800	144,418	100,503	155,383
State sources	623,506	631,300	544,710	575,965	520,262	504,563	581,315	565,307	689,172	673,414
Federal sources	81,546	49,848	57,413	59,633	59,535	64,483	103,491	57,011	57,718	56,015
<b>Total revenue</b>	<u>6,754,681</u>	<u>10,057,432</u>	<u>6,388,056</u>	<u>6,216,593</u>	<u>6,099,766</u>	<u>5,965,524</u>	<u>6,091,833</u>	<u>5,656,669</u>	<u>5,751,349</u>	<u>5,619,246</u>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	1,469,012	1,436,834	1,520,517	2,799,929	2,767,073	2,693,458	2,774,086	2,733,452	2,647,773	2,557,587
Special education instruction	278,510	268,930	210,359	857,606	876,514	970,393	1,085,883	1,001,679	986,273	997,892
Other instruction	273,526	232,122	176,651	114,132	106,842	85,175	129,562	128,582	119,652	110,172
<b>Support Services:</b>										
Tuition	1,400,533	1,535,156	1,444,503							
Student and instruction related services	857,421	786,001	778,172	1,130,303	958,822	843,616	723,174	674,635	542,529	477,588
General administrative services	40,615	63,518	49,096	117,027	107,904	116,067	80,275	103,830	134,977	111,230
School administrative services	79,628	44,552	34,250	79,111	76,000	74,431	109,840	75,271	67,416	56,537
Central services and technology	131,939	158,022	156,817	221,137	189,262	171,125	193,714	179,453	159,261	152,842
Plant operations and maintenance	438,325	334,273	326,878	338,885	352,000	373,152	389,856	325,648	421,387	299,793
Pupil transportation	225,865	182,596	149,553	181,075	189,218	231,483	289,667	297,838	285,198	284,341
Unallocated employee benefits	1,342,067	1,197,105	1,010,069						385,008	389,953
Capital outlay	3,402,489	1,052,841	196,283	94,082	79,318	358,180	384,593	33,647	49,787	453,760
<b>Total expenditures</b>	<u>9,939,930</u>	<u>7,291,949</u>	<u>6,053,147</u>	<u>5,933,287</u>	<u>5,702,953</u>	<u>5,917,081</u>	<u>6,160,650</u>	<u>5,554,035</u>	<u>5,799,261</u>	<u>5,891,695</u>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<u>(3,185,249)</u>	<u>2,765,483</u>	<u>334,909</u>	<u>283,305</u>	<u>396,813</u>	<u>48,444</u>	<u>(68,817)</u>	<u>102,634</u>	<u>(47,911)</u>	<u>(272,449)</u>
<b>Other Financing sources (uses)</b>										
State grant cancelled				(244)						
<b>Total other financing sources (uses)</b>				<u>(244)</u>						
<b>Net change in fund balances</b>	<u>(3,185,249)</u>	<u>2,765,483</u>	<u>334,909</u>	<u>283,061</u>	<u>396,813</u>	<u>48,444</u>	<u>(68,817)</u>	<u>102,634</u>	<u>(47,911)</u>	<u>(272,449)</u>
<b>Debt service as a percentage of noncapital expenditures</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: CAFR Schedule B-2

BOROUGH OF ALPINE SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
JUNE 30, 2016

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Rentals</u>	<u>Refunds</u>	<u>Transportation</u>	<u>Misc.</u>	<u>Total</u>
2007	51,025	65,000			7,200	105,949	229,174
2008	34,428	22,720			9,820	56,300	123,268
2009	11,002	13,650			7,594	127,624	159,870
2010	9,400	13,650	37,105		6,090	36,890	103,135
2011	6,264	27,300	35,936		4,962	13,722	88,184
2012	86	26,116	37,840	88,828	5,720	48,728	207,319
2013			31,775		7,930	68,548	108,253
2014	3,290		32,750		5,830	62,527	104,398
2015	10,827		67,000		6,938	1,782	86,546
2016	10,120		32,750		7,200	1,203	51,274

Source: District Records

BOROUGH OF ALPINE SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
JUNE 30, 2016

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized Value)
2007	107,194,000	1,571,920,900	95,411,800	1,063,519	1,775,590,219	1,545,561,309
2008	99,925,400	1,605,454,300	95,411,800	1,068,230	1,801,859,730	1,847,416,667
2009	125,001,500	1,642,416,500	94,794,300	1,022,495	1,863,234,795	2,083,031,518
2010	98,734,100	1,722,160,400	93,174,400	1,053,588	1,915,122,488	2,344,950,705
2011	92,354,100	1,746,463,500	93,174,400	816,159	1,932,808,159	2,457,778,235
2012	89,757,600	1,761,176,600	93,174,400	847,047	1,944,955,647	2,296,676,759
2013	86,648,600	1,766,911,600	93,493,400	*	1,947,053,600	2,284,539,934
2014	84,877,700	1,781,990,400	93,492,400	*	1,960,360,500	2,338,385,112
2015	83,347,200	1,780,316,500	93,641,000	*	1,957,304,700	2,440,833,895
2016	85,549,800	1,784,324,700	94,616,000	*	1,964,490,500	2,314,924,451

Source: District records Tax list summary and Municipal Tax Assessor

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

Revaluations occur when ordered by the County Board of Taxation. The last revaluation was effective in calendar year 2005.

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

**b** Tax rates are per \$100

\* Not available at time of audit.

BOROUGH OF ALPINE SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
JUNE 30, 2016  
UNAUDITED

Calendar Year Ended Dec 31,	Borough of Alpine School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Alpine	County	
2007	0.271	N/A	0.271	0.149	0.190	0.610
2008	0.262	N/A	0.262	0.149	0.210	0.621
2009	0.271	N/A	0.271	0.149	0.245	0.665
2010	0.277	N/A	0.277	0.148	0.240	0.665
2011	0.279	N/A	0.279	0.156	0.270	0.705
2012	0.284	N/A	0.284	0.156	0.265	0.705
2013	0.292	N/A	0.292	0.158	0.274	0.724
2014	0.297	N/A	0.297	0.160	0.276	0.733
2015	0.304	N/A	0.304	0.162	0.299	0.765
2016	0.303	N/A	0.303	0.168	0.298	0.769

Source: District Records and Municipal Tax Collector  
N/A Not Applicable

**Note:**

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

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

BOROUGH OF ALPINE SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO  
JUNE 30, 2016

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Montammy Golf Club	\$ 50,338,000	1	2.6%	\$ 49,363,000		2.79%
F.E. Alpine, Inc	42,000,000	2	2.1%			
Taxpayer #1	40,157,800	3	2.0%	42,967,600		2.43%
F.E. Alpine, Inc	26,118,600	4	1.3%			
Rio Vista Realty LLC	23,094,400	5	1.2%	18,825,300		1.06%
Taxpayer #2	20,959,700	6	1.1%	20,959,700		1.19%
2 Margo Way Associates, LLC	12,796,000	7	0.7%			
Taxpayer #3	11,747,300	8	0.6%	12,796,000		0.72%
F.E. Alpine, Inc	11,520,000	9	0.6%			
Taxpayer #4	10,463,200	10	0.5%	11,607,400		0.66%
Alpine Tower Co.				14,079,900		0.80%
Canfield Enterprises				10,711,600		0.61%
Taxpayer #5				9,988,100		0.56%
OA/KADIMA Holdings				9,214,900		0.52%
Total	<u>\$ 249,195,000</u>		<u>12.71%</u>	<u>\$ 200,513,500</u>		<u>11.34%</u>

Source: District CAFR J11 and Municipal Tax Assessor

BOROUGH OF ALPINE SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
JUNE 30, 2016

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	
2007	4,660,644.00	4,660,644.00	100.00%	-
2008	4,881,191.00	4,881,191.00	100.00%	-
2009	4,874,481.00	4,874,481.00	100.00%	-
2010	5,091,892.00	5,091,892.00	100.00%	-
2011	5,295,568.00	5,295,568.00	100.00%	-
2012	5,401,479.00	5,401,479.00	100.00%	-
2013	5,506,402.00	5,506,402.00	100.00%	-
2014	5,667,351.00	5,667,351.00	100.00%	-
2015	5,818,441.00	5,818,441.00	100.00%	-
2016	5,934,795.00	5,934,795.00	100.00%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2007								
2008	Not applicable - No outstanding debt							
2009								
2010								
2011								
2012								
2013								
2014								
2015								
2016								

Source: District CAFR Schedules I-1

<sup>a</sup> See Exhibit NJ J-10 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.



BOROUGH OF ALPINE SCHOOL DISTRICT  
RATIOS OF NET BONDED DEBT OUTSTANDING  
LAST ELEVEN FISCAL YEARS  
UNAUDITED

General Bonded Debt Outstanding

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Total Municipal Assessed Value</u>	<u>Percentage of Actual Taxable Value Of Property (a)</u>	<u>Per Capita (b)</u>
2007						
2008	NOT APPLICABLE FOR ALPINE- NO OUTSTANDING DEBT IN THE PERIODS REPORTED					
2009						
2010						
2011						
2012						
2013						
2014						
2015						
2016						

**Note:**

- a** See Exhibit NJ J-6 for property tax data.  
**b** Population data can be found in Exhibit NJ J-13.

BOROUGH OF ALPINE SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2015  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Alpine Borough	\$	100.000% \$	*
<b>Other debt</b>			
Bergen County		*	
Subtotal, overlapping debt			*
<b>Alpine Borough School District Direct Debt</b>			*
<b>Total direct and overlapping debt</b>		\$	<u>0</u>

**Sources:** Borough Chief Finance Office and County Treasurer's Office

\* Not available at time of audit

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

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

BOROUGH OF ALPINE SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN CALENDAR YEARS  
JUNE 30, 2016

Legal Debt Margin Calculation for Calendar Year 2015

	Equalized valuation basis
2015	\$ 2,304,066,745
2014	2,444,644,594
2013	<u>2,320,129,409</u>
	<u>\$ 7,068,840,748</u>
Average equalized valuation of taxable property	\$ 2,356,280,249
Debt limit (3 % of avg equalized value)	70,688,407
Net bonded school debt	
Legal debt margin	<u>\$ 70,688,407</u>

Calendar Year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	46,211,890	\$ 53,643,487	\$ 61,990,026	\$ 66,753,602	\$ 70,959,161	\$ 70,064,003	\$ 69,916,193	\$ 68,802,587	\$ 70,433,823	\$ 70,688,407
Total net debt applicable to limit										
Legal debt margin	<u>\$ 46,211,890</u>	<u>\$ 53,643,487</u>	<u>\$ 61,990,026</u>	<u>\$ 66,753,602</u>	<u>\$ 70,959,161</u>	<u>\$ 70,064,003</u>	<u>\$ 69,916,193</u>	<u>\$ 68,802,587</u>	<u>\$ 70,433,823</u>	<u>\$ 70,688,407</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

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

BOROUGH OF ALPINE SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS  
UNAUDITED

<u>Year Ended</u> <u>December</u> <u>31</u>	<u>Unemployment Rate</u>	<u>Per Capita Income (a)</u>	<u>School District</u> <u>Population</u>
2006	2.9%	56,963	2,376
2007	2.6%	63,021	2,422
2008	3.4%	67,113	2,464
2009	6.2%	67,696	2,503
2010	6.3%	64,388	1,851
2011	6.2%	66,096	1,861
2012	6.6%	69,919	1,849
2013	3.6%	69,495	1,895
2014	3.3%	73,536	1,894
2015	3.3%	*	1,917

\* Not available at time of audit

(a) Represents County of Bergen

Source: N.J. Department of Labor

BOROUGH OF ALPINE SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT AND TEN YEARS AGO  
UNAUDITED

<u>Employer</u>	<u>2015</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
	-		0.00%	-		0.00%

\* Not available at time of audit  
Source:

BOROUGH OF ALPINE SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 JUNE 30, 2016  
 UNAUDITED

<u>Function/Program</u>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Instruction</b>										
Regular	30	30	30	30	30	30	30	30	30	30
Special education	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Other special education	1	1	1	1	1	1	1	1	1	1
<b>Support Services:</b>										
Tuition	0	0	0	0	0	0	0	0	0	0
Student and instruction related services	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
General administrative services	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
School administrative services	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45
Business administrative services	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	0.45	0.45	0.45	0.45	0.45	1	0.45	0.45	0.45	0.45
Pupil transportation	0	0.4	0.4	0.4	0.4	0.4	0.2	0.2	0.2	0.2
<b>Total</b>	<b>39.6</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40.55</b>	<b>39.8</b>	<b>39.8</b>	<b>39.8</b>	<b>39.8</b>

Source: District Personnel Records

BOROUGH OF ALPINE SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
JUNE 30, 2016

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2007	135	5,437,936	40,281	8.61%	*	*	*	*	136	131	0.00%	96.32%
2008	135	5,509,646	40,812	1.32%	*	*	*	*	134.6	128.8	-1.03%	95.69%
2009	140	5,520,388	39,431	-3.38%	*	*	*	*	141	136	4.61%	96.38%
2010	142	5,641,016	39,725	0.75%	*	*	*	*	142	136	0.78%	95.56%
2011	153	5,558,901	36,333	-8.54%	*	*	*	*	154	147	8.39%	95.58%
2012	148	5,623,634	37,998	4.58%	*	*	*	*	146	139	-5.40%	95.60%
2013	146	5,832,921	39,952	5.14%	*	*	*	*	146	139	0.00%	95.60%
2014	163	5,856,865	35,932	-10.06%	*	*	*	*	160	152	9.97%	95.00%
2015	156	6,239,109	39,994	11.31%	*	*	*	*	156	148	-2.50%	94.87%
2016	154.6	6,537,441	42,286	5.73%	*	*	*	*	154.6	148.2	-0.90%	95.86%

\* Not available at time of audit

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

Note: Enrollment based on annual October district count.

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

BOROUGH OF ALPINE SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
JUNE 30, 2016

	<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>	<u>2016</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Alpine School										
Square Feet	33,627	33,627	33,627	33,627	33,627	33,627	33,627	33,627	33,627	51,137
Capacity (students)	*	*	*	*	*	*	*	*	*	*
Enrollment	135	135	140	142	153	148	146	163	156	155

Number of Schools at June 30, 2016  
 Elementary/Middle = 1

**Source:** District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of  
 and additions. Enrollment is based on the annual October district count.

\* Not available at time of audit



BOROUGH OF ALPINE - SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
JUNE 30, 2016  
UNAUDITED

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

<u>School Facilities</u>	<u>Project # (s)</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Alpine School	N/A	\$ <u>111,635.18</u>	\$ <u>67,431.08</u>	\$ <u>23,980.12</u>	\$ <u>9,244.00</u>	\$ <u>59,222.69</u>	\$ <u>48,390.69</u>	\$ <u>46,174.00</u>	\$ <u>49,711.84</u>	\$ <u>128,464.00</u>	\$ <u>52,790.09</u>
Total School Facilities		<u>111,635.18</u>	<u>67,431.08</u>	<u>23,980.12</u>	<u>9,244.00</u>	<u>59,222.69</u>	<u>48,390.69</u>	<u>49,711.84</u>	<u>49,711.84</u>	<u>128,464.00</u>	<u>52,790.09</u>
Grand Total		<u>\$ <u>111,635.18</u></u>	<u>\$ <u>67,431.08</u></u>	<u>\$ <u>23,980.12</u></u>	<u>\$ <u>9,244.00</u></u>	<u>\$ <u>59,222.69</u></u>	<u>\$ <u>48,390.69</u></u>	<u>\$ <u>49,711.84</u></u>	<u>\$ <u>49,711.84</u></u>	<u>\$ <u>128,464.00</u></u>	<u>\$ <u>52,790.09</u></u>

BOROUGH OF ALPINE SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2016  
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Package Policy - Selective		
Property - Blanket Building and Contents	\$ 9,545,681.00	\$ 5,000.00
Comprehensive General Liability and	1,000,000.00	
Comprehensive Crime Coverage	550,000.00	
Boiler and Machinery Policy-Hartford Steam Boiler Inspection and Insurance Company	250,000.00	1,000.00
Property Damage		
Umbrella Liability - American A. Ins. Co.		
Umbrella Policy	9,000,000.00	
School Board Legal Liability - Darwin	1,000,000.00	25,000.00
Directors and Officers Policy		
Public Employees' Faithful Performance:		
Marilyn Hayward - Treasurer of School Monies	160,000.00	
Dan Hauser - Business Administrator/Board Secretary	85,000.00	

Source:

School District Records

**SINGLE AUDIT SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-1"

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

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

Honorable President and Members  
of the Board of Education  
Borough of Alpine School District  
County of Bergen  
Alpine, New Jersey 07620

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Borough of Alpine School District (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated October 31, 2016.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Alpine School District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However we noted immaterial instances of noncompliance that we have reported to the Board of Education of the Borough of Alpine School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated October 31, 2016.

**Purpose of This Report**

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

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 948

October 31, 2016

BOROUGH OF ALPINE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FAIN	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2015	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEAR'S BALANCE	BALANCE AT JUNE 30, 2016		
											ACCOUNTS RECEIVABLE	UNEARNED REVENUE	DUE TO GRANTOR
<b>Enterprise Funds:</b>													
U.S. Department of Agriculture													
Passed-Through State Department of Education:													
Special Milk Program	10.556	16161NJ304N1099	7/1/15-6/30/16	\$ 531.00	\$ -	\$ -	\$ 502.00	\$ (531.00)	\$ -	\$ -	\$ (29.00)	\$ -	\$ -
Special Milk Program	10.556	16161NJ304N1099	7/1/14-6/30/15	841.11	(60.95)	-	60.95	-	-	-	-	-	-
Total U.S. Department of Agriculture					(60.95)		562.95	(531.00)			(29.00)		
<b>Special Revenue Funds:</b>													
U.S. Department of Education													
Passed-Through State Department of Education:													
NCLB Title II A	84.151	S367A150029	9/1/14-8/31/15	2,427.00	(5.00)	-	2,965.00	-	-	-	-	2,960.00	-
NCLB Title II A	84.151	S367A150029	9/1/15-8/31/16	2,806.00	-	-	2,806.00	(2,427.00)	-	-	-	379.00	-
Total Title IIA					(5.00)		5,771.00	(2,427.00)				3,339.00	
NCLB Title I Part A	84.367	S010A150030	9/1/15-8/31/16	32,808.00	-	-	20,327.00	(31,283.99)	-	-	(10,956.99)	-	-
Special Education Cluster													
I.D.E.A. Part B, Basic	84.027	S027A150100	9/1/14-8/31/15	44,905.00	(44,905.00)	-	44,905.00	-	-	-	-	-	-
I.D.E.A. Part B, Basic	84.027	S027A150100	9/1/15-8/31/16	45,067.00	-	-	45,067.00	(45,067.00)	-	-	-	-	-
I.D.E.A. Part B-Preschool	84.173	S173A150114	9/1/15-8/31/16	2,768.00	-	-	2,768.00	(2,768.00)	-	-	-	-	-
I.D.E.A. Part B-Preschool	84.173	S173A150114	9/1/14-8/31/15	2,516.00	(2,516.00)	-	2,744.00	-	-	-	-	228.00	-
Total Special Education Cluster					(47,421.00)		95,484.00	(47,835.00)				228.00	
Total Special Revenue Fund					(47,426.00)		121,582.00	(81,545.99)			(10,956.99)	3,567.00	
Total Federal Financial Assistance					\$ (47,486.95)	\$ -	\$ 122,144.95	\$ (82,076.99)	\$ -	\$ -	\$ (10,985.99)	\$ 3,567.00	\$ -

See accompanying notes to schedules of expenditures of financial assistance.

BOROUGH OF ALPINE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2015			CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2016			MEMO	
				ACCOUNTS RECEIVABLE	UNEARNED REVENUE	DUE TO GRANTOR					(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
General Fund:															
State Aid Cluster:															
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	\$ 15,923.00	\$	\$	\$	\$ 15,923.00	\$ (15,923.00)	\$	\$	\$	\$	\$	\$	\$ 15,923.00
Categorical Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	74,257.00				65,878.00	(74,257.00)	8,379.00					(8,379.00)	74,257.00
PARRC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	2,450.00				2,450.00	(2,450.00)							
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	2,450.00				2,450.00	(2,450.00)							
Total State Aid Cluster							86,701.00	(95,080.00)	8,379.00					(8,379.00)	90,180.00
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	\$ 48,806.00	\$	\$	\$	\$ 48,806.00	\$ (48,806.00)	\$	\$	\$	\$	\$	\$	\$ 48,806.00
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	49,564.00	(49,564.00)			49,564.00								
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	11,117.00					(11,117.00)			(11,117.00)			(11,117.00)	11,117.00
Additional Non-Public Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	6,264.00	(6,264.00)			6,264.00								
Additional Non-Public Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	5,568.00					(5,568.00)			(5,568.00)			(5,568.00)	5,568.00
On-Behalf TPAF Post-Retirement Contributions		7/1/15-6/30/16	131,151.00				131,151.00	(131,151.00)							
On-Behalf TPAF Non Contributory Insurance		7/1/15-6/30/16	6,533.00				6,533.00	(6,533.00)							
On-Behalf TPAF Post-Retirement Medical		7/1/15-6/30/16	163,944.00				163,944.00	(163,944.00)							
Reimbursed TPAF Social Security Contributions	15-495-034-5095-003	7/1/14-6/30/15	144,110.65	(6,881.80)			6,881.80								
Reimbursed TPAF Social Security Contributions	16-495-034-5095-003	7/1/15-6/30/16	161,445.57				161,445.57	(161,445.57)							161,445.57
				(62,709.80)			661,290.37	(623,644.57)	8,379.00		(16,685.00)			(25,064.00)	317,116.57
Total State Financial Assistance			\$ (62,709.80)	\$	\$	\$	661,290.37	(623,644.57)	\$	\$	(16,685.00)	\$	\$	(25,064.00)	\$ 317,116.57
Less: On-Behalf amounts not utilized for determination of Major Programs:															
On-Behalf TPAF Post-Retirement Contributions							131,151.00	(131,151.00)							
On-Behalf TPAF Non Contributory Insurance							6,533.00	(6,533.00)							
On-Behalf TPAF Post-Retirement Medical							163,944.00	(163,944.00)							
Total State Financial Assistance Subject to Single Audit							\$ 359,662.37	\$ (322,016.57)							

See accompanying notes to schedules of expenditures of financial assistance.

**Borough of Alpine School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2016**

**NOTE 1: GENERAL**

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

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The General fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the deferred state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, the deferred payments are not recognized until the subsequent budget year due to the state deferral and recording of the payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas GAAP basis does not.



**Borough of Alpine School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2016**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$139.00 for the general fund. The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$-0- for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 623,944.00	\$ 623,944.00
Special Revenue Fund	81,545.99		81,545.99
Food Service Fund	<u>531.00</u>		<u>531.00</u>
Total Awards and Financial Assistance	\$ <u>82,076.99</u>	\$ <u>623,944.00</u>	\$ <u>706,020.99</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5: OTHER**

The amount reported as TPAF post retirement contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2016. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2016.

Borough of Alpine School District  
Bergen County, New Jersey

Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2016

**Section I – Summary of Auditor’s Results**

**Financial Statements**

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

**Federal Program(s)** - Not Applicable

**State Program(s)** - Not Applicable

Borough of Alpine School District  
Bergen County, New Jersey

Schedule of Prior Year Audit Findings

Not Applicable



