

**Comprehensive Annual  
Financial Report**

**of the**

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

**Alpine, New Jersey**

**For the Fiscal Year Ended June 30, 2019**

**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*

*Olga Yarmolina  
Business Administrator/  
Board Secretary*

November 19, 2019

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, 2019 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 2018-2019 fiscal year with an enrollment of 139 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
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%
2016-17	157.0	+.032%
2017-18	147.0	-6.4%
2018-19	139.0	-5.4%

In addition, the district sent 49 students to Tenafly High School and 5 (five) students to Bergen Academies.

**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 2018-2019 school years many initiatives were undertaken.

The Alpine District continued developing and expanding opportunities for students to incorporate the use of technology in all their learning. The district upgraded PC Lab and Mac Lab/STEAM Lab. The district completed the Chromebook Rollout which now has all students in grades 3-8 with a Chromebook during the school day. The iPads were recycled into the younger grades and made available for music, art, and foreign language classes.

The resources were spent for new math, world language, and science texts. My Learning Plan (Frontline Education) based upon Charlotte Danielson’s rubrics continued to be the District’s Board approved teacher evaluation model of choice.

A major focus of 2018-2019 was the revising of all curriculum areas to make sure that each curriculum document is organized by units of study, essential learning outcomes, and standards. Each document possesses pacing guides, a list of core instructional materials and instructional resources, and modifications for special education students, English Language learners, skill fragile students, and those identified as gifted. The inclusion of interdisciplinary connections and the integration of 21<sup>st</sup> century themes and skills woven and through each curriculum. Finally, making sure each of the core content areas are guided by benchmark assessments that are pre and post-administered periodically throughout the school year. Results help to inform instructional practice.

A focus was placed in building professionalism. All faculty meetings provided staff development on both short term and overriding initiatives. Workshops and conferences were strongly supported by the Administrative Team. The district once again focused on professional development in the area of technology (e.g., Google Edu) and formative assessments.

The Visual and Performing Arts continued to play a key role in the curriculum. The extra music period was continued in the K-4 classes and students are having piano classes with portable keyboards. The middle students were offered expanded program in the visual and performing arts through the use of the STEAM program. The theater art class with acting, singing and set design was implemented.

Geometry was once again part of the math curriculum for grades 5-8. The new math curriculum for K-5 was adopted and implemented successfully. The district uses the professional development academy research materials and resource that support curriculum that aligns with NJSLs 2016 standards in Technology and the 21 Century Life and Career standards. The district expanded the STEAM lab in grades 5-8 that linked Science, Technology, Engineering, the Arts, and Mathematics. The STEAM program was brought down to the K-4 classes with the addition of Maker Space in the technology center.

The district implemented the new Science curriculum for grades K-5. K-4 began adding Maker Space classes to the schedule. Students had a chance to work with the 3D printers, Arduino, coding and circuitry. The district continued its relationship with Montclair University and PRISM program for professional development along with PD from NVCC. Grades 5-8 had a STEAM class added to their schedule as well as optional classes during the enrichment period. The Alpine school continued participation in the Science Olympiad 6-8 and 4-6 divisions.

The school continued focusing on developing units to reflect continued appropriateness, rigor, and complexity with concentration on Reading Literature 6-8, reading Non-fiction 6-8, writing 6-8, Speaking 6-8, Language 6-8, Writing History, Science and Technical subjects 6-8 to reflect revised standards. We continued providing training in Dyslexia Instruction, Writer's Workshop training at Columbia University, student engagement strategies and concentrated on questioning and discussion strategies.

The 2018-2019 school year saw the continuation of implementation of the new Board approved NJSLs Social Studies curriculum for Grades 5-8. The concentration continued to be on relationship between Social Studies, Science and ELA through complex texts,

finding evidence from texts and visual prompts, historical inquiry and document analysis and argument writing. The school kept developing the legal and government programs to enhance the curriculum. The district sponsored teams of students for NJ Mock Trials and for the first time entered into the Bergen County Brain Busters Competition.

A major change for the 2018-2019 school year was the enhancement of our Social Skills Program in all grade levels. Through grant money the district was able to bring in a specialist from West Bergen Mental Health 4 days a week. This specialist ran whole class, small group, and individual counseling and social skills classes. The goal of these classes was to provide students with the skills needed for success in school and life.

**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, 2019.

**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, 2019 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 2019-2020 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 and 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,



Olga Yarmolina  
Board Secretary/Business Administrator



Maureen McCann  
Chief School Administrator

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

**ROSTER OF OFFICIALS  
JUNE 30, 2019**

<b><u>Members of the Board of Education</u></b>	<b>Term Expires</b>
Philip Simotas, President	2020
Srinivas Dhulipala, Vice President	2020
Sharon Kurtz	2019
Maureen Cheesman	2021
Christine Lewis	2021

**Other Officials:**

Maureen McCann - Superintendent

Olga Yarmolina - School Business Admin./Board Secretary

Marilyn Hayward - Treasurer

**BOROUGH OF ALPINE SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS  
JUNE 30, 2019**

**Architect**

Environetics Group Architects  
180 Sylvan Avenue  
Englewood Cliffs, NJ 07632

**Audit Firm**

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

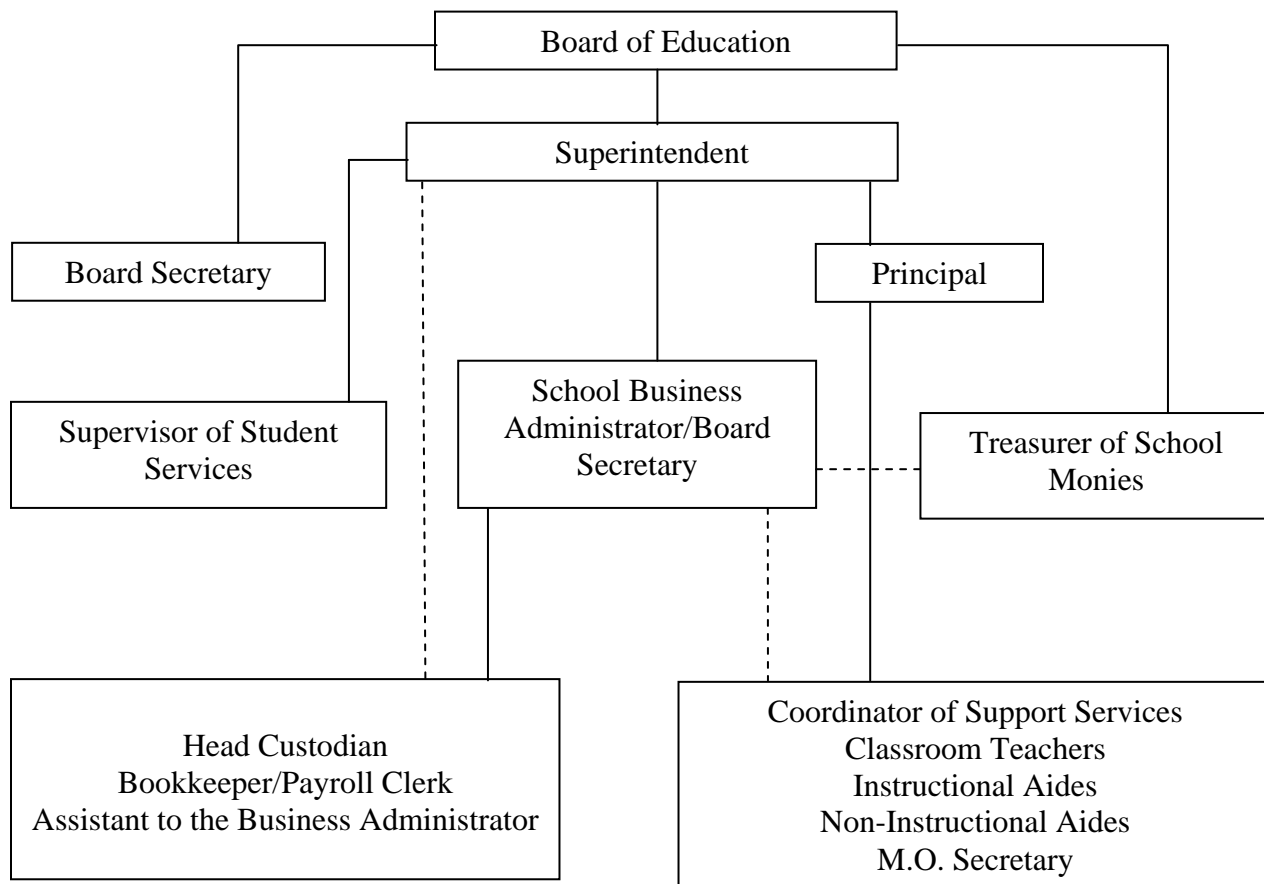
**Attorney**

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

**Official Depository**

Capital One Bank  
500 Hillside Avenue  
Alpine, NJ 07620

## 1110 ORGANIZATIONAL CHART



Adopted: 01 December 2016





**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

## **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, in the County of Bergen, State of New Jersey (the "District") as of and for the year ended June 30, 2019, 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 District as of June 30, 2019, 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, budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibit M-1 and M-2 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.

# SUPLEE, CLOONEY & COMPANY

## *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules such as the introductory section, combining statements and individual fund financial statements, the statistical section 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.

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 combining and individual fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 November 19, 2019 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 948

November 19, 2019

**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, 2018  
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, 2018. 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 (2017-2018) and the prior year (2016-2017) is required to be presented in the MD&A.

### **Financial Highlights**

Key financial highlights for 2018 are as follows:

- In total, for the 2017-2018 school year net position increased \$337,304.46, which represents a 6 percent increase from 2016-2017. "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 \$6,387,889.68 in revenue, or 77 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 \$1,890,213.59 in revenue or the remaining 23 percent of total revenues.
- The School District had \$7,940,798.81 in expenses; only \$1,890,213.59 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily tax levy and unrestricted state aid) of \$6,387,889.68 were used to provide for these programs.
- In fiscal year 2018 the District implemented GASB 75 "Accounting and Financial reporting for Postemployment Benefits" Other than Pensions. Prior year information has not been restated.

**BOROUGH OF ALPINE SCHOOL DISTRICT  
ALPINE, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
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, 2018  
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  
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**Table 1** provides a summary of the School District's net position for 2018 and 2017.

**Table 1 - Net Position**

The District's combined net position was \$6,327,693.68 on June 30, 2018. This was an increase of 6 percent from the prior year.

	<u>2018</u>	<u>2017</u>
Assets		
Current and Other Assets	\$1,661,822.29	\$1,480,723.19
Capital Assets	<u>6,495,955.18</u>	<u>6,445,113.25</u>
Total Assets	8,157,777.47	7,925,836.44
Deferred Outflows		
Deferred pension	<u>411,787.00</u>	<u>714,280.00</u>
Liabilities		
Other Liabilities	560,922.79	654,339.22
Long-Term Liabilities	<u>1,068,116.00</u>	<u>1,864,402.00</u>
Total Liabilities	1,629,038.79	2,518,741.22
DEFERRED INFLOW:		
Deferred Pension	<u>612,832.00</u>	<u>130,986.00</u>
Net Position		
Net Investment in Capital Assets	6,495,955.18	6,445,113.25
Restricted	944,953.67	649,250.44
Unrestricted (Deficit)	<u>(1,113,215.17)</u>	<u>(1,103,974.47)</u>
Total Net Position	<u><u>\$6,327,693.68</u></u>	<u><u>\$5,990,389.22</u></u>

**BOROUGH OF ALPINE SCHOOL DISTRICT  
ALPINE, NEW JERSEY  
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**Table 2** Illustrates changes in net position for fiscal years 2018 and 2017.

Table 2 - Changes in Net Position

	<u>2018</u>	<u>2017</u>
Revenues		
Program Revenues:		
Charges for Services	\$1,071.90	\$1,256.00
Operating Grants and Contributions	1,889,141.69	1,631,438.88
General Revenues:		
Property Taxes	6,314,325.00	6,084,841.00
Other	<u>73,564.68</u>	<u>118,533.74</u>
Total Revenues	<u>8,278,103.27</u>	<u>7,836,069.62</u>
Program Expenses		
Instruction	5,520,346.77	5,277,845.67
Support Services:		
Student and Instruction Related	1,308,152.54	1,357,709.78
General & School Administration; Central Services; Operations & Maintenance of Facilities	825,511.41	961,350.73
Student Transportation	226,313.60	206,402.40
Business Type Activities	984.93	4,153.04
Other	<u>59,489.56</u>	<u>73,485.77</u>
Total Expenses	<u>7,940,798.80</u>	<u>7,880,947.39</u>
Increase/ (Decrease) in Net Position	<u>\$337,304.47</u>	<u>(\$44,877.77)</u>

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

**BOROUGH OF ALPINE SCHOOL DISTRICT  
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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 79 percent of revenues for governmental activities for the Borough of Alpine School District for fiscal year 2018. Property tax revenues increased by \$229,484.00, which is a 3 percent increase from the prior year. The District's total revenues for governmental activities were \$8,025,233.27 for the year ended June 30, 2018. Federal and state aid accounted for 20 percent of revenue.

Instruction comprises 69 percent of district expenses. Support Services costs make up 30 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 2018</u>	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2018</u>	<u>Net Cost of Services 2017</u>
Instruction	5,520,346.77	5,277,845.67	4,127,630.89	\$4,115,939.89
Support Services:				
Students and Instruction Related	1,308,152.54	1,357,709.78	926,620.46	969,787.19
General Administration, School & Central Administration				
Maintenance of Facilities	825,511.41	961,350.73	774,518.05	933,511.57
Student Transportation	226,313.60	206,402.40	162,604.54	153,030.40
Other	984.93	4,153.04	59,489.56	73,485.77
Business-Type Activities	59,489.56	73,485.77	(278.29)	2,497.68
Total Net Cost of Services	<u>\$7,940,798.81</u>	<u>\$7,880,947.39</u>	<u>\$6,050,585.21</u>	<u>\$6,248,252.50</u>

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

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

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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 \$278.29.
- Revenues consist of \$1,071.90 in operating revenue from charges for services and \$191.32 in non-operating revenue from Federal sources.

**BOROUGH OF ALPINE SCHOOL DISTRICT  
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**Business-Type Activities (Continued)**

	<u>2018</u>	<u>2017</u>
Revenues		
Program Revenues:		
Charges for services	\$1,071.90	\$1,256.00
Other	191.32	399.36
Total Revenues	<u>1,263.22</u>	<u>1,655.36</u>
Program Expenses		
Food Services	984.93	4,153.04
Total Expenses	<u>984.93</u>	<u>4,153.04</u>
Increase / (Decrease) in Net Position	<u>\$278.29</u>	<u>(\$2,497.68)</u>

**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 \$7,420,564.05 and expenditures were \$7,134,110.81.

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, 2018 and the amount and percentage of increase and decrease in relation to prior year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase(Decrease) from FY 2017</u>	<u>Percent Increase (Decrease)</u>
Local Sources	6,387,889.68	86.08%	\$184,514.94	2.97%
State Sources	921,915.30	12.42%	167,846.78	22.26%
Federal Sources	<u>110,759.07</u>	<u>1.49%</u>	<u>30,070.07</u>	<u>37.27%</u>
Total	<u>\$7,420,564.05</u>	<u>100.00%</u>	<u>\$382,431.79</u>	<u>0.69%</u>

**BOROUGH OF ALPINE SCHOOL DISTRICT  
ALPINE, NEW JERSEY  
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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, 2018, 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 2017</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$4,848,144.89	67.96%	\$175,843.46	3.76%
Support Services	2,148,784.92	30.12%	(20,016.97)	-0.92%
Capital Outlay	<u>137,181.00</u>	<u>1.92%</u>	<u>(291,522.59)</u>	<u>-68.00%</u>
Total	<u>\$7,134,110.81</u>	<u>100.00%</u>	<u>(\$135,696.10)</u>	<u>-0.25%</u>

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

**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  
ALPINE, NEW JERSEY  
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**Capital Assets**

At the end of the fiscal year 2018, the School District had \$6,495,955.18 invested in land, building, furniture, equipment and vehicles. **Table 5** illustrates fiscal year 2018 balances compared to 2017.

**Table 5  
Capital Assets (Net of Depreciation) at June 30, 2018**

	<u>2018</u>	<u>2017</u>
Governmental Activities Capital Assets, Net:		
Construction in Progress	\$4,978,336.48	\$4,844,326.48
Building and Building Improvements	1,406,000.57	1,474,331.70
Machinery and Equipment	<u>111,618.13</u>	<u>126,455.07</u>
Total Governmental Activities Capital Assets, Net	<u>6,495,955.18</u>	<u>6,445,113.25</u>
Total Capital Assets, Net	<u><u>\$6,495,955.18</u></u>	<u><u>\$6,445,113.25</u></u>

Overall capital assets increased \$50,841.93 from fiscal year 2017 to fiscal year 2018. 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 2019 fiscal year.

**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 Olga Yarmolina, 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, 2019

## **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, 2019

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$ 2,246,095.52	\$ 734.98	\$ 2,246,830.50
Receivables, net	310,455.58		310,455.58
Capital assets:			
Non Depreciable	5,122,521.48		5,122,521.48
Depreciable - Net	<u>1,506,007.03</u>		<u>1,506,007.03</u>
Total Assets	<u>9,185,079.61</u>	<u>734.98</u>	<u>9,185,814.59</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Pension Related	<u>373,967.00</u>		<u>373,967.00</u>
	373,967.00		373,967.00
LIABILITIES:			
Unearned revenue	123,552.01		123,552.01
Accounts payable	215,525.85		215,525.85
Noncurrent liabilities:			
Due beyond one year:			
Compensated Absences	77,125.00		77,125.00
Net Pension Liability	<u>966,089.00</u>		<u>966,089.00</u>
Total liabilities	<u>1,382,291.86</u>		<u>1,382,291.86</u>
DEFERRED INFLOW OF RESOURCES:			
Pension Related	616,757.00		616,757.00
NET POSITION:			
Net investment in capital assets	6,628,528.51		6,628,528.51
Restricted for:			
Capital Projects	50,250.00		50,250.00
Other purposes	1,836,976.24		1,836,976.24
Unrestricted (Deficit)	<u>(955,757.00)</u>	<u>734.98</u>	<u>(955,022.02)</u>
TOTAL NET POSITION	<u>\$ 7,559,997.75</u>	<u>\$ 734.98</u>	<u>\$ 7,560,732.73</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, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Charges for Services</u>	<u>Programs Revenues</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>Net (Expense) Revenue and Changes in Net Position</u>								
Governmental activities:								
Instruction:								
Regular	\$ 2,370,470.54	\$ 1,346,164.01	\$ -	\$ 860,984.06	\$ -	\$ (2,855,660.49)	\$ -	\$ (2,855,660.49)
Special	568,040.63	125,725.86	-	344,501.13	-	(349,265.36)	-	(349,265.36)
Other instruction	295,466.30	223,775.93	-	187,350.97	-	(331,891.26)	-	(331,891.26)
Support services:								
Student and instruction related services	810,008.96	606,003.82	-	431,324.87	-	(984,687.91)	-	(984,687.91)
School administrative services	48,622.15	19,531.42	-	10,117.54	-	(58,036.03)	-	(58,036.03)
General administrative services	65,486.75	9,070.41	-	5,562.34	-	(68,994.82)	-	(68,994.82)
Central services	118,781.98	28,832.87	-	15,557.77	-	(132,057.08)	-	(132,057.08)
Plant operations and maintenance	328,867.80	(4,350.85)	-	-	-	(324,516.95)	-	(324,516.95)
Pupil transportation	257,409.43	21,956.10	-	92,021.27	-	(187,344.27)	-	(187,344.27)
Unallocated Benefits	2,353,220.00	(2,353,220.00)	-	-	-	-	-	-
Unallocated depreciation	93,309.84	(23,489.58)	-	-	-	(69,820.26)	-	(69,820.26)
Total governmental activities	<u>7,309,684.38</u>	<u>(7,309,684.38)</u>	<u>-</u>	<u>1,947,419.95</u>	<u>-</u>	<u>(5,362,264.43)</u>	<u>-</u>	<u>(5,362,264.43)</u>
Business-type activities								
Central services								
Food service	586.15	-	-	-	-	-	-	-
Total business-type activities	<u>586.15</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(123.85)</u>	<u>(123.85)</u>	<u>(123.85)</u>
Total primary government	<u>\$ 7,310,270.53</u>	<u>\$ -</u>	<u>\$ 462.30</u>	<u>\$ 1,947,419.95</u>	<u>\$ -</u>	<u>\$ (5,362,264.43)</u>	<u>\$ (123.85)</u>	<u>\$ (5,362,388.28)</u>
General Revenues:								
Taxes:								
Property taxes, levied for general purposes, net						6,475,269.00	\$ -	\$ 6,475,269.00
Miscellaneous income						120,158.33	-	120,158.33
Total general revenues						<u>6,595,427.33</u>	<u>-</u>	<u>6,595,427.33</u>
Change in Net Position						<u>1,233,162.90</u>	<u>(123.85)</u>	<u>1,233,039.05</u>
Net Position - beginning						<u>6,326,834.85</u>	<u>858.83</u>	<u>6,327,693.68</u>
Net Position ending						<u>\$ 7,559,997.75</u>	<u>\$ 734.98</u>	<u>\$ 7,560,732.73</u>

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, 2019

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 2,186,053.52	\$ 9,792.00	\$ 50,250.00	\$ 2,246,095.52
Receivables from other governments	184,298.58	3,317.00	122,840.00	310,455.58
Due from other funds	<u>11,423.99</u>			<u>11,423.99</u>
<b>Total assets</b>	<u>\$ 2,381,776.09</u>	<u>\$ 13,109.00</u>	<u>\$ 173,090.00</u>	<u>\$ 2,567,975.09</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Unearned Revenue	\$ 154,022.85	\$ 712.01	\$ 122,840.00	\$ 123,552.01
Accounts payable		973.00		154,995.85
Due to other funds		<u>11,423.99</u>		<u>11,423.99</u>
<b>Total liabilities</b>	<u>154,022.85</u>	<u>13,109.00</u>	<u>122,840.00</u>	<u>289,971.85</u>
<b>Fund balances:</b>				
<b>Restricted:</b>				
Capital reserve account	1,147,793.60			1,147,793.60
Emergency reserve	50,000.00			50,000.00
Excess Surplus	579,619.48			579,619.48
<b>Assigned:</b>				
Encumbrances	59,563.16			59,563.16
Unassigned	<u>390,777.00</u>		<u>50,250.00</u>	<u>441,027.00</u>
<b>Total fund balances</b>	<u>2,227,753.24</u>		<u>50,250.00</u>	<u>2,278,003.24</u>
<b>Total liabilities and fund balances</b>	<u>\$ 2,381,776.09</u>	<u>\$ 13,109.00</u>	<u>\$ 173,090.00</u>	<u>\$ 2,567,975.09</u>

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, 2019

Total Fund Balances (Brought Forward)		\$2,278,003.24
<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	\$9,056,756.80	
Accumulated Depreciation	<u>(2,428,228.29)</u>	6,628,528.51
<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	(966,089.00)	
Compensated Absences	<u>(77,125.00)</u>	(1,043,214.00)
<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		373,967.00
Deferred Inflows:		
Pension related		(616,757.00)
<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>(60,530.00)</u>
Net Position of Governmental Activities		<u><u>\$7,559,997.75</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, 2019

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES:</b>				
Local sources:				
Local tax levy	\$ 6,475,269.00	\$	\$	\$ 6,475,269.00
Miscellaneous	86,498.33	6,287.99	33,660.00	126,446.32
Total - local sources	6,561,767.33	6,287.99	33,660.00	6,601,715.32
State sources	1,067,103.96			1,067,103.96
Federal sources		119,408.00		119,408.00
Total revenues	<u>7,628,871.29</u>	<u>125,695.99</u>	<u>33,660.00</u>	<u>7,788,227.28</u>
<b>EXPENDITURES:</b>				
Current expense:				
Regular instruction	1,603,880.00	8,971.99		1,612,851.99
Special instruction	140,082.98	21,500.00		161,582.98
Other Instruction	249,259.30	46,207.00		295,466.30
Support services:				
Tuition	1,158,655.20			1,158,655.20
Student and instruction related services	779,216.96	49,017.00		828,233.96
School administrative services	48,622.15			48,622.15
General administration	65,486.75			65,486.75
Plant operations and maintenance	328,867.80			328,867.80
Central services	118,781.98			118,781.98
Pupil transportation	257,409.43			257,409.43
Unallocated Benefits	1,641,072.00			1,641,072.00
Capital outlay	229,054.17			229,054.17
Total expenditures	<u>6,620,388.72</u>	<u>125,695.99</u>		<u>6,746,084.71</u>
Excess (deficiency) of revenues over (under) expenditures	1,008,482.57		33,660.00	1,042,142.57
Other financing sources (uses):				
Transfers in/(out)	105,426.17		(105,426.17)	
Total other financing sources (uses)	<u>105,426.17</u>		<u>(105,426.17)</u>	
Net change in fund balances	1,113,908.74		(71,766.17)	1,042,142.57
Fund balances, July 1, 2018	<u>1,113,844.50</u>		<u>122,016.17</u>	<u>1,235,860.67</u>
Fund balances, June 30, 2019	<u>\$ 2,227,753.24</u>	<u>\$ -0-</u>	<u>\$ 50,250.00</u>	<u>\$ 2,278,003.24</u>

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, 2019

Total net change in fund balances - governmental funds (from B-2)		\$ 1,042,142.57
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	\$ (93,309.84)	
Capital outlays	229,054.17	
Less: Capital outlays not capitalized	<u>(3,171.00)</u>	132,573.33
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	48,805.00	
Less: Pension expense	<u>(6,333.00)</u>	42,472.00
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>15,975.00</u>
Change in net position of governmental activities		\$ <u>1,233,162.90</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, 2019

	FOOD SERVICE FUND <u>TOTAL</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ <u>734.98</u>
Total current assets	<u>734.98</u>
Total assets	\$ <u><u>734.98</u></u>
NET POSITION:	
Unrestricted	\$ <u>734.98</u>
Total net position	\$ <u><u>734.98</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, 2019

	<u>FOOD SERVICE FUND TOTAL</u>
OPERATING REVENUES:	
Charges for services:	
Daily sales - reimbursable programs	\$ <u>462.30</u>
Total operating revenues	<u>462.30</u>
OPERATING EXPENSES:	
Cost of sales	<u>586.15</u>
Total operating expenses	<u>586.15</u>
Operating income (loss)	<u>(123.85)</u>
Change in net position	(123.85)
Total net position - beginning	<u>858.83</u>
Total net position - ending	<u>\$ <u>734.98</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, 2019

	<u>FOOD SERVICE FUND TOTAL</u>
Cash flows from operating activities:	
Receipts from customers	\$ 462.30
Payments to suppliers	<u>(586.15)</u>
Net cash provided by (used for) operating activities	<u>(123.85)</u>
Cash flows from noncapital financing activities:	
Federal Sources	<u>52.50</u>
Net cash provided by noncapital financing activities:	<u>52.50</u>
Net increase/(decrease) in cash and cash equivalents	(71.35)
Cash and cash equivalents, July 1, 2018	<u>806.33</u>
Cash and cash equivalents, June 30, 2019	<u>\$ <u>734.98</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income	\$ <u>(123.85)</u>
Net cash provided by (used for) operating activities	<u>\$ <u>(123.85)</u></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, 2019

	<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>82,435.02</u>
Total Assets	\$ <u><u>6,550.00</u></u>	\$ <u><u>2,542.35</u></u>	\$ <u><u>82,435.02</u></u>
<b>LIABILITIES:</b>			
Payroll deductions and withholdings	\$	\$	\$ 63,447.93
Accrued Salaries and Wages			7,373.88
Security deposits	6,550.00		
Due to student groups	<u>                    </u>	<u>                    </u>	<u>11,613.21</u>
Total liabilities	\$ <u><u>6,550.00</u></u>	\$ <u>                    </u>	\$ <u><u>82,435.02</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, 2019

	<u>STATE UNEMPLOYMENT COMPENSATION TRUST FUND</u>
Net position beginning of year	\$ <u>2,542.35</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, 2019**

**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, 2019**

**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, 2019**

**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 Statement 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, 2019**

**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, 2019**

**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, 2019**

**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, 2019**

**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, 2019**

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

**Capital Assets (Continued)**

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, 2019**

**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, 2019**

**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, 2019**

**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, 2019**

**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, 2019**

**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 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, 2019**

**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, 2019:

	<u>Checking</u> <u>Accounts</u>	<u>Total</u>
Cash on Deposit	\$ 2,654,456.49	\$ 2,654,456.49
Add: Deposit in Transit	2,224.74	2,224.74
Less: Outstanding Checks	<u>318,613.32</u>	<u>318,613.32</u>
 Net Cash	 \$ <u>2,338,067.91</u>	 \$ <u>2,338,067.91</u>

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

**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, 2019, 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 \$2,654,456.49, \$250,000.00 was covered by Federal Depository Insurance and \$2,404,456.49 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, 2019**

**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, 2019, 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, 2019**

**NOTE 3: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	Ending <u>Balance</u>
Governmental Activities:			
Capital assets not being depreciated:			
Construction in progress	\$ 4,978,336.48	\$ 144,185.00	\$ 5,122,521.48
Total Capital Assets not being depreciated	<u>4,978,336.48</u>	<u>144,185.00</u>	<u>5,122,521.48</u>
Site improvements	206,900.00	39,710.00	246,610.00
Buildings & Building Improvements	3,135,452.94		3,135,452.94
Machinery & Equipment	<u>510,184.21</u>	<u>41,988.17</u>	<u>552,172.38</u>
Totals at historical cost	<u>3,852,537.15</u>	<u>81,698.17</u>	<u>3,934,235.32</u>
Gross Assets (Memo only)	<u>8,830,873.63</u>	<u>225,883.17</u>	<u>9,056,756.80</u>
Less: Accumulated Depreciation			
Site improvements	(123,097.26)	(9,585.96)	(132,683.22)
Buildings & Building Improvements	(1,813,255.11)	(60,234.30)	(1,873,489.41)
Machinery & Equipment	<u>(398,566.08)</u>	<u>(23,489.58)</u>	<u>(422,055.66)</u>
Total Depreciation	<u>(2,334,918.45)</u>	<u>(93,309.84)</u>	<u>(2,428,228.29)</u>
Total capital assets being depreciated, net of depreciation	<u>1,517,618.70</u>	<u>(11,611.67)</u>	<u>1,506,007.03</u>
Total Governmental Fund Activities	<u>\$ 6,495,955.18</u>	<u>\$ 132,573.33</u>	<u>\$ 6,628,528.51</u>



**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

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

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

Instruction:		
Regular	\$	20,842.84
Support services:		
General administrative services		2,646.74
Direct Expense of various functions		<u>69,820.26</u>
	\$	<u><u>93,309.84</u></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, 2019**

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

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2019:

	Net Pension <u>Liability</u>	Compensated Absences <u>Payable</u>	<u>Total</u>
Balance June 30, 2018	\$ 1,068,116.00	\$ 93,100.00	\$ 1,161,216.00
Reductions	<u>102,027.00</u>	<u>15,975.00</u>	<u>118,002.00</u>
Balance June 30, 2019	\$ <u><u>966,089.00</u></u>	\$ <u><u>77,125.00</u></u>	\$ <u><u>1,043,214.00</u></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, 2019**

**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, 2019**

**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, 2019**

**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>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2019	\$49,007.00	100.00%	\$49,007.00
2018	\$42,971.42	100.00%	\$42,971.42
2017	\$56,431.00	100.00%	\$56,431.00

During the fiscal years ended June 30, 2019, 2018 and 2017, the State of New Jersey contributed \$388,811.00, \$300,025.00, and \$211,797.00, 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 \$147,543.96 during the year ended June 30, 2019 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

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

**Public Employees Retirement System (PERS)**

At June 30, 2019, the District reported a liability of \$966,089.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the District's proportion was 0.0049066200 percent, which was an increase of 0.0003181796 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$22,343.00 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2018 measurement date.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$18,423	\$4,981
Changes of assumptions	159,195	308,904
Net difference between projected and actual earnings on pension plan investments		9,062
Changes in proportion and differences between District contributions and proportionate share of contributions	135,819	293,810
District contributions subsequent to the measurement date	<u>60,530</u>	<u>                    </u>
	<u>\$373,967</u>	<u>\$616,757</u>

The \$60,530.00 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, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

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

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

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

<u>Year Ended</u> <u>June 30</u>	<u>Amount</u>
2019	(\$24,893)
2020	(40,881)
2021	(98,167)
2022	(89,301)
2023	<u>(50,078)</u>
	<u><u>(\$303,320)</u></u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. This actuarial valuation used the following assumptions:

Inflation	2.25 Percent
Salary Increases (based on age)	
Through 2026	1.65-4.15 Percent
Thereafter	2.65-5.15 Percent
Investment Rate of Return	7.00 Percent

Preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

**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 July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. 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.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018 and 7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.



**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

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

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

**Actuarial Assumptions (Continued)**

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

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Fund	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Market Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**Discount Rate**

The discount rate used to measure the total pension liability was 5.66% and 5.00% as of June 30, 2018 and June 30, 2017 respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30 2018 and June 30, 2017 and a municipal bond rate of 3.87% and 3.58% for June 30, 2018 and June 30, 2017 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 contribution rate in the most recent fiscal year. The State employer

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions.

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

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

**Actuarial Assumptions (Continued)**

**Discount Rate (Continued)**

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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 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 net pension liability as of June 30, 2018, 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:

	1% Decrease <u>4.66%</u>	At Current Discount Rate <u>5.66%</u>	1% Increase <u>6.66%</u>
District's proportionate share of the pension liability	\$1,214,746	\$966,089	\$757,482

**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>.

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

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

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

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a 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, 2019 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$12,960,977</u>
	<u><u>\$12,960,977</u></u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 which was rolled forward to June 30, 2018. 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, 2018, the proportion of the TPAF net pension liability associated with the District was .0203731763 percent which was an increase of .0008612494 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized on-behalf pension expense and revenue of \$755,580.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2018 measurement date.

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

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

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

**Actuarial Assumptions**

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary increases:	
2011-2026	1.55 - 4.55%
Thereafter	1.55 - 4.55%
Investment rate of return	7.00%

**Mortality Rate**

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% and 7.00% at June 30, 2018 and June 30, 2017 respectively) 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.

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

**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)**

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Fund	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Market Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

**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 4.86% and 4.25% as of June 30, 2018 and 2017, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.00%, and a municipal bond rate of 3.87% and 3.58% as of June 30, 2018 and 2017, 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 contribution rate in the most recent fiscal year. The State contributed 50% of the 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, 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, 2019**

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

**Plan Description and Benefits Provided**

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, with that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**Employees Covered by Benefit Terms**

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

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>362,181</u>

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

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

**Total Non-Employer OPEB Liability**

The portion of the Total Non-Employer OPEB Liability that was associated with the District at June 30, 2019 was as follows:

Total OPEB Liability:	
District's Proportionate Share	-0-
State's Proportionate Share associated With the District	<u>\$7,531,783</u>
	<u>\$7,531,783</u>

The total Non-Employer OPEB Liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

The Total Non-Employer OPEB Liability was determined separately based on actual data of the District.

For the year ended June 30, 2019, the District recognized on-behalf post-employment expense and revenue of \$396,368.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2018 measurement date.

At June 30, 2018, the District's proportion was 0.0163340858 percent, which was an increase of .0005879935 from its proportion measured as of June 30, 2017.

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



**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

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

**Actuarial Assumptions and Other Imputes**

The total Non-Employer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation 2.5 percent			
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases			
Through 2026	1.55-4.55%	2.15-4.15% Based on Age	2.10-8.98% Based of Age
Thereafter	2.00-5.45%	3.15-5.15% Based on Age	3.10-9.98 Based of Age

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female fully generational mortality projections from the central year using the MP-2017 scale. Post-Retirement mortality rates were based on the RP-2006 Headcount- Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2011 - June 30, 2014, and July 1, 2010 - June 30, 2013 for TPAF, PFRS and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participant in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

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

**Health Care Trend Assumptions**

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.8% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Pan B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**Discount Rate**

The discount rate for June 30, 2018 and 2017 was 3.87% and 3.58%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**Changes in the Total Non-Employer OPEB Liability**

Shown below are details regarding the Total OPEB Non-Employer Liability associated with the District for the measurement period from June 30, 2017 to June 30, 2018.

Balance at 6/30/17		\$8,446,179
Changes for the year:		
Service cost	\$ 331,933.00	
Interest	310,807.00	
Differences between expected and actual experience	(498,390.00)	
Changes in assumptions or other inputs	(864,310.00)	
Membership Contributions	6,961.00	
Benefit payments - Net	<u>(201,397.00)</u>	
Net changes		<u>(914,396)</u>
Balance at 6/30/18		<u><u>\$7,531,783</u></u>

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

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

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

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2018		
	1.00% <u>Decrease (2.87%)</u>	At Discount <u>Rate (3.87)</u>	1.00% <u>Increase (4.87%)</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$8,904,101	\$7,531,783	\$6,440,932

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

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2018, calculated using the healthcare trend rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2018		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% <u>Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$6,225,457	\$7,531,783	\$9,259,449

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

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

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

At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB Liability associated with the District from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 731,128	\$ -
Changes of assumptions	1,688,288	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion	-	343,210
	\$ 2,419,416	\$ 343,210

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

<u>Year Ended June 30,</u>	<u>Amount</u>
2019	(\$229,491)
2020	(\$229,491)
2021	(\$229,491)
2022	(\$229,491)
2023	(\$229,491)
Total Thereafter	(\$928,751)
	(\$2,076,206)

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

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

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability (Continued)**

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

**State Health Benefit Local Education Retired Employee Plan Information**

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

**NOTE 8: LITIGATION**

The 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 2018-2019 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, 2019**

**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>
2019	\$ -	\$ -	\$ 2,542.35
2018	-	-	\$ 2,542.35
2017	10,559.51	10,559.51	\$ 2,542.35

**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.

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

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

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.

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, 2019, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$77,125.00.

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, 2019 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 \$2,227,753.24 in General Fund Balance at June 30, 2019, \$59,563.16 is assigned for encumbrances; \$50,000.00 has been restricted for emergency purposes; \$1,147,793.60 has been restricted in the Capital Reserve Account; \$579,619.48 has been restricted as excess surplus resulting from current year operations; and \$390,777.00 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.

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

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

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.

The activity of the capital reserve during the year ended June 30, 2019, is as follows:

Balance, June 30, 2018		\$	732,077.43
Deposits:			
Transfers from capital projects	\$		105,426.17
Board Resolution			600,000.00
			705,426.17
		\$	1,437,503.60
Withdrawals:			
Budgeted Withdrawal			289,710.00
Balance, June 30, 2019		\$	1,147,793.60

**NOTE 14: EMERGENCY RESERVE**

An emergency reserve was established by the Borough of Alpine School District for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The emergency reserve account is used to fund unanticipated general fund current expense costs and may be established to supplement the reserve in the District's annual budget or through a transfer by board resolution at year end of any unanticipated revenue and unexpended line item appropriation amounts in accordance with N.J.S.A. 18A:7F-41.



**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

**NOTE 14: EMERGENCY RESERVE (CONTINUED)**

The activity of the emergency reserve for the year ending June 30, 2019 is as follows:

Balance June 30, 2018 and June 30, 2019	<u>\$50,000.00</u>
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**NOTE 15: 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 resulting from the year ended June 30, 2019 is \$579,619.48.

General Fund Expenditures	
Fiscal Year Ended June 30, 2019	\$6,620,388.72
Less:	
On-behalf TPAF Pension and Social Security Reimbursement	<u>(724,927.96)</u>
Adjusted General Fund Expenditures	\$5,895,460.76
Excess Surplus Percentage	<u>2.00%</u>
2% of Adjusted 2018-19 General Fund Expenditures	\$117,909.22
Greater of line above of \$250,000.00	<u>250,000.00</u>
Add: Allowable Adjustments	<u>157,670.00</u>
Maximum Unassigned Fund Balance	\$407,670.00
Actual Unassigned Fund Balance (Budgetary)	<u>987,289.48</u>
Excess Surplus	<u><u>\$579,619.48</u></u>

**Borough of Alpine School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2019**

**NOTE 16: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2019:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 11,423.99	
Special Revenue Fund		\$ 11,423.99
	\$ 11,423.99	\$ 11,423.99

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

**NOTE 17: SUBSEQUENT EVENTS**

The Board of Education has evaluated subsequent events occurring after the financial statement date through November 14, 2019 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, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local sources:					
Local tax levy	\$ 6,475,269.00	\$	\$ 6,475,269.00	\$ 6,475,269.00	\$
Transportation Fees from Individuals	5,240.00		5,240.00	3,000.00	(2,240.00)
Rents and Royalties	47,372.00		47,372.00	43,542.40	(3,829.60)
Withdrawal from Capital Reserve	289,710.00		289,710.00		(289,710.00)
Miscellaneous- unrestricted	1,932.00		1,932.00	39,955.93	38,023.93
Total-local sources	6,819,523.00		6,819,523.00	6,561,767.33	(257,755.67)
State sources:					
Extraordinary aid	20,000.00		20,000.00	169,260.00	149,260.00
Categorical special education aid	82,020.00		82,020.00	82,020.00	
Transportation aid	70,729.00		70,729.00	74,112.00	3,383.00
Security aid	15,978.00		15,978.00	15,978.00	
Additional non-public transportation aid				8,410.00	8,410.00
On-behalf TPAF post-retirement medical (non-budgeted)				180,056.00	180,056.00
On-Behalf TPAF Non Contributory Insurance				8,139.00	8,139.00
On-Behalf TPAF Long-Term Disability Insurance				378.00	378.00
On-behalf TPAF post retirement contributions (non-budgeted)				388,811.00	388,811.00
Reimbursed TPAF social security contributions (non-budgeted)				147,543.96	147,543.96
Total - state sources	188,727.00		188,727.00	1,074,707.96	885,980.96
Total revenues	7,008,250.00		7,008,250.00	7,636,475.29	628,225.29

BOROUGH OF ALPINE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Instruction - regular programs:					
Salaries of teachers:	\$ 113,028.00	\$	\$ 113,028.00	\$ 111,281.07	\$ 1,746.93
Preschool/kindergarten	611,058.00		611,058.00	583,596.60	27,461.40
Grades 1-5	658,670.00		658,670.00	658,283.23	386.77
Grades 6-8					
Regular programs - home instruction:	3,060.00		3,060.00		3,060.00
Purchased professional - educational services					
Regular programs - undistributed instruction:					
Other salaries for instruction	149,736.00		149,736.00	76,304.74	73,431.26
Promedia services	12,000.00	3,500.00	15,500.00	14,617.50	882.50
Other purchased services (400-500 series)	82,503.00	(13,280.50)	69,222.50	57,897.73	11,324.77
General supplies	82,311.65	(14,942.00)	67,369.65	51,073.21	16,296.44
Textbooks	20,871.00		20,871.00	17,260.57	3,610.43
Other objects	36,504.00		36,504.00	33,565.35	2,938.65
Total regular programs	1,769,741.65	(24,722.50)	1,745,019.15	1,603,880.00	141,139.15
Special education:					
Resource room:					
Salaries of teachers	138,604.00	(3,043.00)	135,561.00	135,561.00	
Textbooks	677.57	(677.57)			
General supplies	993.00	(40.02)	952.98	952.98	
Other Objects		3,569.00	3,569.00	3,569.00	
Total resource room	140,274.57	(191.59)	140,082.98	140,082.98	
Total special education	140,274.57	(191.59)	140,082.98	140,082.98	
Basic skills/remedial:					
Salaries of teachers	79,313.00		79,313.00	79,313.00	
General supplies	138.00		138.00	138.00	
Total basic skills/remedial	79,451.00		79,451.00	79,451.00	

BOROUGH OF ALPINE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Bilingual education:					
Salaries of teachers	\$ 64,269.00	\$	64,269.00	64,269.00	\$
General supplies	1,096.00	(94.22)	1,001.78	1,001.78	
Total bilingual education	65,365.00	(94.22)	65,270.78	65,270.78	
School sponsored cocurricular activities:					
Salaries	55,296.00	10,009.53	65,305.53	65,305.53	
Other Objects	2,000.00	(454.00)	1,546.00	1,546.00	
Total school sponsored cocurricular activities	57,296.00	9,555.53	66,851.53	66,851.53	
School sponsored athletics:					
Salaries	33,524.00	(1,000.00)	32,524.00	32,524.00	
Purchased services (300 - 500 series)	3,121.00	(857.00)	2,264.00	2,264.00	
Other objects	3,608.00	(710.01)	2,897.99	2,897.99	
Total school sponsored athletics	40,253.00	(2,567.01)	37,685.99	37,685.99	
Total other instructional programs	97,549.00	6,988.52	104,537.52	104,537.52	
Summer School Instruction:					
Salaries	40,000.00	(20,000.00)	20,000.00		20,000.00
Total summer school instruction	40,000.00	(20,000.00)	20,000.00		20,000.00
Total - instruction	2,192,381.22	(38,019.79)	2,154,361.43	1,993,222.28	161,139.15
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular	992,612.00	(41,782.17)	950,829.83	748,197.55	202,632.28
Tuition to other LEA's within the state-special	157,668.00	13,809.10	171,477.10	138,742.00	32,735.10
Tuition to CSSD & Regular Day schools	60,660.00	(22,937.50)	37,722.50		37,722.50
Tuition to county vocational school district-regular	27,918.00		27,918.00	4,000.00	23,918.00
Tuition - Other	79,340.00		79,340.00	57,205.80	22,134.20
Tuition to Private Schools Handicapped	241,821.00	9,128.40	250,949.40	210,509.85	40,439.55
Total undistributed expenditures - instruction	1,560,019.00	(41,782.17)	1,518,236.83	1,158,655.20	359,581.63
Undistributed expenditures:					
Attendance and social work services:					
Salaries	9,043.00		9,043.00	9,043.00	
Total undistributed expenditures - attend. and social work services	9,043.00		9,043.00	9,043.00	

BOROUGH OF ALPINE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Health services:					
Salaries	\$ 63,418.00	\$ 250.28	\$ 63,668.28	\$ 63,668.28	
Purchased professional and technical services		2,376.00	2,376.00	2,376.00	
Supplies and materials	2,122.22	(76.97)	2,045.25	1,963.29	81.96
Other objects	204.00		204.00	188.50	15.50
Total health services	65,744.22	2,549.31	68,293.53	68,196.07	97.46
Other support services - speech, OT, PT and related services:					
Salaries	79,314.00	-	79,314.00	79,313.00	1.00
Purchased professional - educational services	21,210.00	4,467.00	25,677.00	25,562.00	115.00
Supplies and materials	149.00	(149.00)	-	-	
Total other support services - speech, OT, PT and related services	100,673.00	4,318.00	104,991.00	104,875.00	116.00
Other support services - students - extraordinary:					
Salaries	122,663.00	0.11	122,663.11	122,663.11	
Total other support services - students - extraordinary	122,663.00	0.11	122,663.11	122,663.11	
Other support services - guidance:					
Other purchased professional and technical services	5,100.00	(2,626.31)	2,473.69		2,473.69
Total other support services - guidance	5,100.00	(2,626.31)	2,473.69		2,473.69



BOROUGH OF ALPINE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other support services - Child Study Team					
Salaries of other professional staff	\$ 113,550.00	\$	\$ 113,550.00	\$ 111,780.00	\$ 1,770.00
Salaries of secretarial and clerical assistants	22,096.00		22,096.00	16,850.00	5,246.00
Purchased professional - educational services	14,343.00		14,343.00	9,723.10	4,619.90
Supplies and materials	5,210.40	(55.00)	5,155.40	2,571.42	2,583.98
Other objects	2,550.00		2,550.00	250.00	2,300.00
Total other support services - Child Study Team	157,749.40	(55.00)	157,694.40	141,174.52	16,519.88
Improvement of instruction services					
Salaries of supervisors of instruction	192,043.00	10,771.19	202,814.19	198,380.44	4,433.75
Salaries of other professional staff	23,330.00	(10,771.19)	12,558.81	11,304.00	1,254.81
Supplies and materials	68.00		68.00		68.00
Other objects	5,611.00		5,611.00	5,421.75	189.25
Total improvement of instruction services/ other support services-instructional staff	221,052.00		221,052.00	215,106.19	5,945.81
Educational media services/school library:					
Salaries	40,532.00		40,532.00	40,532.00	
Salaries of Technology Coordinators	72,450.00		72,450.00	66,086.26	6,363.74
Other purchased services (400-500)	918.00	265.48	1,183.48	1,183.48	
Supplies and materials	14,387.00	(265.48)	14,121.52	5,876.24	8,245.28
Total educational media services/school library	128,287.00	0.00	128,287.00	113,677.98	14,609.02
Instructional staff training services:					
Purchased professional - educational services	4,385.00		4,385.00	1,268.00	3,117.00
Other purchased services (400-500)	9,680.00	(250.00)	9,430.00	2,944.09	6,485.91
Other objects	545.00		545.00	269.00	276.00
Total instructional staff training services	14,610.00	(250.00)	14,360.00	4,481.09	9,878.91

BOROUGH OF ALPINE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Support services general administration:					
Salaries	\$ 28,559.00	\$ (1,056.08)	\$ 27,502.92	\$ 27,502.92	\$ 9,301.57
Legal services	23,800.00		23,800.00	14,498.43	
Audit fees	16,500.00	(375.00)	16,125.00	16,125.00	
Other purchased services (400-500)	952.00	(0.30)	951.70	951.70	
Misc. Purch Serv (400-500) [Other than 530 & 585]	3,430.00	(982.14)	2,447.86	2,447.86	
Miscellaneous expenditures	3,730.00	2,113.22	5,843.22	3,960.84	1,882.38
Total support services general administration	76,971.00	(300.30)	76,670.70	65,486.75	11,183.95
Support services school administration:					
Salaries of principals/asst. principals	24,788.00	(2,000.00)	22,788.00	19,863.22	2,924.78
Salaries of secretarial and clerical assistants	26,599.00		26,599.00	26,470.00	129.00
Total support services school administration	51,387.00	(2,000.00)	49,387.00	46,333.22	3,053.78
Central services:					
Salaries	121,256.00	(11,749.43)	109,506.57	105,056.37	4,450.20
Purchased Professional Services	4,845.00		4,845.00	4,845.00	
Purchased technical services	3,477.00	(323.00)	3,154.00	3,154.00	
Supplies and materials		62.10	62.10	62.10	
Travel - All Other		1,349.16	1,349.16	1,123.60	225.56
Board office misc dues and fees	4,584.00	723.00	5,307.00	4,540.91	766.09
Total central services	134,162.00	(9,938.17)	124,223.83	118,781.98	5,441.85
Administrative information technology:					
Supplies and materials	3,708.00	9,938.17	13,646.17	2,288.93	11,357.24
Total administrative information technology	3,708.00	9,938.17	13,646.17	2,288.93	11,357.24

BOROUGH OF ALPINE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Required maintenance for school facilities:					
Cleaning, repair and maintenance services	\$ 68,903.03	(1,416.00)	\$ 67,487.03	\$ 39,348.52	\$ 28,138.51
General supplies	13,421.68	(551.00)	12,870.68	4,841.45	8,029.23
Other Objects		500.00	500.00	193.32	306.68
<b>Total required maintenance for school facilities</b>	<b>82,324.71</b>	<b>(1,467.00)</b>	<b>80,857.71</b>	<b>44,383.29</b>	<b>36,474.42</b>
Other operation and maint. of plant:					
Salaries	61,387.00	2,733.36	64,120.36	64,120.36	-
Salaries for Non-Instructional Aides	38,716.00	(2,733.36)	35,982.64	23,692.33	12,290.31
Purchased professional and technical services	11,220.00	-	11,220.00	25.00	11,195.00
Cleaning, repair and maint. services	86,065.52	(405.00)	85,660.52	59,062.05	26,598.47
Other purchased property services	2,142.00		2,142.00	-	2,142.00
Insurance	57,152.00		57,152.00	56,086.00	1,066.00
General supplies	12,240.00		12,240.00	5,422.94	6,817.06
Energy (heat and electricity)	93,618.00		93,618.00	71,872.72	21,745.28
Other objects	16,830.00		16,830.00	4,203.11	12,626.89
<b>Total other operation and maint. of plant</b>	<b>379,370.52</b>	<b>(405.00)</b>	<b>378,965.52</b>	<b>284,484.51</b>	<b>94,481.01</b>
Student transportation services:					
Salaries for pupil trans. (bet. home and school) - regular	22,096.00		22,096.00	16,850.00	5,246.00
Contracted services - aid in lieu of payments	36,067.00		36,067.00	26,500.00	9,567.00
Contracted services (between home and school) - vendors	80,968.00	4.00	80,972.00	62,772.37	18,199.63
Contracted services (other than between home and school) - vendors	6,630.00		6,630.00	5,565.76	1,064.24
Contracted services (sp. ed. stds.) - joint agreements	161,380.00		161,380.00	145,721.30	15,658.70
<b>Total student transportation services</b>	<b>307,141.00</b>	<b>4.00</b>	<b>307,145.00</b>	<b>257,409.43</b>	<b>49,735.57</b>

BOROUGH OF ALPINE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
	\$	\$	\$	\$	\$
Unallocated benefits - employee benefits					
Social security contributions	66,300.00		66,300.00	59,184.88	7,115.12
Other retirement contributions - PERS	56,200.00		56,200.00	49,007.00	7,193.00
Unemployment compensation	19,429.00	0.18	19,429.18	2,847.45	16,581.73
Workmen's compensation	17,440.00		17,440.00	17,440.00	
Health Benefits	960,921.00	(37,909.30)	923,011.70	725,732.51	197,279.19
Tuition reimbursement	12,296.00		12,296.00	12,296.00	
Other employee benefits	52,858.00	25,403.60	78,261.60	49,636.20	28,625.40
<b>Total unallocated benefits - employee benefits</b>	<b>1,185,444.00</b>	<b>(12,505.52)</b>	<b>1,172,938.48</b>	<b>916,144.04</b>	<b>256,794.44</b>
<b>Total personal services - employee benefits</b>	<b>1,185,444.00</b>	<b>(12,505.52)</b>	<b>1,172,938.48</b>	<b>916,144.04</b>	<b>256,794.44</b>
On-behalf TPAF post retirement medical (non-budgeted)					
On-Behalf TPAF Non Contributory Insurance			180,056.00	180,056.00	(180,056.00)
On-Behalf TPAF Long-Term Disability Insurance			8,139.00	8,139.00	(8,139.00)
On-behalf TPAF post retirement contributions (non-budgeted)			378.00	378.00	(378.00)
Reimbursed TPAF social security contributions (non-budgeted)			388,811.00	388,811.00	(388,811.00)
			147,543.96	147,543.96	(147,543.96)
<b>Total on-behalf contributions (non-budgeted)</b>				<b>724,927.96</b>	<b>(724,927.96)</b>
<b>Total undistributed expenditures</b>	<b>4,605,448.85</b>	<b>(54,519.88)</b>	<b>4,550,928.97</b>	<b>4,388,112.27</b>	<b>152,816.70</b>
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<b>6,797,830.07</b>	<b>(92,539.67)</b>	<b>6,705,290.40</b>	<b>6,391,334.55</b>	<b>313,955.85</b>
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Grades 1-5		9,996.00	9,996.00	7,803.00	2,193.00
Grades 6-8		11,951.00	11,951.00	4,451.00	7,500.00
General Administrator		2,399.00	2,399.00	2,399.00	
Administrative Information Technology		27,335.17	27,335.17	27,335.17	
<b>Total equipment</b>		<b>51,681.17</b>	<b>51,681.17</b>	<b>41,988.17</b>	<b>9,693.00</b>
Facilities acquisition and construction services:					
Architectural / Engineering Services		13,302.50	13,302.50	13,185.00	117.50
Construction services	289,710.00	(13,302.50)	276,407.50	170,710.00	105,697.50
Assessment for Debt Service on SDA Funding	3,171.00		3,171.00	3,171.00	
<b>Total facilities acquisition and construction services</b>	<b>292,881.00</b>		<b>292,881.00</b>	<b>187,066.00</b>	<b>105,815.00</b>

BOROUGH OF ALPINE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
TOTAL CAPITAL OUTLAY	\$ 292,881.00	\$ 51,681.17	\$ 344,562.17	\$ 229,054.17	\$ 115,508.00
TOTAL EXPENDITURES	7,090,711.07	(40,858.50)	7,049,852.57	6,620,388.72	429,463.85
Excess (deficiency) of revenues over (under) expenditures	(82,461.07)	40,858.50	(41,602.57)	1,016,086.57	1,057,689.14
Other financing sources (uses)					
Transfer from Capital Projects				105,426.17	(105,426.17)
Total other financing sources (uses)				105,426.17	(105,426.17)
Excess of revenues and other financing sources over Expenditures and other financing sources	(82,461.07)	40,858.50	(41,602.57)	1,121,512.74	952,262.97
Fund balances, July 1	833,988.27		833,988.27	1,123,133.50	
Fund balances, June 30	\$ 751,527.20	\$ 40,858.50	\$ 792,385.70	\$ 2,244,646.24	\$ 952,262.97
Recapitulation:					
Restricted:					
Emergency reserve				\$ 50,000.00	
Capital reserve				1,147,793.60	
Excess Surplus				579,619.48	
Assigned:					
Encumbrances				59,563.16	
Unassigned fund balance				407,670.00	
				2,244,646.24	
Reconciliation to governmental funds statements (GAAP):					
Last state aid payment not recognized on GAAP basis				(16,893.00)	
Fund balance per governmental funds (GAAP)			\$ 2,227,753.24		

BOROUGH OF ALPINE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
Local sources	\$ 96,078.00	\$ 7,000.00	\$ 7,000.00	\$ 6,287.99	\$ (712.01)
Federal sources		23,330.00	119,408.00	119,408.00	0.00
Total revenues	<u>96,078.00</u>	<u>30,330.00</u>	<u>126,408.00</u>	<u>125,695.99</u>	<u>(712.01)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	55,847.00	(34,347.00)	21,500.00	21,500.00	0.00
Other Purchased Services	40,231.00	5,976.00	46,207.00	46,207.00	0.00
General supplies		9,684.00	9,684.00	8,971.99	712.01
Total instruction	<u>96,078.00</u>	<u>(18,687.00)</u>	<u>77,391.00</u>	<u>76,678.99</u>	<u>712.01</u>
Support services:					
Purchased professional - technical services		36,268.00	36,268.00	36,268.00	0.00
Other purchased services		12,749.00	12,749.00	12,749.00	0.00
Total support services	<u>0.00</u>	<u>49,017.00</u>	<u>49,017.00</u>	<u>49,017.00</u>	<u>0.00</u>
Total expenditures	<u>\$ 96,078.00</u>	<u>\$ 30,330.00</u>	<u>\$ 126,408.00</u>	<u>\$ 125,695.99</u>	<u>\$ 712.01</u>

BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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	\$ 7,636,475.29	\$ 125,695.99
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously it was recognized for budgetary purposes.	9,289.00	
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)	(16,893.00)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 7,628,871.29</u>	<u>\$ 125,695.99</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 6,620,388.72	\$ 125,695.99
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$ 6,620,388.72</u>	<u>\$ 125,695.99</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 June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
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%
2016	0.0062950134%	1,864,402	386,099.00	482.88%	40.14%
2017	0.0045884404%	1,068,116	448,522.00	238.14%	48.10%
2018	0.4906620000%	966,089	446,375.00	216.43%	53.60%

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 June 30,	Contributions in Relation to the		Contribution Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
	Contractually Required Contribution	Contractually Required Contributions			
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%
2017	56,204	56,204	-0-	335,670.00	16.74%
2018	42,720	42,720	-0-	448,522.00	9.52%
2019	60,530	60,530	-0-	446,375.00	13.56%

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 June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	District's Proportionate Share of the Net Pension Liability (Asset) associated with the District's Covered-Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) associated with the District's Covered-Employee Payroll	State's Proportionate Share of the Total Net Pension Liability associated with the District as a percentage of the District's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.01919225529%	\$ -0-	\$ 9,664,388	\$ 1,750,825.00	\$ -0-	551.99%	33.76%
2014	0.0177554175%	-0-	9,489,693	1,728,075.00	-0-	549.15%	33.64%
2015	0.0201686308%	-0-	12,747,436	1,870,352.00	-0-	681.55%	28.71%
2016	0.0171967443%	-0-	13,528,054	2,056,630.00	-0-	657.78%	22.33%
2017	0.0195119269%	-0-	13,155,645	2,096,864.00	-0-	627.40%	25.41%
2018	0.0203731763%	-0-	12,960,977	2,096,864.00	-0-	618.11%	26.49%

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

BOROUGH OF ALPINE SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III  
NOTE TO RSI III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions

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

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

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

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

**REQUIRED SUPPLEMENTARY INFORMATION - PART IV**

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

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

	<u>Measurement Date Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District		
Balance at 6/30/17	\$8,446,179	\$9,066,688
Changes for the year:		
Service cost	331,933	398,606
Interest	310,807	267,095
Changes of benefit terms		
Differences between expected and actual experience	(498,390)	
Changes in assumptions or other inputs	(864,310)	(1,097,783)
Membership Contributions	6,961	7,204
Benefit payments - Net	(201,397)	(195,631)
Net changes	<u>(914,396)</u>	<u>(620,509)</u>
Balance at 6/30/18	<u>\$7,531,783</u>	<u>\$8,446,179</u>
Covered Employee Payroll	2,543,239	3,164,980
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-
State's Proportionate Share of the Total Non-Employer OPEB Liability associated with the District as a percentage of the District's Covered Employee Payroll	296.15%	266.86%

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



BOROUGH OF ALPINE SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART IV  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Change in benefit terms:     None

Change in assumptions:     The discount rate changed from 3.58% to 3.87% as of  
June 30, 2018.

**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, 2019

	LOCAL	TITLE IV	TITLE I	TITLE IIA	IDEA PART B BASIC	IDEA PART B PRESCHOOL	TOTAL
REVENUES:							
Federal sources	\$	11,471.00	\$ 50,452.00	\$ 11,278.00	\$ 43,408.00	\$ 2,799.00	\$ 119,408.00
Local sources	6,287.99						6,287.99
Total revenues	\$ 6,287.99	\$ 11,471.00	\$ 50,452.00	\$ 11,278.00	\$ 43,408.00	\$ 2,799.00	\$ 125,695.99
EXPENDITURES:							
Instruction:							
Salaries of teachers	\$		\$ 21,500.00	\$	\$	\$ 2,799.00	\$ 21,500.00
Other purchased services			2,684.00		43,408.00		46,207.00
General Supplies	6,287.99						8,971.99
Total instruction	6,287.99	0.00	24,184.00	0.00	43,408.00	2,799.00	76,678.99
Support services:							
Purchased Prof. and tech. services		10,000.00	26,268.00				36,268.00
Other purchased services		1,471.00		11,278.00			12,749.00
Total support services	0.00	11,471.00	26,268.00	11,278.00	0.00	0.00	49,017.00
Total expenditures	6,287.99	11,471.00	50,452.00	11,278.00	43,408.00	2,799.00	125,695.99
Excess (deficiency) of revenues over (under) expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

BOROUGH OF ALPINE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES-BUDGETARY BASIS  
AS OF JUNE 30, 2019

<u>ISSUE/PROJECT TITLE</u>	<u>APPROPRIATIONS</u>	<u>PRIOR YEAR</u>	<u>EXPENDITURES TO DATE</u>	<u>CURRENT YEAR*</u>	<u>UNEEXPENDED PROJECT BALANCE</u>
Exterior Closure, HVAC	\$ 173,000.00	\$	\$	\$	173,000.00
Septic System Replacement	<u>134,100.00</u>	<u>134,010.00</u>	<u>134,010.00</u>	<u>90.00</u>	<u>90.00</u>
Totals	<u>\$ 307,100.00</u>	<u>\$ 134,010.00</u>	<u>\$ 134,010.00</u>	<u>\$ 90.00</u>	<u>\$ 173,090.00</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, 2019

## Revenues and other Financing

Other financing uses	
Transfer to capital reserve	\$ (105,426.17)
Grant receivable canceled	(128,800.00)
Fund Balance - beginning	<u>407,316.17</u>
Fund Balance - ending	<u>\$ 173,090.00</u>
<u>Reconciliation to GAAP Basis:</u>	
Fund Balance- Budgetary Basis	\$ 173,090.00
Unrealized Revenue- SDA Grant Funds	<u>(122,840.00)</u>
Fund Balance- GAAP Basis	<u>\$ 50,250.00</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, 2019

	<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	\$ 69,200.00	\$	\$ 69,200.00	\$ 69,200.00
Transfer from Capital Reserve	<u>103,800.00</u>	<u>                    </u>	<u>103,800.00</u>	<u>103,800.00</u>
Total Revenues	<u>173,000.00</u>	<u>                    </u>	<u>173,000.00</u>	<u>173,000.00</u>
Expenditures and Other Financing Uses				
Equipment purchases	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>173,000.00</u>
Total Expenditures	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>173,000.00</u>
Excess(Deficiency) of Revenues Over (Under) Expenditures	\$ <u>173,000.00</u>	\$ <u>                    </u>	\$ <u>173,000.00</u>	\$ <u>                    </u>

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	<u>0.00%</u>
Percentage Completion	<u>0.00%</u>
Original Target Completion Date	<u>6/30/17</u>
Revised Target Completion Date	<u>6/30/20</u>



BOROUGH OF ALPINE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
SEPTIC SYSTEM REPLACEMENT  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

	<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	\$ 53,640.00	\$	\$ 53,640.00	\$ 53,640.00
Transfer from Capital Reserve	80,460.00		80,460.00	80,460.00
	<u>134,100.00</u>		<u>134,100.00</u>	<u>134,100.00</u>
Total Revenues				
Expenditures and Other Financing Uses				
Construction Services	134,010.00		134,010.00	134,100.00
	<u>134,010.00</u>		<u>134,010.00</u>	<u>134,100.00</u>
Total Expenditures				
Excess(Deficiency) of Revenues Over (Under) Expenditures	\$ <u>90.00</u>	\$ <u></u>	\$ <u>90.00</u>	\$ <u></u>
Additional Project Information:				
Project Number	<u>0080-010-14-G1CN</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>53,640.00</u>			
Local Share	<u>80,460.00</u>			
Original Authorized Cost	<u>134,100.00</u>			
Additional Authorized Cost	<u></u>			
Revised Authorized Cost	<u>134,100.00</u>			
Percentage Increase Over Original Authorized Cost	<u>0.00%</u>			
Percentage Completion	<u>99.93%</u>			
Original Target Completion Date	<u>6/30/18</u>			
Revised Target Completion Date	<u>6/30/20</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, 2019

	SECURITY DEPOSITS	UNEMPLOYMENT COMPENSATION TRUST	TOTAL TRUST FUNDS	STUDENT ACTIVITY	AGENCY FUNDS PAYROLL AGENCY	TOTAL AGENCY FUNDS
ASSETS:						
Cash and cash equivalents	\$ 6,550.00	\$ 2,542.35	\$ 9,092.35	\$ 11,613.21	\$ 70,821.81	\$ 82,435.02
Total assets	<u>\$ 6,550.00</u>	<u>\$ 2,542.35</u>	<u>\$ 9,092.35</u>	<u>\$ 11,613.21</u>	<u>\$ 70,821.81</u>	<u>\$ 82,435.02</u>
LIABILITIES:						
Payroll deductions and withholdings					\$ 63,447.93	\$ 63,447.93
Accrued salaries and wages					7,373.88	7,373.88
Security deposits	6,550.00				0.00	0.00
Due to student groups				11,613.21		11,613.21
Total liabilities	<u>\$ 6,550.00</u>			<u>\$ 11,613.21</u>	<u>\$ 70,821.81</u>	<u>\$ 82,435.02</u>
NET POSITION:						
Held in trust for unemployment claims and other purposes	\$ 2,542.35	\$ 9,092.35				
Total net position	<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, 2019

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>TOTAL</u>
Net position beginning of year	\$ <u>2,542.35</u>	\$ <u>2,542.35</u>
Net position end of year	\$ <u><u>2,542.35</u></u>	\$ <u><u>2,542.35</u></u>

BOROUGH OF ALPINE SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>BALANCE</u> <u>JUNE 30, 2018</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2019</u>
Student Council	\$ 843.46	\$ 453.68	\$ 1,043.28	\$ 253.86
Grade 5	0.73	3,342.00	3,342.00	0.73
Grade 6	839.76	6,529.00	6,183.95	1,184.81
Grade 7	0.62	15,440.00	15,440.00	0.62
Grade 8	11,871.67	43,111.75	47,449.76	7,533.66
Joint Account	<u>-</u>	<u>5,206.00</u>	<u>2,566.47</u>	<u>2,639.53</u>
Total all schools	<u>\$ 13,556.24</u>	<u>\$ 74,082.43</u>	<u>\$ 76,025.46</u>	<u>\$ 11,613.21</u>

BOROUGH OF ALPINE SCHOOL DISTRICT  
PAYROLL AGENCY FUNDS  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>BALANCE</u> <u>8JUNE 30, 2018</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2019</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 61,922.38	\$ 3,259,004.68	\$ 3,250,105.25	\$ 70,821.81
Total assets	<u>\$ 61,922.38</u>	<u>\$ 3,259,004.68</u>	<u>\$ 3,250,105.25</u>	<u>\$ 70,821.81</u>
<b>LIABILITIES:</b>				
Accrued salaries and wages	\$ 2,073.88	\$ 1,777,312.21	\$ 1,772,012.21	\$ 7,373.88
Payroll deductions and withholdings	<u>59,848.50</u>	<u>1,481,692.47</u>	<u>1,478,093.04</u>	<u>63,447.93</u>
Total liabilities	<u>\$ 61,922.38</u>	<u>\$ 3,259,004.68</u>	<u>\$ 3,250,105.25</u>	<u>\$ 70,821.81</u>

**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,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Governmental activities</b>										
Net investment in capital assets	\$ 6,628,529	\$ 6,495,955	\$ 6,445,113	\$ 6,125,815	\$ 2,830,863	\$ 1,899,491	\$ 1,816,548	\$ 1,836,200	\$ 1,855,270	\$ 1,570,204
Restricted	1,887,226	944,954	649,250	911,378	4,031,839	1,223,062	902,588	693,149	361,572	244,157
Unrestricted (Deficit)	(955,757)	(1,114,074)	(1,104,555)	(1,005,004)	(861,481)	337,786	303,352	239,729	174,492	248,464
Total governmental activities net position	\$ 7,559,998	\$ 6,326,835	\$ 5,989,808	\$ 6,032,189	\$ 6,001,221	\$ 3,460,340	\$ 3,022,488	\$ 2,769,078	\$ 2,391,334	\$ 2,062,825
<b>Business-type activities</b>										
Unrestricted	735	859	581	3,078	2,150	2,356	2,465	2,315	720	1,440
Total business-type activities net position	\$ 735	\$ 859	\$ 581	\$ 3,078	\$ 2,150	\$ 2,356	\$ 2,465	\$ 2,315	\$ 720	\$ 1,440
<b>District-wide</b>										
Net investment in capital assets	\$ 6,628,529	\$ 6,495,955	\$ 6,445,113	\$ 6,125,815	\$ 6,125,815	\$ 2,830,863	\$ 1,899,491	\$ 1,816,548	\$ 1,836,200	\$ 1,855,270
Restricted	1,887,226	944,954	649,250	911,378	911,378	4,031,839	1,223,062	693,149	361,572	361,572
Unrestricted (Deficit)	(955,022)	(1,113,215)	(1,103,974)	(1,001,926)	(1,001,926)	(859,331)	340,142	305,817	242,044	175,212
Total district net position	\$ 7,560,733	\$ 6,327,694	\$ 5,990,389	\$ 6,035,267	\$ 6,035,267	\$ 6,003,371	\$ 3,462,696	\$ 3,024,953	\$ 2,771,393	\$ 2,392,054

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 2,370,471	\$ 3,012,779	\$ 2,963,695	\$ 2,497,856	\$ 2,673,832	\$ 2,515,090	\$ 2,926,972	\$ 2,825,691	\$ 2,721,025	\$ 2,700,557
Special education	568,041	562,665	532,521	658,564	830,424	664,834	812,704	876,514	970,393	1,171,495
Other instruction	295,466	141,609	230,621	273,526	270,193	176,651	114,132	106,842	85,175	129,562
Support Services:										
Student and instruction related services	810,009	789,451	799,778	855,321	900,255	778,172	1,130,303	958,822	843,616	723,174
General administrative services	65,487	53,399	53,288	40,615	65,567	49,096	118,054	108,931	117,094	110,867
School administrative services	48,622	82,842	90,097	81,472	44,552	34,250	79,111	76,000	74,431	80,275
Central services and technology	118,782	158,427	134,372	132,074	158,022	156,817	221,137	189,262	171,125	193,714
Plant operations and maintenance	328,868	395,652	437,816	437,267	321,650	326,878	338,885	352,000	373,152	389,856
Pupil transportation	257,409	218,132	200,167	226,738	182,596	149,553	181,075	189,218	231,483	289,667
Unallocated benefits	2,353,220	2,442,690	2,337,276	1,824,708	1,188,343	990,069	40,565	37,362	49,520	48,235
Unallocated depreciation	93,310	83,168	97,164	104,366	101,135	108,795	5,962,939	5,720,642	5,637,014	5,837,402
Total governmental activities expenses	\$ 7,309,684	\$ 7,939,814	\$ 7,876,794	\$ 7,132,506	\$ 6,736,570	\$ 5,950,205	\$ 5,966,592	\$ 5,723,142	\$ 5,642,062	\$ 5,844,333
Business-type activities:										
Food service	586	985	4,153	1,145	3,053	3,556	3,654	2,500	5,048	6,931
Total business-type activities expense	586	985	4,153	1,145	3,053	3,556	3,654	2,500	5,048	6,931
Total district expenses	\$ 7,310,271	\$ 7,940,799	\$ 7,880,947	\$ 7,133,651	\$ 6,739,623	\$ 5,953,761	\$ 5,966,592	\$ 5,723,142	\$ 5,642,062	\$ 5,844,333
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 1,947,420	\$ 1,888,950	\$ 1,631,040	\$ 1,123,155	\$ 1,093,311	\$ 616,308	\$ 635,598	\$ 564,518	\$ 410,193	\$ 19,740
Operating grants and contributions								13,898	137,986	244,713
Capital grants and contributions										
Total governmental activities program revenues	\$ 1,947,420	\$ 1,888,950	\$ 1,631,040	\$ 1,123,155	\$ 1,093,311	\$ 616,308	\$ 635,598	\$ 604,532	\$ 575,479	\$ 901,730
Business-type activities:										
Charges for services:										
Food service	462	1,072	1,256	1,542	2,006	2,441	2,596	2,835	3,070	3,965
Operating grants and contributions										
Total business type activities program revenues	462	1,263	1,655	2,073	2,847	3,447	3,804	4,094	4,328	5,397
Total district program revenues	\$ 1,947,882	\$ 1,890,213	\$ 1,632,695	\$ 1,125,227	\$ 1,096,158	\$ 619,754	\$ 639,403	\$ 608,626	\$ 579,806	\$ 907,126
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (5,362,264)	\$ (6,060,864)	\$ (6,245,754)	\$ (6,009,351)	\$ (6,009,351)	\$ (5,643,259)	\$ (5,333,897)	\$ (5,327,341)	\$ (5,116,110)	\$ (5,061,536)
Business-type activities	(124)	278	(2,498)	928	928	(206)	(109)	151	1,594	(720)
Total district-wide net expense	\$ (5,362,388)	\$ (6,050,586)	\$ (6,248,252)	\$ (6,008,423)	\$ (6,008,423)	\$ (5,643,465)	\$ (5,334,007)	\$ (5,327,190)	\$ (5,114,516)	\$ (5,062,256)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 6,475,269	\$ 6,314,325	\$ 6,084,841	\$ 5,934,795	\$ 5,818,441	\$ 5,667,351	\$ 5,506,402	\$ 5,401,479	\$ 5,295,568	\$ 5,091,892
Unrestricted grants and contributions				54,250	3,460,730			20,867		14,817
State aid cancelled							(244)			
Miscellaneous income	120,158	73,565	118,534	51,274	86,546	104,398	74,593	92,374	73,611	83,395
Total governmental activities	\$ 6,595,427	\$ 6,387,890	\$ 6,203,375	\$ 6,040,319	\$ 9,365,717	\$ 5,771,749	\$ 5,580,750	\$ 5,493,853	\$ 5,390,046	\$ 5,190,103
<b>Change in Net Position</b>										
Governmental activities	\$ 1,233,163	\$ 337,026	\$ (42,380)	\$ 30,967	\$ 3,722,458	\$ 437,852	\$ 253,410	\$ 377,743	\$ 328,510	\$ 254,431
Business-type activities	(124)	278	(2,498)	928	(206)	(109)	151	1,594	(720)	(1,534)
Total district	\$ 1,233,039	\$ 337,304	\$ (44,878)	\$ 31,895	\$ 3,722,252	\$ 437,742	\$ 253,561	\$ 379,337	\$ 327,790	\$ 252,897

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

	Fiscal Year Ending June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Reserved	\$ 1,777,413	\$ 782,077	\$ 580,856	\$ 464,822	\$ 479,918	\$ 1,206,071	\$ 892,905	\$ 687,819	\$ 387,819	\$ 160,886
Restricted	59,563	40,860	61,153	22,515	86,468	158,354	119,621	89,686	112,547	
Assigned	390,777	290,907	244,572	247,189	248,024	236,423	253,414	205,373	61,945	
Unassigned										170,070
Unreserved										
Total general fund	\$ 2,227,753	\$ 1,113,844	\$ 886,581	\$ 734,526	\$ 814,411	\$ 1,600,848	\$ 1,265,940	\$ 982,878	\$ 562,311	\$ 330,956
All Other Governmental Funds:										
Reserved/Restricted	\$	\$	\$	\$ 52,902	\$ 43,867	\$	\$	\$	\$	\$ 329,608
Committed			153,934	393,654	3,508,054				23,753	
Unreserved, reported in:										
Capital projects fund	50,250	122,016	(91,108)							(122,943)
Total all other governmental funds	\$ 50,250	\$ 122,016	\$ 62,826	\$ 446,556	\$ 3,551,921	\$ -	\$ -	\$ -	\$ 23,753	\$ 206,665

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues</b>										
Tax levy	\$ 6,475,269	\$ 6,314,325	\$ 6,084,841	\$ 5,934,795	\$ 5,818,441	\$ 5,667,351	\$ 5,506,402	\$ 5,401,479	\$ 5,295,568	\$ 5,091,892
Private Contributions	-	-	-	54,250.00	3,460,729.75	-	-	-	-	-
Tuition charges	-	-	-	-	-	-	-	26,116	27,300	13,650
Interest on capital reserve	-	-	-	-	-	-	-	-	327	684
Miscellaneous	126,446	75,113	137,129	60,584	97,113	118,582	74,593	92,374	73,283	300,800
State sources	1,067,104	920,367	735,474	623,506	631,300	544,710	575,965	520,262	504,563	581,315
Federal sources	119,408	110,759	80,689	81,546	49,848	57,413	59,633	59,535	64,483	103,491
Total revenue	7,788,227	7,420,564	7,038,133	6,754,681	10,057,432	6,388,056	6,216,593	6,099,766	5,965,524	6,091,833
<b>Expenditures</b>										
Instruction										
Regular instruction	1,612,852	1,978,027	2,007,938	1,472,852	1,436,834	1,520,517	2,799,929	2,767,073	2,693,458	2,774,086
Special education instruction	161,583	148,564	144,374	281,864	268,930	210,359	857,606	876,514	970,393	1,085,883
Other instruction	295,466	141,609	230,621	273,526	232,122	176,651	114,132	106,842	85,175	129,562
Support Services:										
Tuition	1,158,655	1,429,682	1,331,663	1,398,533	1,535,156	1,444,503	-	-	-	-
Student and instruction related services	828,234	764,751	799,778	855,321	786,001	778,172	1,130,303	958,822	843,616	723,174
General administrative services	65,487	52,399	53,288	40,615	63,518	49,096	117,027	107,904	116,067	80,275
School administrative services	48,622	77,842	90,097	81,472	44,552	34,250	79,111	76,000	74,431	109,840
Central services and technology	118,782	178,427	134,372	132,074	158,022	156,817	221,137	189,262	171,125	193,714
Plant operations and maintenance	328,868	395,652	437,816	437,267	334,273	326,878	338,885	352,000	373,152	389,856
Pupil transportation	257,409	218,132	200,167	226,738	182,596	149,553	181,075	189,218	231,483	289,667
Unallocated employee benefits	1,641,072	1,611,845	1,410,990	1,337,180	1,197,105	1,010,069	-	-	-	-
Capital outlay	229,054	137,181	428,704	3,402,489	1,052,841	196,283	94,082	79,318	358,180	384,593
Total expenditures	6,746,085	7,134,111	7,269,808	9,939,930	7,291,949	6,053,147	5,933,287	5,702,953	5,917,081	6,160,650
Excess (Deficiency) of revenues over (under) expenditures	1,042,143	286,453	(231,675)	(3,185,249)	2,765,483	334,909	283,305	396,813	48,444	(68,817)
<b>Other Financing sources (uses)</b>										
State grant cancelled	-	-	-	-	-	-	(244)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(244)	-	-	-
Net change in fund balances	1,042,143	286,453	(231,675)	(3,185,249)	2,765,483	334,909	283,061	396,813	48,444	(68,817)
Debt service as a percentage of noncapital expenditures	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, 2019

Fiscal Year Ended June 30,	Interest on Investments	Tuition	Rentals	Refunds	Transportation	Misc.	Total
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
2017	4,584		32,750		12,572	68,627	118,534
2018	6,988	7,569	38,310		5,640	15,058	73,565
2019	19,085		43,542		3,000	20,871	86,498

Source: District Records

BOROUGH OF ALPINE SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
JUNE 30, 2019

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized Value)
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
2017	83,552,500	1,801,957,100	94,616,000	*	1,980,125,600	2,458,697,077
2018	80,756,000	1,805,618,900	94,616,000	*	1,980,990,900	2,244,748,895
2019	78,732,500	1,816,103,400	94,616,000	*	1,989,451,900	2,227,580,224

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, 2019  
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	
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
2017	0.310	N/A	0.310	0.168	0.290	0.768
2018	0.319	N/A	0.319	0.169	0.313	0.801
2019	0.332	N/A	0.332	0.174	0.273	0.779

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, 2019

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
F. E. Alpine, Inc	\$ 79,638,600	1	4.00%	\$ 65,593,600	1	3.39%
Montammy Golf Club	50,338,000	2	2.53%	49,363,000	2	2.55%
Taxpayer #1	41,270,600	3	2.07%	42,967,600	3	2.22%
Rio Vista Realty LLC	23,094,400	4	1.16%	23,094,400	4	1.19%
Taxpayer #2	20,959,700	5	1.05%	20,959,700	5	1.08%
Alpine Tower Co.	14,079,900	6	0.71%	14,079,900	6	0.73%
Taxpayer #3	12,796,000	7	0.64%	12,796,000	7	0.66%
Taxpayer #4	11,747,300	8	0.59%	11,747,300	8	0.61%
Canfield Enterprises	10,711,600	9	0.54%	10,711,600	10	0.55%
Taxpayer #5	10,463,200	10	0.53%	11,230,900	9	0.58%
<b>Total</b>	<b>\$ 275,099,300</b>		<b>13.83%</b>	<b>\$ 262,544,000</b>		<b>13.58%</b>

Source: District CAFR J11 and Municipal Tax Assessor



BOROUGH OF ALPINE SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
JUNE 30, 2019

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	
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%	-
2017	6,084,841.00	6,084,841.00	100.00%	-
2018	6,314,325.00	6,314,325.00	100.00%	-
2019	6,475,269.00	6,475,269.00	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		Total District	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			
2010								
2011								
2012								
2013						0.00		
2014						0.00		
2015						0.00		
2016								
2017								
2018								
2019								

Not applicable - No outstanding debt

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

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Total Municipal Assessed Value	Percentage of Actual Taxable Value Of Property (a)	Per Capita (b)
2009	NOT APPLICABLE FOR ALPINE- NO OUTSTANDING DEBT IN THE PERIODS REPORTED					
2010						
2011						
2012						
2013						
2014						
2015						
2016						
2017						
2018						
2019						

**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, 2018  
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 is 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, 2019

Legal Debt Margin Calculation for Calendar Year 2018

Equalized valuation basis	
2018	\$ 2,218,106,483
2017	2,243,768,385
2016	2,437,030,765
	<u>\$ 6,898,905,633</u>
Average equalized valuation of taxable property	
	\$ 2,299,635,211

Debt limit (3% of avg equalized value)	68,989,056
Net bonded school debt	
Legal debt margin	<u>\$ 68,989,056</u>

	Calendar Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 66,753,602	\$ 70,959,161	\$ 70,064,003	\$ 69,916,193	\$ 68,802,587	\$ 70,433,823	\$ 70,688,407	\$ 71,857,421	\$ 69,848,659	\$ 68,989,056
Total net debt applicable to limit	<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>	<u>\$ 69,848,659</u>	<u>\$ 68,989,056</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 Rates 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>
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%	75,849	1,917
2016	2.6%	77,187	1,869
2017	2.4%	77,901	1,890
2018	2.4%	81,203	1,820

\* 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

Employer	2019			2010		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
	-		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, 2019  
 UNAUDITED

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction										
Regular	30	30	30	30	30	30	30	30	31	20.26
Special education	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	4	3.8
Other special education	1	1	1	1	1	1	1	1	1	2
Support Services:										
Tuition	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	4	5.3
General administrative services	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	2.8	0.18
School administrative services	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	0.3	0.53
Business administrative services	1	1	1	1	1	1	1	1	1.45	1.4
Plant operations and maintenance	0.45	0.45	1	0.45	0.45	0.45	0.45	0.45	2	1.8
Pupil transportation	0.4	0.4	0.4	0.2	0.2	0.2	0.2	0.2	0.45	0.4
Technology									2	1
<b>Total</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>	<b>39.8</b>	<b>49</b>	<b>36.67</b>

Source: District Personnel Records



BOROUGH OF ALPINE SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
JUNE 30, 2019

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			High School	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	School					
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	155	6,537,441	42,286	5.73%	*	*	*	*	155	148	-0.90%	95.86%	
2017	159	6,841,103	43,026	1.75%	*	*	*	*	157	148	1.77%	94.36%	
2018	148	6,996,930	47,277	9.88%	*	*	*	*	147	139	-6.57%	94.56%	
2019	148	6,517,031	44,034	-6.86%	*	*	*	*	139	132	-5.44%	94.96%	

\* 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, 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<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	51,137	51,137	51,137	51,137
Capacity (students)	*	*	*	*	*	*	*	*	*	*
Enrollment	142	153	148	146	163	156	155	159	148	148

Number of Schools at June 30, 2019  
 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 any 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, 2019  
UNAUDITED

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

School Facilities	Project # (s)	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Alpine School	N/A	\$ 44,383.29	\$ 49,065.71	\$ 92,620.28	\$ 111,635.18	\$ 67,431.08	\$ 23,980.12	\$ 9,244.00	\$ 59,222.69	\$ 48,390.69	\$ 46,174.00
Total School Facilities		44,383.29	49,065.71	92,620.28	111,635.18	67,431.08	23,980.12	9,244.00	59,222.69	48,390.69	46,174.00
Grand Total		\$ 44,383.29	\$ 49,065.71	\$ 92,620.28	\$ 111,635.18	\$ 67,431.08	\$ 23,980.12	\$ 9,244.00	\$ 59,222.69	\$ 48,390.69	\$ 46,174.00

BOROUGH OF ALPINE SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2019  
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Package Policy		
Property - Building and Contents	\$ 29,878,902.00	\$ 5,000.00
Comprehensive General Liability	1,000,000.00	
Crime Coverage - Employee Dishonesty	100,000.00	5,000.00
Employee Dishonesty - Per Loss	500,000.00	100,000.00
Boiler and Machinery/Equipment Breakdown	Blanket Limit	5,000.00
Umbrella Liability Policy		
Umbrella Policy	9,000,000.00	
School Board Legal Liability Policy	1,000,000.00	20,000.00
Public Official Bonds:		
Marilyn Hayward - Treasurer of School Monies	200,000.00	
Olga Yarmolina- Business Administrator/Board Secretary	85,000.00	

Source:

School District Records

**SINGLE AUDIT SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Honorable President and Members  
of the Board of Education  
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, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Borough of Alpine School District, in the County of Bergen, State of New Jersey (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 19, 2019.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 District's internal control.

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

**SUPLEE, CLOONEY & COMPANY**

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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. However, material weaknesses may exist that have not been identified.

***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

November 19, 2019



**SUPLEE, CLOONEY & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL  
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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

***Report on Compliance for Each Major Federal and State Program***

We have audited the Borough of Alpine School District's, in the County of Bergen, State of New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2019. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey *OMB 15-08*. Those standards, the Uniform Guidance and New Jersey *OMB 15-08* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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



# SUPLEE, CLOONEY & COMPANY

## **Opinion on Each Major Federal and State Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2018.

## **Report on Internal Control Over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and State of New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 948

November 19, 2019

BOROUGH OF ALPINE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FAIN	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2018	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEAR'S BALANCE	BALANCE AT JUNE 30, 2019		DUE TO GRANTOR
											ACCOUNTS RECEIVABLE	UNEARNED REVENUE	
10.556	Enterprise Funds: U.S. Department of Agriculture Passed-Through State Department of Education: Special Milk Program Total U.S. Department of Agriculture	181NJ304N1089	7/1/17-6/30/18	\$ 191.32	\$(52.50) \$(52.50)	0.00	52.50 52.50	0.00	0.00	0.00	0.00	0.00	0.00
84.367A	Special Revenue Funds: U.S. Department of Education Passed-Through State Department of Education: NCLB Title II A Total Title IIA	S367A180029	9/1/18-8/31/19	11,278.00	0.00	0.00	11,278.00 11,278.00	(11,278.00) (11,278.00)	0.00	0.00	0.00	0.00	0.00
84.424	NCLB Title IV	S424A180031	9/1/18-8/31/19	11,471.00	0.00	0.00	11,471.00	(11,471.00)	0.00	0.00	0.00	0.00	0.00
84.010 84.010	NCLB Title I Part A NCLB Title I Part A	S010A180030 S010A180030	9/1/18-8/31/19 9/1/17-8/31/18	50,452.00 45,850.00	(3,426.06) (3,426.06)	0.00	49,934.00 3,426.06 53,360.06	(50,452.00) (50,452.00)	0.00	0.00	(518.00) (518.00)	0.00	0.00
84.027 84.173	Special Education Cluster I.D.E.A. Part B, Basic I.D.E.A. Part B-Preschool Total Special Education Cluster	H027A180100 H173A180114	9/1/18-8/31/19 9/1/18-8/31/19	43,408.00 2,799.00	0.00	0.00	43,408.00 43,408.00	(43,408.00) (46,207.00)	0.00	0.00	0.00 (2,799.00) (2,799.00)	0.00	0.00
	Total Special Revenue Fund			##	##	##	119,517.06	(119,408.00)	0.00	0.00	(3,317.00)	0.00	##
	Total Federal Financial Assistance			\$	##	##	\$ 119,569.56	##	\$ 0.00	\$ 0.00	##	\$ 0.00	\$ 0.00

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, 2019

STATE GRANTOR/PROGRAM TITLE State Department of Education	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2018			CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS BALANCES			BALANCE AT JUNE 30, 2019			MEMO	
				ACCOUNTS RECEIVABLE	UNEARNED REVENUE	DUE TO GRANTOR				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	19-495-034-5120-084	7/1/18-6/30/19	\$ 15,978.00	\$	\$	\$	\$ 15,978.00	\$ (15,978.00)	\$	\$	\$	\$	\$	\$	\$	\$	\$
Categorical Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	\$ 82,020.00	0.00	0.00	0.00	82,127.00	(82,020.00)	16,893.00	0.00	0.00	0.00	0.00	0.00	0.00	(16,893.00)	15,978.00
Total State Aid Cluster				0.00	0.00	0.00	98,105.00	(97,998.00)	16,893.00	0.00	0.00	0.00	0.00	0.00	0.00	(16,893.00)	32,020.00
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	\$ 74,112.00	\$	\$	\$	\$ 74,112.00	\$ (74,112.00)	\$	\$	\$	\$	\$	\$	\$	\$	\$
Extraordinary Aid	18-100-034-5120-044	7/1/17-6/30/18	88,231.00	(88,886.00)			89,231.00	(843.00)									345.00
Additional Non-Public Transportation Aid	18-100-034-5120-044	7/1/18-6/30/19	168,915.00	0.00			11,310.00	(168,915.00)								(168,915.00)	168,915.00
On-Behalf TPAF Post-Retirement Contributions	18-465-034-5120-014	7/1/18-6/30/19	8,410.00	0.00			388,811.00	(8,410.00)								(8,410.00)	8,410.00
On-Behalf TPAF Long-Term Disability Insurance	18-465-034-5094-002	7/1/18-6/30/19	388,811.00	0.00			8,139.00	(8,139.00)									8,139.00
On-Behalf TPAF Long-Term Disability Insurance	18-465-034-5094-004	7/1/18-6/30/19	8,139.00	0.00			378.00	(378.00)									378.00
On-Behalf TPAF Social Security Contributions	18-465-034-5094-001	7/1/18-6/30/19	180,056.00	(14,588.00)			180,056.00	(180,056.00)									180,056.00
Reimbursed TPAF Social Security Contributions	18-465-034-5094-003	7/1/17-6/30/18	139,069.06	0.00			140,570.38	(147,543.96)								(6,973.58)	0.00
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18-6/30/19	147,543.96	(114,794.00)	0.00	0.00	907,205.38	(976,709.96)	0.00	0.00	0.00	0.00	0.00	0.00	(177,525.00)	147,543.96	
Total State Financial Assistance			\$ (114,794.00)	\$ 0.00	\$ 0.00	\$ 988,310.38	\$ (1,074,707.96)	\$ (184,298.58)	\$ 16,893.00	\$	\$	\$	\$	\$	\$ (194,218.00)	\$ 1,074,707.96	

Less: On-Behalf amounts not utilized for determination of Major Programs:  
 On-Behalf TPAF Post-Retirement Contributions 388,811.00 (388,811.00)  
 On-Behalf TPAF Non-Contributory Insurance 8,139.00 (8,139.00)  
 On-Behalf TPAF Long-Term Disability Insurance 378.00 (378.00)  
 On-Behalf TPAF Post-Retirement Medical 180,056.00 (180,056.00)  
 Total State Financial Assistance Subject to Single Audit \$ 410,926.38 (497,323.96)

See accompanying notes to schedules of expenditures of financial assistance.

**Alpine Borough School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2019**

**NOTE 1: GENERAL**

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

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and 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 Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. 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 statements or schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid 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.

**Alpine Borough School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2019**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$7,604.00) for the general fund, and (-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	\$	\$1,067,103.96	\$1,067,103.96
Special Revenue Fund	<u>119,408.00</u>	<u>                    </u>	<u>119,408.00</u>
Total Awards and Financial Assistance	<u>\$119,408.00</u>	<u>\$1,067,103.96</u>	<u>\$1,186,511.96</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, post-retirement medical benefits and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2019. 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, 2019

**Alpine Borough School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2019**

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

**Financial Statements**

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

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

**State Program(s)**

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

<u>Program</u>	<u>Grant Number</u>
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003
State Aid Cluster:	
Security Aid	19-495-034-5120-084
Special Education Categorical Aid	19-495-034-5120-089

**Borough of Alpine School District**  
**Bergen County, New Jersey**

**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2019**

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

**State Program(s) (Continued)**

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

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

**Internal Control Findings**

None Reported

**Compliance Findings**

None Reported

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

Federal Programs – Not Applicable

State Programs – None Reported

**Alpine Borough School District**  
**Schedule of Prior Year Audit Findings**

Not Applicable





